

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

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May 18, 2017

The Honorable Rick Perry
Secretary
U.S. Department of Energy
1000 Independence Avenue SW
Washington, D.C. 20585

The Honorable Linda McMahon
Administrator
U.S. Small Business Administration
409 Third Street SW
Washington, D.C. 20416

Dear Secretary Perry and Administrator McMahon:

We are writing regarding concerns we have heard from small businesses about the Department of Energy's (DOE) decision to delay research and development award notifications. We are concerned that these delays have caused uncertainty for small businesses and hurt their ability to develop technologies that will keep our economy competitive and create jobs. We urge you to provide clear information to affected small businesses and make decisions on their applications as quickly as possible.

As you know, federal agencies partner with small businesses through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs to help meet their essential research and development missions. Every year, small businesses compete for and win more than \$2 billion in federal awards thanks to these programs. These programs provide a good return on investment for taxpayers, resulting in as much as \$19 for each \$1 in SBIR and STTR funding. Of the 11 agencies that participate in the SBIR program, DOE has the third largest program and accounts for more than \$217 million, or 10 percent, of all SBIR dollars awarded annually.

We were disappointed to hear about DOE's decision to delay two solicitations for SBIR and STTR awards until "Secretary Perry has an opportunity to be briefed on research projects that will take place under his administration." As members of the U.S. Senate Committee on Small Business & Entrepreneurship, we have consistently heard from small businesses that delays and missed deadlines by federal agencies have an outsize impact on small businesses. Unlike large firms and major research institutions, small businesses simply do not have the resources to tide them over when the government fails to meet its own deadlines.

In response to similar delays in the past and concerns about small business uncertainty caused by federal agencies, Congress set clear timelines for agencies to review applications and make awards under the SBIR/STTR programs. The 2011 law reauthorizing the SBIR/STTR programs required agencies to review small business applications for SBIR/STTR awards within 90 days and gave them the ability to take up to an additional 90 days if granted an extension by the Small Business Administration (SBA). The recent delays call into question whether DOE will meet these Congressionally mandated deadlines.

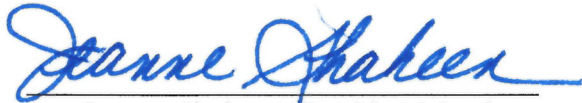
The current lack of clear information has caused significant uncertainty for small businesses, which do not know whether they should expect the funding or move on to other projects. That is why it is essential for DOE to comply with Congressional intent. We encourage you to provide clear information to small businesses about your plans for these two solicitations and respond to applicants in a timely fashion.

In addition, we have heard concerns from small businesses about the possible reallocation of the Fiscal Year 2017 SBIR and STTR funds towards different awards. Congress has already provided appropriations for these activities, and we request that DOE provide clarification on this matter.

As the Ranking Members of the Committees with jurisdiction over the SBIR/STTR programs and DOE, respectively, we request that you provide us with the number of small business applicants affected by the delays for DOE's SBIR/STTR solicitations from October 24, 2016 and November 28, 2016. Please also provide us with DOE's and SBA's rationale for extending the notification decisions. Finally, please let us know when you plan to make these awards so that small businesses can plan effectively.

We look forward to your timely response.

Sincerely,



Jeanne Shaheen, Ranking Member
Senate Committee on Small Business
& Entrepreneurship



Maria Cantwell, Ranking Member
Senate Committee on Energy