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United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510–6350

October 17, 2003

VIA FACSIMILE & FIRST-CLASS MAIL

The Honorable Hector V. Barreto, Jr.
Administrator
Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

Re: The Small Business Innovation Research Program and Relevant Rule Changes

Dear Administrator Barreto:

Just to formalize staff conversations over the past couple of months regarding the Small Business Innovation Research (SBIR) program , I ask that you expedite finalizing the rule regarding wholly-owned subsidiaries and put out for public comment SBA's recent clarification of the rule regarding the ownership of a small businesses by individuals. As you know, the latter renders ineligible SBIR applicants that are owned by venture capital firms that themselves are not small businesses by definition. Both venture-owned and non-venture owned SBIR companies are eager to voice their concerns about this clarification, and I believe it is in the best interest of the program and the businesses it is intended to serve to make sure all sides are heard.

Both of these rules are extremely important to the small businesses that compete for research and development awards and grants through the SBIR program, and I ask that the SBA act immediately. Please respond in writing by next Friday, October 24th, about the schedule for these two requests.

Thank you for your prompt attention and reply.

Sincerely,

John F. Kerry