Reauthorizing SBIR/STTR:

Securing America's Innovation Engine

TECNA
TECHNOLOGY COUNCILS OF NORTH AMERICA

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are set to expire on September 30, 2025. These federal programs provide competitive grants and contracts that help small businesses transform research into market-ready solutions. They fuel innovation across industries, create jobs and strengthen U.S. economic and national security. As Congress considers reauthorization, we welcome the thoughtful provisions that would help strengthen the innovation pipeline. At the same time, several proposed changes raise concerns that could unintentionally restrict participation or slow the path from research to commercialization. This paper highlights the provisions we support, as well as those we recommend revising, to ensure SBIR/STTR continues to serve as a cornerstone of America's innovation economy.

Key Provisions We Support:

- **Increase in SBIR Program Funding**: We support the House and Senate INNOVATE Act's proposed 3.45% budget allocated for the SBIR program starting in fiscal year 2026.

- **Entrepreneurial Pipelines and Strategic Breakthrough Fund**: Establishing pathways for entrepreneurs to connect with requirement officials, along with the creation of the strategic breakthrough fund, are pivotal improvements.

- **Phase 1A Program**: We strongly support the inclusion of the Phase 1A program in both the House and Senate versions of the INNOVATE Act. This provision provides $40,000 awards to first-time SBIR applicants, lowering barriers to entry, and opening the innovation ecosystem to a broader range of firms.

- **Strengthening Commercialization**: We support the provisions introduced in the RAMP Act, which proposes the creation of Chief Commercialization Officers within participating agencies. Empowered and resourced appropriately, these officers would play a vital role in bridging the innovation-to-acquisition gap and ensuring taxpayer-funded technologies get to the end user.

Concerns & Recommendations:

- **$75M Lifetime Award Cap**: As proposed, the lifetime cap could unintentionally penalize long-standing small businesses with proven commercialization success, while the waiver process is too slow and applied award-by-award. In practice, many solicitations have ~30-day turnaround windows, which makes it nearly impossible for a company to apply for a waiver, receive a response, and still have sufficient time to prepare and submit a strong proposal. *Recommendation: Remove the cap; if retained, make it a rolling 10-year cap and allow standing waivers for companies with strong commercialization track records*.

- **Elimination of Phase II STTRs**: Cutting this phase would break a critical pathway for moving research from labs to market and undermine partnerships with universities and research institutions. *Recommendation: Retain Phase II STTRs to preserve commercialization and collaboration opportunities.*

- **Redefinition of Small Business – $40M Annual Revenue Cap**: The proposed revenue cap may exclude companies succeeding at commercialization through follow-on awards like TacFi, StratFi, and Phase III. *Recommendation: Exclude revenue from follow-on/commercialization awards when calculating the $40M cap*.

- **Primary Investigator (PI) Limits**: Restricting a PI to one submission at a time could harm small firms with limited specialized staff, especially in med-tech and other niche areas. *Recommendation: Revise or remove the PI limit to allow qualified PIs to appear on multiple proposals*.

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