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AAMC STATEMENT ON PROPOSED SBIR LEGISLATION

BIO Press Conference

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My name is Howard Dickler and I represent the Association of American Medical Colleges (AAMC), which is here in support of the “Save America’s Biotechnology Innovative Research Act” (H.R. 2943 and S. 1263). The AAMC is a non-profit organization representing all 126 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, and 94 academic and scientific societies. One of the primary goals of the AAMC is to improve the health of our citizens. Our members carry out more than half of all NIH funded extramural research, and many start-up biotechnology companies are created to further develop the discoveries made in medical schools and teaching hospitals.

The AAMC is concerned that recent Small Business Administration limits on eligibility for NIH Small Business Innovation Research (SBIR) awards, which exclude small companies that receive substantial venture capital (VC) investment, unduly restrict the ability of the NIH to fund some of the most innovative research that is conducted in high quality, small companies that depend for their very existence on such investment. This in turn undermines the ability of the SBIR program to meet its mandate to “increase private sector commercialization of innovations derived from Federal R/R&D, thereby increasing competition, productivity and economic growth.” Because biomedical research to develop new drugs and interventions for human diseases is both high risk and capital intensive, VC is often the only means of establishment and survival for many of these small companies.

In a time when the budget of the NIH is constrained, it is particularly important that SBIR funds be used to support the highest quality and most promising research. Therefore, AAMC supports legislation to restore the eligibility for SBIR grants to majority VC backed biotechnology companies.