

15 September 2011

The Honorable Harry Reid
Office of the Senate Majority Leader
S-221 Capitol Building
Washington, DC 20510

Dear Senator Reid:

I am writing on behalf of the Institute of Electrical and Electronics Engineers-United States of America (IEEE-USA) to urge you to act quickly to reauthorize the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs which are scheduled to expire on September 30th.

When addressing issues related to economic growth and competitiveness, Congress has given special consideration to small, high-tech firms -- in recognition that data indicates such companies tend to be highly innovative and productive in technological advancement; and contribute to a high standard of living in the United States. In a recent report by the National Academy, it was noted that the SBIR and STTR programs are achieving their goals of increasing innovation, encouraging participation by small companies in federal R&D and providing support for small businesses in a cost-effective manner.

To continue to improve the SBIR program, IEEE-USA recommends that SBIR re-authorization legislation include the following provisions:

1. Basic Phase I, Phase II, and Phase III structure should be preserved and direct application for Phase II funding not be allowed.
2. Conduct regular evaluations through annual reports and internal and external evaluations.
3. Improve the program process by assuring the topics are defined bottom-up, the selection process and cycle time/milestones are transparent, and that pilot programs are developed.
4. Increase agency budgets to double SBIR agency set-asides for Phase I and II limits to keep up with inflation.
5. Award processing periods should be standardized, and decision cycles should be shortened for all agencies.
6. Awards should be based on merit, and not limited by award number.

7. Agencies adopt funding mechanisms beyond Phase II [such as the NSF Phase II-B program, the NIH continuation awards and the Navy's Phase II-B and III].
8. Internal tracking mechanisms be upgraded and separate funds for management and evaluation be provided.
9. Retain conditions for Venture Capital firms to participate in the SBIR program. Require a commercialization strategy in Phase I, a more detailed and specific plan in Phase II, and a plan for obtaining non-SBIR funding for Phase III.
10. The Small Business Administration standardizes, as much as possible, all SBIR reports and output, so that it can be easily put into a database for entrepreneurs.
11. Agencies encourage women and minorities at small firms to apply as principal investigators and senior investigators for SBIR awards, and track success rates.

Small businesses create jobs, particularly for scientists and engineers, which is what leads to breakthrough innovations that fuel large business employment. The SBIR and STTR programs are both small, relative to most government research programs. But the funds they provide make a huge difference to the companies that receive them and to our broader economy. Our nation's small businesses need to know that these programs will be around, not just for another month or two, but for years. This requires a multiyear reauthorization, not another short extension. Thank you for your attention to this important issue.

IEEE-USA advances the public good and promotes the careers and public policy interests of 210,000 engineering, computing and technology professionals who are U.S. members of IEEE. <http://www.ieeeusa.org>. If we can be of further assistance, please contact Bill Williams in our Washington office at (202) 530-8331 or email at bill.williams@ieee.org.

Sincerely,



Ronald G. Jensen
IEEE-USA President



15 September 2011

The Honorable John Boehner
Office of the Speaker of the House of Representatives
H-232 Capitol Building
Washington, DC 20515:

Dear Mr. Speaker:

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