



May 31, 2016

Chairman David Vitter
Committee on Small Business &
Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Ranking Member Jeanne Shaheen
Committee on Small Business &
Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Vitter and Ranking Member Shaheen:

On behalf of the National Small Business Association (NSBA), I commend Senate Committee on Small Business and Entrepreneurship Ranking Member Jeanne Shaheen for introducing the *Small Business National Security Innovation Act of 2016 (S. 2898)*. NSBA represents more than 65,000 small-business owners from every state and every sector of the economy and is pleased to support this legislation that will make it easier for small businesses engaged in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) to contract for the follow-on work that is central to the SBIR and STTR programs.

As the nation's largest source of early-stage research and development (R&D) funding, SBIR and STTR have provided ways to meet the nation's technology needs using the proven innovative power of small, technology-based companies. The SBIR and STTR programs, through a competitive and transparent contracting process, enables these small businesses—many of which are NSBA members—to propel their businesses forward all while providing valuable products and services to the Federal Government.

Unfortunately, setting up a contract vehicle within the Department of Defense is currently a very cumbersome and time-consuming process. Even if Program Managers and Contracting Officers want to award the follow-on work to a small business involved in the SBIR or STTR programs, the process is often slowed, if not, totally stopped if there is not an existing contract vehicle through which they can contact with the small business.

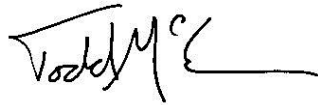
S. 2898 addresses this problem by creating a pilot program with the Department of the Navy to set up a multi-award contract specifically for SBIR awardees such that those companies can proactively pre-position themselves on an enabling contract vehicle for Phase III follow-on work. This will allow small businesses to take the initiative in establishing an avenue for them to be ready to contract with government programs, removing a frequent SBIR Phase III roadblock, and thereby increasing the efficiency by which the government can acquire the innovative products and services it needs. Requiring this contract vehicle to be open for use by Program

Managers and Contracting Officers from across the Department of Defense further extends the value and impact created by this action.

Small businesses, through the SBIR and STTR programs, have had a transforming effect on Department of Defense acquisition, bringing new competition, innovation and affordable solutions to meet defense and national security. However there has been growing concern that many small businesses are never able to get the follow-on work that is one of the main drivers behind this program. S. 2898 takes a strong step towards addressing this problem and making it easier to take full advantage of the SBIR investments made by the Federal Government, ultimately benefiting both the small-business community and the government agencies looking for cost effective and innovative solutions.

Small businesses play a vital role in America's technological innovation and economic growth, and on behalf of NSBA's member, I thank you for your foresight in introducing S. 2898. I look forward to working with you towards passage of this important legislation for small businesses around the country.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large, sweeping initial "T" and "M".

Todd McCracken
President & CEO