



Testimony  
Of  
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Washington, DC

Subcommittee on Rural Enterprise, Agriculture and Technology Policy  
House Small Business Committee

July 27, 2005

H.R. 2937 and Related Issues in the Small Business Innovation Research (SBIR)  
Program

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Mr. Chairman and Members of the Subcommittee, thank you for allowing me to appear here today.

I am Jere Glover, Executive Director of the Small Business Technology Council. SBTC is the nation's largest organization of small, technology-based businesses in diverse fields. Over 200 SBTC members have received contract awards under the Small Business Innovation Research (SBIR) Program.

I also have been deeply involved in small business policy for 27 years, including 7 years as the Chief Counsel for Advocacy at the Small Business Administration.

I believe that what is at stake here today is nothing less than the direction of the SBIR Program and the future of small business innovation. H.R. 2943 and a related rulemaking by SBA would bring about a fundamental shift in a successful, widely-praised federal program that has yielded more than 45,000 technology patents and hundreds of billions of dollars in technology innovations since 1982.

Since the Program's inception, its focus has been on funding early-stage innovations and developing them. Its underlying statute has limited it to companies with fewer than 500 employees.

There has always been a place for venture capital companies in the SBIR Program. The commercialization phase of SBIR, "Phase III," was explicitly designed to facilitate venture capital (VC) partnerships with SBIR companies.

Venture capital firms of any size may own minority stakes in SBIR companies. Small venture capital firms – those with fewer than 500 employees, including affiliates and subsidiaries – may own *majority* stakes in SBIR companies, as long as the VC is, in turn, owned by individuals.

Where SBA draws the line - because both common sense and the statute tell it to - is in allowing large VC's to control SBIR companies. That amounts to calling a large business a small business. It also flies in the face of Congress' core definition of a small business, established over half a century ago: **A small business is one that is independently**

**owned and operated.** The citation is 15 USC 632. Dozens of laws and regulations are based on this simple legal phrase.

Now large venture capital (VC) firms, and some in the biotech industry, want this changed. They want access to SBIR contract awards irrespective of the true size of the company.

Contrary to the repeated claims of those proposing this change, there never was a time when SBA allowed big VC's to control SBIR companies. There were times when SBA *did not know* it was occurring, and times when SBA *learned of it happening after the fact* and took appropriate action. But to state that SBA used to allow it and no longer does is untrue.

To my knowledge this is the first time in the history of the Small Business Administration that Congress has been asked to redefine small business to include large businesses and companies that are owned or operated by them.

### A Change Opposed By Its Supposed Beneficiaries?

When this assault on the SBIR Program began two years ago, I wondered what the reaction would be in the SBIR community. After all, the VC's offered the promise of an expanded access to investment capital.

I got my first taste of the reaction when, in 2003, we matter-of-factly put the issue before the SBTC Board, 19 of whose 21 members were current or former SBIR awardees. The vote was both unanimous and vehement -- against the proposal. A subsequent poll of our full membership was nearly as strong and equally vociferous.

But what about the companies most likely to benefit?

The proposal to let big VC's obtain majority interests in SBIR companies has been heavily promoted as a boon to biotechnology companies that obtain SBIR contract awards from the National Institutes of Health (NIH).

We wondered how these companies felt about the proposal.

At the House Science Committee hearing on the issue in April, two small biotech companies testified against the proposal. Today a financial consultant to small biotech companies is testifying against it.

Are these companies and consultants representative?

Recently, we contacted all the companies that had won SBIR awards from NIH in the past two years. We asked them to read two position papers that are very similar in their

focus. One was in favor of the proposed change. It was drafted by the Biotechnology Industry Organization (BIO). The other opposed the change – same length, focusing on the same points, and not directly taking issue with the BIO paper. SBTC drafted it.

Then we asked the respondents to vote on whether they wanted to allow large VC's into the SBIR program. I must say the response surprised even us. Mind you, this is a pool of *potential beneficiary companies*. Yet **90% opposed the change**.

