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To whom it may concern,

I am writing on behalf of my company, Integral Molecular, a small biotechnology company that was started using SBIR grants, to express our opinion on the proposed changes in SBIR qualifications. We have the following three recommendations:

- **Reduce the size standard for a small biotech company from 500 to 100 employees**
- **Limit eligibility for SBIR recipients to those with revenue less than $100 million**
- **Limit eligibility for SBIR recipients to those with VC ownership of less than 50%**

As a company that was started with SBIR grants and continues to use them to develop new innovative technologies for biomedical research, we believe the current size standard (<500 employees) is too high. The vast majority of biotechnology companies, including many biotech companies with tens or hundreds of millions of dollars of revenue, are less than 500 employees. This standard needs to be reduced, for instance to <100 employees, to accurately define a *small* biotechnology company.

The implementation of financial considerations (e.g. revenue less $100 million) would benefit the intended targets of the SBIR program, biotech companies with new, innovative products. The current lack of financial considerations allows companies with significant revenue and profits to receive SBIR grants even though these companies can fund their own internal research.

The expansion of the SBIR program to venture-backed companies is not disagreeable, but venture capital (VC)-backed companies with >50% ownership by the VC company should no longer be eligible. These companies have chosen pathways for commercialization in which their owners provide whatever funds necessary to build a successful company. Any SBIR funds received by such companies merely decreases the expense of the VC firm, rather than enabling the firm to pursue programs that would not be approved or backed by the VC owners otherwise.

Thank you for soliciting input from companies such as ours that would be most affected by these changes.

Regards,

Benjamin Doranz, Ph.D., MBA
President and Chief Scientific Officer