

# Congress of the United States

Washington, DC 20510

September 18, 2013

Secretary Chuck Hagel  
Department of Defense  
1400 Defense Pentagon  
Washington, D.C. 20301

Re: Coordination of the SBIR Program with the EPSCoR and IDeA Programs

Dear Secretary Hagel:

As part of the SBIR/STTR Reauthorization Act of 2011, that was enacted through the National Defense Authorization Act of FY2012, Congress included a provision that requires the heads of Federal agencies that participate in the Small Business Innovation Research (SBIR) program and the Experimental Program to Stimulate Competitive Research (EPSCoR), or the Institutional Development Award Program (IDeA), to work together. That provision, section 5168, which Congressman Richmond offered during the House's consideration of its comprehensive SBIR/STTR reauthorization bill, also requires the relevant agencies to provide two reports to the SBA and the Senate and House oversight committees. The first report was due a year after enactment, in December 2012, and should have explained what steps the relevant SBIR agency was taking to coordinate the programs in order to maximize resources. The second report is due in December 2014, and should analyze if the steps taken have been effective in coordinating the programs and in increasing the participation of states in the SBIR program that have historically had a low rate of participation in the SBIR program.

Like your home state of Nebraska, Louisiana and Idaho have low rates of participation in the SBIR program and are target states in the EPSCoR program. Even though the entrepreneurs, scientists and engineers in our states don't receive as many SBIR awards or other federal research and development projects as states like California and Massachusetts, we believe our innovators and engineers are as good as those in states with significant federal research and development funding. Therefore, we strongly support the language in the National Defense bill. We believe that if the agencies coordinate their SBIR outreach efforts and the EPSCoR programs, the Department of Defense and other agencies will broaden the base of innovators to develop better technologies to keep our nation safe, create more jobs and strengthen the overall economy.

For that reason, we were very pleased to learn that leaders of the DoD SBIR program met this summer with representatives from EPSCoR/IDeA states to identify the best ways to collaborate and leverage the SBIR program in those areas of the country. We recognize that DoD has more

of a challenge in meeting the requirements of the SBIR/EPSCoR provision because its EPSCoR program, DEPSCoR, is not currently funded. To streamline the process in complying with the SBIR/EPSCoR provision in the law and to maximize the objectives of each program, we encourage the DoD to build on those meetings and work through the EPSCoR Interagency Coordinating Committee (EICC). The EICC is made up of seven agencies that meet on a regular basis and is led by the National Science Foundation. The participating agencies are: the National Science Foundation, the Department of Defense, the Department of Energy, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Institutes of Health, and the U.S. Department of Agriculture.

It is important to use the SBIR program to help the DoD meet its many technology needs because it gets technologies into the field fast and usually is less expensive than technologies developed by the large contractors. This seems more important than ever given the constraints of sequestration and the growing military needs facing us right now.

Over the years, the SBIR program has played a key role in the growth of firms like Qualcomm and iRobot, creating tens of thousands of jobs and developing important technologies that strengthened our military and kept our soldiers safer. As you may know, iRobot technologies grew out of DoD SBIR projects that helped the U.S. military search caves for explosives in Afghanistan. Another notable SBIR technology comes from a firm in Omaha. Through the Navy's SBIR program, 21<sup>st</sup> Century Systems Inc. (21CSI) developed the High Resolution Situational Awareness (HiRSA) product line. HiRSA technology is an efficient and cost-effective means to improving protection, situational awareness, and decision making with fewer sentries and other support manpower. This technology has been deployed in Iraq and Panama. In 2005 and 2006, 21CSI was ranked by Inc. Magazine as one of the fastest-growing privately held companies in the U.S. Taking a broader look at innovation, from 1997 to 2006, about 25 percent of *R&D Magazine's* top 100 annual innovations came from companies that had received an SBIR grant at some point in their history.

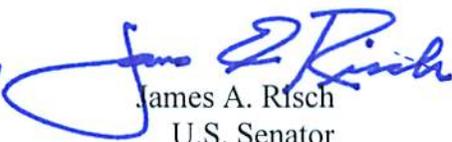
By way of background, the EPSCoR and IDeA jurisdictions, now totaling 25 states and 3 territories, represent a diverse demographic and geographic sample of the U.S. First established in 1979 and 1993, EPSCoR and IDeA reinforce each agency's commitment to developing scientific and technological expertise in all jurisdictions. Recognizing that all states must participate in research and development (R&D) in order to stimulate economic growth, create high-paying jobs, and maintain U.S. global competitiveness, EPSCoR and IDeA specifically target areas that are historically underserved by federal research funding. The programs provide opportunities for participants to strengthen their R&D capabilities, advance science and engineering innovation, and contribute to nationally important research fields. Further, EPSCoR and IDeA encourage local government participation by helping develop state science and technology plans and by matching state and local funds with federal grants. EPSCoR and IDeA investments have improved research opportunities in the eligible states, generated growth in state economies, supported student involvement in Science, Technology, Engineering and Math (STEM) fields, created new businesses and jobs, and broadened the base of research expertise available to participating federal agencies.

We look forward to reviewing DoD's report detailing how it is leveraging the SBIR program in the EPSCoR and IDeA states. Please let us know how we can be helpful.

Sincerely,



Mary L. Landrieu  
U.S. Senator



James A. Risch  
U.S. Senator



Cedric L. Richmond  
U.S. Congressman

Cc:

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