Even when we asked a slightly different question – whether to let VC's into the SBIR Program if the VC's were owned by companies and institutions rather than individuals -- the answer came through equally clear: **89% opposed**. (Attachment A)

Now, why would companies that have something to gain from this proposal oppose it?

### SBA's Questions

For a glimpse at the answer, we can turn to the set of questions that SBA has been asking of people who offer written and oral comments on the proposal:

Would allowing large VC's to control SBIR companies:

- Shift the program toward lower-risk technologies that are closer to the market?
- Increase the geographic concentration of the program (in states like California and Massachusetts, where VC's are most active)?
- Change the profile of successful and unsuccessful SBIR companies?
- Lead to calls for a further change in the SBIR rules – like allowing large institutions such as universities to own SBIR companies?
- Shift the profile of the SBIR program more toward multiple and repeat award winners?

Our answer to each of these questions was “yes.” That's also been the reaction of a great many small company commenters on the issue.

What many, if not most, of the commenters seem to grasp is this:

Venture capital companies operate according to relatively settled business models. They look for rapid, high-double-or-triple-digit percentage paybacks. This approach fits technologies that are lower-risk, have large numbers of potential customers, and are nearing commercialization. It rarely fits technologies in the early conceptual and design

phases (equivalent to Phases I and II of the SBIR Program) or technologies with fewer potential customers and larger downstream risks.

In many situations, however, the technological gaps that federal agencies are trying to fill through the SBIR Program are inherently “narrow” and “risky”. The only “customer” may be the federal government itself. Consider defense technology innovations, the largest component of the SBIR Program by dollar value. Venture investments have been rare in these technologies because they are “exotic” and likely to have a single buyer (the Department of Defense). Similarly, major pharmaceutical companies have tended to invest in “blockbuster” biotechnologies aimed at large markets rather than diagnostics, research tools, unusual illnesses or “orphan diseases”.

### Venture Capital Company Priorities – Or Agency Mission Priorities?

The SBIR program is extremely competitive. For every award that is made under the program there are seven companies and technologies that are not funded. This is particularly true for the NIH, where there were 1,000 more applications for the SBIR program in 2004 than there were in 2003. Over 80% of the small businesses who apply for a SBIR award do not win.

If large VC’s and the dollars they represent begin flowing into the SBIR Program, the program will inevitably be transformed. By definition, large VC’s will have greater resources to devote to winning SBIR contract awards than will smaller technology companies, even smaller companies backed by small VC’s. SBIR applicants that are backed by companies with millions – or billions – of dollars in revenue, and hundreds – or thousands – of employees, can logically be expected to produce far larger quantities of far more polished applications than truly small companies. Moreover, larger companies can invest far more time and effort in developing relationships with the contracting agencies, officials and program managers. In time, this could very well shift agency SBIR solicitations further and further toward the preferences and capabilities of the larger companies.

And VC’s do have preferences about the research focuses of their technology investments. Broadly speaking, they reflect Wall Street’s preferences at any given time.

Large VC’s in the SBIR program will drive companies and technologies in the direction of these preferences. SBIR companies that fit the preferred VC profiles are likely to be the winners in this transformation; those that don’t, the losers. The more prominent the VC presence and cash flow becomes, the more pronounced this shift is likely to become.

And VC’s themselves are only the beginning. Once such large venture capital owned and controlled companies have broken through the legal framework that has kept them out of the SBIR Program, there would be no equitable argument for keeping universities, corporations, and other large research institutions from participating in the program.

Yet the legislative history of the SBIR Program clearly shows that it was developed precisely for the purpose of allocating a share of federal R&D contracts to small businesses, *so that* universities and large corporations would not monopolize these contracts.

Stepping a bit further back, if SBA waives its affiliation rules in this situation – for the first time in the fifty-plus year history of the agency and the Small Business Act – it would open up every other small business program in the nation to challenge.

