S1t-4

December 21, 2004

Gary M. Jackson
Assistant Administrator for Size Standards
Small Business Administration
409 Third Street, S.W.
Washington, DC 20416

Dear Mr. Jackson:

We strongly oppose an exclusion from affiliation for venture capital companies in determining small business eligibility in the Small Business Innovative Research (SBIR) program.

This would allow companies that are owned by large venture capital companies to access SBIR funds. Many of the venture funds are funded by large entities with direct or indirect access to public financing. It would be a subterfuge; it would be false and misleading to consider these large venture funds as small businesses.

Further, it would discriminate against communities that do not have local venture capitalists or access to venture capital.

Very truly yours,

Charles Gauntt, Ph.D.

xc: John Cornyn
U.S. Senator
517 Hart Senate Office Building
Washington, DC 20510

Kay Bailey Hutchison
U.S. Senator
284 Russell Senate Office Building
Washington, DC 20510

Lamar Smith
21st Congressional District of Texas
2231 Rayburn House Office Building
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