If large companies can force their way into the SBIR Program, why should they be kept out of the SBA's other federal procurement programs, its 7(a) lending program, its Small Business Investment Company program, its surety bond guarantees? Why should SBA's Office of Advocacy continue to distinguish between large and small companies in its efforts to reduce the federal regulatory burden?

The implications of this proposed rule thus transcend the SBIR Program itself, federal R&D contracting, or even overall purchasing practices by the federal government.

### Geographic Concentration

Allowing large VC's to control SBIR companies also would be likely to further concentrate SBIR awards in states like California and Massachusetts, where the VC's make 58% of their investments. Ten states account for 85% of VC investments, while fourteen states did not receive a *single* venture capital investment last year. Likewise, none of the 100 largest VC's were located in thirty-one states. Only two percent of venture capital goes to seed and early stage investment-the type SBIR companies need most. (See attachments B and C.) Yet technology-based companies are found throughout the nation. Congress has repeatedly emphasized that it wants the SBIR Program to harvest useful technologies from all areas of the country.

### A Solution for the Problem

The SBIR Program consists *entirely* of a 2½% allocation of federal R&D contracting dollars by ten large agencies. Large companies, including VC's, have multiple means of access to the remaining 97½%, but something more specific also may be possible.

In the recent House Science Committee hearing, several witnesses – including some of those favoring the large VC’s – seemed to come together around the idea of developing a new program from “a blank sheet of paper” that would meet the needs of large VC’s, using a tiny fraction of the remaining 97½% of NIH’s funds. This is surely a notion worth exploring. There would be no need to distort a small business program by letting big companies into it. Nor would there be friction between program goals that emphasize early-stage R&D needed by the federal government and the VC’s normal focus on later-stage R&D work in technology areas favored by investors.

SBTC would be willing to help craft such a proposal. And from what we know of recent changes at NIH, the agency might welcome it.

The SBIR program has worked well for over 20 years. There have been very few changes to this successful program. Changing the Small Business Act to allow large businesses to compete as though they are small businesses is a bad idea.

The Small Business Technology Council strongly opposes S. 1263 and H.R. 2943.

We urge the bills’ backers to rethink their approach. We are prepared to work with them on this.

Thank you for allowing me to testify.

# Exhibit A



## **PRESS RELEASE**

### **Survey Shows Small Tech Companies Oppose Proposed Changes in Federal R&D Contract Awards**

July 26, 2005

#### **FOR IMMEDIATE RELEASE**

#### **Contacts:**

Jim Morrison, 202-785-4300, or Rob Yunich, 202-293-8830

**Washington, D.C.** - A precedent-shattering proposal to give large venture capital firms greater access to the federal government's top research and development program (R&D) for small companies is opposed by 90 percent of the most affected R&D companies.

That is the key finding in a survey released today by the Small Business Technology Council, the nation's largest organization of small technology-based companies in diverse fields.

At stake is the overall direction of the Small Business Innovation Research (SBIR) program, a widely-praised federal program that has yielded more than 45,000 technology patents and hundreds of billions of dollars in technology innovations since 1982. Large venture capital (VC) firms that are ineligible to control companies in the SBIR program are seeking changes in the program's rules to allow such control.

The proposal has been heavily promoted as a way to aid biotechnology companies receiving SBIR awards from the National Institutes of Health (NIH).

SBTC surveyed a group of likely beneficiaries -- all SBIR contract awardees from NIH during the past two years. The changes sought by the large venture capital companies would give these awardees wider access to venture capital, if they and the VCs agreed.

Survey respondents were presented with a position paper prepared by the Biotechnology Industry Organization (BIO) in support of the proposed changes, and an SBTC position paper of equal length, covering the same points, opposing the changes.

When then asked whether they "favor allowing large venture capital firms to control companies in the SBIR program," **90 percent of the NIH awardees respondents said they were opposed.**

When asked a related question, whether they favored "allowing VCs that are owned other companies, universities, pension funds and other institutions to control companies in the SBIR program," **89 percent of these potential beneficiary companies said they were opposed.**

#### **BACKGROUND INFORMATION**

***The SBIR program:*** SBIR was created by Congress in 1982 to help meet the federal government's own R&D needs. The program allots 2.5 percent of the R&D budgets of 10 federal agencies to a competitive program of contracts awards to small businesses. Companies must meet the definition of a small business contained in the SBIR statute (fewer than 500 employees) to qualify for these

contracts. The SBIR program has been repeatedly praised for its effectiveness by such third-party evaluators as the Government Accountability Office, the National Academy of Science, and the National Academy of Engineering.

**Current status of venture capital firms in the SBIR program: SBA permits venture capital firms of all sizes to hold minority interests in SBIR companies.**

*Small* venture capital firms -- defined as those with fewer than 500 employees, including all affiliates and subsidiaries -- may hold a *majority* interest in SBIR companies, as long as the VC is itself owned by individuals and not by other companies or institutions.

*Large* venture capital companies - those not meeting these standards - may hold a minority interest, but not a majority interest, in SBIR companies. That is what large VCs seek to change.

**At issue:** Can a "small" business that is controlled by a large business access a federal R&D program for small business? For this to occur, SBA would have to waive its "affiliation rules" for the first time in the 52-year history of the agency. That is exactly what proponents of the change have sought. Without waiting for SBA to act on that request, they are now asking Congress to legislatively void the "affiliation rules" for large venture capital firms (*S. 1263, H.R. 2943*). Doing so would contradict the legal principle underlying dozens of small business laws and hundreds of regulations -- that a small business is one that is "independently owned and operated" (15 USC 632a).

**Other questions:** Why should large venture capital companies be given access to a 2.5 percent allocation for small business when they already have access to much of the remaining 97.5 percent as well as more than \$53 billion in their own uninvested capital? \*

How would the whole SBIR program change if large companies have access to it? Is it meaningful to call it a "small business" program at that point?

How would the research direction of the program change? Would it shift away from the early-stage research that the program has always emphasized and toward late-stage technologies that venture capital firms have always preferred? How would such a change impact upon the nation's innovations?

#### **ABOUT SBTC**

SBTC is the nation's largest organization of small technology-based companies in diverse fields. More than 200 SBTC members have received competitive R&D contract awards from the SBIR program. SBTC also serves as the technology council of the National Small Business Association, the nation's oldest nonprofit advocacy organization for small business, which today represents more than 150,000 small companies. Visit our Web site, [SBTC.org](http://SBTC.org).

#### **ABOUT THE SURVEY**

The SBTC survey was sent to a list of 535 SBIR award winners at NIH during the past two years. The survey instrument stated neutrally that there was a controversy regarding the role of venture capital companies in the SBIR program. It invited respondents to view the arguments in favor of changing venture capital company access to SBIR, via a link to a position paper on the Biotechnology Industry Organization Web site, and arguments opposed, via a link to a parallel position paper on the SBTC website. Respondents then were asked to vote on the two questions stated above. Seventy companies, representing about 13 percent of the sample, responded to the survey.

\***Source:** VC Funds Overhang Survey, Dow Jones Venture One, March 24, 2005

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# Exhibit B

New Growth

**After a long winter, VC funding is beginning to bloom again.**

[Entrepreneur magazine](#) - [July 2005](#)

*Editor's note: To view our VC 100 listing, click [here](#). On this page, you'll also find an online exclusive listing of top VC firms for later-stage companies and a chart mapping the current health of VC investing from Q1 2005.*

After three years of relative drought, the "MoneyTree" is growing again. A total of 608 startup and early stage companies got their first round of venture capital in 2004, according to a special analysis of the "MoneyTree Survey" prepared for *Entrepreneur* by PricewaterhouseCoopers, Thomson Venture Economics and the National Venture Capital Association. Together, those early stage companies received \$2.68 billion in funding. Both figures are up notably from 2003--the first increases in three years. On average, startup companies received \$2.1 million each, while early stage companies averaged \$5 million each.

More encouraging is that the factors underlying this growth are organic. Since investing peaked in 2000, VC firms have naturally spent a large portion of their time working with companies in which they had already invested. Now, as many of those companies have matured, VCs can turn more attention toward the next crop of seedlings. The VCs on this year's list are doing just that: The median number of first-time investments in startup and early stage companies is four, compared to a median of three last year. This year, VCs had to complete at least three qualifying deals just to make it onto the list. Last year, two was enough.

Still, cultivating venture capital is no easy task. Entrepreneurs must combine an idea's potential with equal measures of prudence and perseverance. --*Tracy Lefteroff, global managing partner, venture capital practice, [PricewaterhouseCoopers](#)*

### **About Our Extended Listing**

Your company doesn't have to be in the formative stage to secure venture capital. In 2004, a total of 188 companies that were further along in their development cycle got their first round of venture capital--and these companies received more money on average. The 156 expansion-stage companies got an average \$8.4 million each; the 32 later-stage companies did even better, with \$13.5 million on average. The 2004 listing of the most active VC firms investing appears on our main [Venture Capital 100](#) page.

### **Crunching the Numbers**

Wondering how we came up with this list of the top venture capital firms for entrepreneurs? Rankings are based on the number of first-time fundings to companies in the startup and early stages of development made by VC firms and similar entities in calendar year 2004, as measured by the "MoneyTree Survey" from PricewaterhouseCoopers, Thomson Venture Economics and the National Venture Capital Association (at [www.pwcmoneytree.com](http://www.pwcmoneytree.com)).

Companies in the startup stage of development may have been in business for only a few months. Companies in the early stage of development have generally been in operation less than 24 months. These fundings represent the first time a company receives financing from a professional VC firm in exchange for equity. More mature companies--those in the expansion or late stages of development--are not included in the analysis even though they may have gotten venture capital for the first time in 2004.

# Exhibit C

## Ten States Attract 85% of Venture Funds; Seed Deals Less than 2%

05/03/2005

**By:**

*George Lipper*

National Association of Seed and Venture Funds

Chicago, IL

<http://www.nasvf.org/web/allpress.nsf/pages/10907>

**Categories:**

· VC Industry

**Preview:**

A state-by-state look, courtesy of the Money Tree, at first quarter venture investing and an analysis of the trend line in venture capital risk avoidance. Ten states get 85% of the venture funds. Seed stage companies attract less than 2%

**Article:**

There is precious little evidence in the first quarter 'Money Tree' statistics to suggest that startup and early stage companies are attracting a larger share of the total capital being invested by those companies reporting their data to the PricewaterhouseCoopers/National Venture Capital Association/Thompson Economics information system. Last week's NetNews reported the bable of bragging rights carried in local papers. Today we'll examine some of the devil in the detail of the statistics.

First of all, let's take a look at the state-by state distributions. Not much new here. California captured nearly half the dollars (46.3%) and Massachusetts scored a distant second with 12.3% with about \$569 million. Total venture capital distributions over the past ten years show these two coastal centers usually claim more than half the money. Other states reaping more than \$100 million include, in order, Texas (7.5%), New York (3.7%) Colorado (3.5%), Pennsylvania (2.9%), New Jersey (2.7%) and Washington (2.3%). Florida and North Carolina just missed the hundred-million level. As the stories last week noted, several states made the elite list because of a single huge investment. These ten states snared more than 85% of the money.

At the other end of the spectrum 14 states failed to capture a single deal, including, not only the regulars at that table, but a couple of surprises in Michiagn and Wisconsin. Alaska, Iowa, Kansas, Louisiana, Maine, Mississippi, Montana, North Dakota, Nebraska, Nevada, Oklahoma and South Dakota also had zeros aside their nameplates.

States that registered a single investment include Alabama, Arkansas, Idaho, Indiana, Kentucky, South Carolina, Vermont and Wyoming.

In fairness, it should be noted that while the 'Money Tree' data collection system is robust, it does not capture the details of every venture investment because it is a voluntary reporting system. It does obtain about 70% cooperation, certainly enough for useful relative comparisons.

But perhaps more important that the geography of venture capital is the trend line. We've noted in these quarterly examinations that the venture capital distributions have increasingly been moving to safer, later stage deals over the past several years. The VC community enjoys professing its role as the source of seed and startup companies that eventually grow to become the gazelles of tomorrow, but the statistics tell a different tale.

We've been tracking the trend line for seed deals closely, because that's the space in which we work. We've watched it diminish over the past decade from about 20% of distributed funds to about 2%. So this month, we decided to look from another angle. Same results:

The chart above examines 'stage of development' statistics in the first quarter of each of the past three years...then looks back to a pre-bubble first quarter of roughly the same overall size. Note if you will that more than 18% of the deals and 10% of the money in the first quarter of 1998 was directed to the startup/seed strata. Today, it's so small a slice of the pie that it discourages, not only the fly-over states, but the entrepreneurs in search of financial partners. Expansion and later stage deals now account for more than 80% of venture capital funds.

With the slimming pressures in the federal budget for R&D funds, SBIC's and SBA loans, increasingly worthy entrepreneurs are finding angels as their court of last resort. Fortunately, or perhaps via cause and effect, angel involvement shows significantly increased activity over the past few years, particularly at the sensitive, deprived startup stage.

# Exhibit D

## **An answer to the Greenwood op-ed, from inside the Biotech industry, in the Washington Times...**

Biotech R&D and small firms

Biotechnology Industry Organization (BIO) President James C. Greenwood, in his July 13 Op-Ed column, "Support small business: SBA bill aids biotech firms and marketplace," failed to point out the detrimental impact the legislation he champions would have on hundreds of small, emerging biotech companies across the United States.

The Small Business Innovation Research (SBIR) program was created in 1982 to strengthen the role of small firms in federally supported research and development undertakings. Under the SBIR program, a mere 2.5 percent of the outside funding provided by the National Institutes of Health and several other federal agencies is set aside for small companies. Lawmakers recognized that while small businesses lack the laboratory infrastructure and personnel roster of a major university or large pharmaceutical firm, they tend to be very innovative and accepting of risk and often advance novel products and technologies much faster and less expensively than large, established institutions. After more than two decades, the significant value of the SBIR program has been documented in numerous studies by government and nongovernmental organizations.

Unfortunately, BIO and lobbyists for the venture-capital industry want to usurp this program by passing a law that would entitle firms owned and controlled by large pension funds, insurance companies and other large institutional investors to compete with cash-strapped start-ups for the 2.5 percent set-aside. All other things being equal, NIH favors SBIR applicants that present polished applications with weighty preliminary data. This is costly to generate. Inserting companies whose backers have deep pockets and large staffs into this process would significantly change the outcomes. The kind of start-up companies the program was designed to help - the companies that have made the program so successful - would be placed at a major competitive disadvantage. If companies owned by major investment houses are permitted to siphon off a significant percentage of the modest available funds in the SBIR program, the 2.5 percent set-aside for small companies would shrink quickly to 1 percent or 0.5 percent.

This would shift funding away from research and development already under way at many small companies. In many cases - including biodefense, vaccine development, diagnostics, platform technologies, research tools, orphan disease therapies, agricultural biotechnology, and environmental biotech, to name but a few - this research and development is critical for public health and national security but out of favor with Wall Street and the type of companies that would become eligible for SBIR funds if House Bill 2943 becomes law.

Also, the proposed changes to SBIR eligibility would decrease support for high-impact, high-risk innovative research at which small, independently owned companies historically excel, in favor of lower-risk, closer-to-commercialization product development favored by most venture capitalists.

At the Maryland Technology Development Center (MTDC) in Rockville, a county-operated facility that houses one of the largest concentrations of biotech start-ups in the mid-Atlantic region, few, if any, companies are owned by venture capital firms. Instead, most have been funded through the SBIR program along with investment from individuals and small companies. The biotech entrepreneurs at the MTDC overwhelmingly oppose BIO's efforts to change the SBIR size standards.

Simply put, a company owned and controlled by one or more large venture capital firms is not a small business and should not be entitled to access the minuscule percentage of funds set aside for small businesses. These companies typically lack the culture and attributes of small, individually owned companies, including the ability to "turn on a dime," take substantial risks and address smaller and less predictable markets, including those unpopular on Wall Street. To permit this change would essentially take the S out of SBIR.

Proponents of changing long-standing definitions of small business are barking up the wrong tree by pressing for changes to the SBIR size standards. Instead, they should be focusing their efforts on the other 97.5 percent of federal R&D funding that is not set aside for small, individually owned companies. While historically most NIH funding has gone to support academic basic research, this has been changing over the past few years. An expanding number of programs are available to businesses of all sizes, at NIH and other agencies, for high-risk, high-impact R&D or the development of products with small or unpredictable markets such as orphan drugs or vaccines against bioterrorism agents. These programs have substantially more funding available than the SBIR program.

Congress should encourage this trend and consider new initiatives, open to companies of all sizes, that help bridge the growing "valley of death" between basic discoveries and delivery to patients of innovative drugs, devices and diagnostics. At the same time, the integrity of programs like SBIR that safeguard the viability and productivity of our nation's most innovative, small biotech entrepreneurs must be protected.

JONATHAN COHEN

President and CEO

20/20 GeneSystems Inc.

Rockville

*The significant problems we face cannot be solved at the same level of thinking we were at when we created them!* **Albert Einstein**

# Exhibit E

JERE W. GLOVER  
Executive Director  
Small Business Technology Coalition

Jere Glover is the Executive Director of the Small Business Technology Coalition (SBTC), a group of small high tech companies most of whom are involved in the Small Business Innovation Research (SBIR) program. Jere is also an attorney with the firm of Brand and Frulla in Washington, DC representing small businesses.

Jere's experience with the SBIR is extensive, as he is one of the fathers of the program. As counsel to the House Small Business Committee, he directed an extensive set of hearings on small business and innovation that laid the ground work for the SBIR in 1978. He was also the lead-off witness before Congress when the law was first proposed, and throughout the laws existence, he has been one of its most active supporters. As Executive Director of the SBTC, he has led the organization's fight to prevent the bill from being weakened, to finalize the phase III SBA guidelines, and to prevent the SBIR from being eliminated in a number of government agencies.

Jere has a unique blend of private and public sector experience. A former CEO and attorney in private practice, Jere also spent many years in government service, most of it focused on minimizing the regulatory burden on business. For more than six years, he was the federal government's lead defender of small businesses in the regulatory process. In that capacity, he systematically analyzed hundreds of regulatory actions by federal agencies, identifying flaws and shortcomings in many of those actions and helping the affected businesses seek relief. Information developed by Jere's team led to rollbacks of dozens of regulations and formed the basis of a number of successful lawsuits. The work that Jere directed saved the private sector more than \$20 billion in annual regulatory costs, and it cut a wide swath across many types of businesses – including mining, fishing, telecommunications, transportation, financial services and agriculture. He has testified before Congress over 30 times and appeared in over 100 agency proceedings, including rulemakings, adjudications, enforcement proceedings and others.

In the private sector, Jere previously was the CEO or principal of a biotech company, a medical technology company and a group of medical clinics. Since re-entering the private sector last year, he has become the managing director of another medical technology company and counsel to a variety of SBIR and technology companies.

Jere obtained his undergraduate and law degrees from the University of Memphis and an L.L.M. in Administrative Law and Economic Regulation from George Washington University.

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