

January 23, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
Washington, D.C. 20515

Dear Speaker Johnson, Majority Leader Thune, Democratic Leader Schumer, and Democratic Leader Jeffries,

We write today on behalf of hundreds of U.S. aerospace and defense companies and civilian-sector companies — including firms providing services and solutions — to urge Congress to reauthorize the Small Business Administration’s Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. These programs are vital engines of innovation, fueling technological breakthroughs, attracting new commercial players, and expanding the supplier base that keeps our industry competitive. The lapse of authorities for SBIR/STTR on September 30, 2025 — and the resulting halt to their meaningful grant and contract funding — further jeopardizes commercialization and scaling of cutting-edge technologies that are essential for U.S. leadership and preserving our asymmetric advantage. Without these programs, America risks losing ground in the global innovation race.

The SBIR/STTR programs award vital funding for American small businesses that turn research and development (R&D) into new and innovative technologies. A wide range of our member companies utilize both programs to develop novel technologies and enhance their operational processes, but these programs are especially important for small businesses and those entering the federal marketplace (including aerospace, civilian, and defense sectors) for the first time. For example, new entrants to the space industry have taken advantage of the SBIR program to realize their designs and pioneer groundbreaking technology that expands U.S. space superiority. Likewise, material suppliers have leveraged SBIR awards to refine supply chain processes, bolstering resiliency and ensuring aerospace and defense manufacturers can deploy the latest components and materials in their products.

With the lapse in authorization for the SBIR/STTR programs, industry faces both immediate and long-term effects. Over the last few months, agencies have cancelled and rescinded awards, upending business plans for the fiscal year and precipitating a ripple effect on the whole industry. Companies have already reported losing out on millions of dollars of much-needed funding due to cancelled SBIR solicitations from the Pentagon, undermining their ability to deliver cutting-

edge capabilities sought by the U.S. government. Even more concerning, some companies project that they will have to reduce their workforce or, worse, shutter operations altogether if the SBIR/STTR programs remain unauthorized, posing an existential threat to our industry's innovators.

An extended lapse threatens not only the companies SBIR/STTR programs support, but also the programs themselves — creating trickle-down impacts that are likely to reverberate throughout the aerospace, defense, and civilian ecosystems. Because SBIR/STTR funds are allocated at 3.65 percent of each participating agencies' R&D budget, a prolonged authorization lapse may force agencies to transfer billions of federal dollars intended for SBIR/STTR awards towards other activities. Guidance sent by the Pentagon after the lapse directed the Department to cease collecting or executing SBIR/STTR funds from research, development, test, and evaluation budgets until the program is reauthorized. Should the program remain unauthorized, the compounding negative impact on our industry could cause significant disruptions to American innovation and harm domestic manufacturing.

At this critical moment where the United States faces increasing foreign competition, we urge Congress to quickly reauthorize the SBIR/STTR programs to provide stability to participating small businesses and avoid further disruption to our industry. As Congress finalizes the outstanding appropriation bills, we also ask that appropriators maintain the funding in R&D set-aside for SBIR/STTR-eligible agencies. We appreciate the authorizing committees' work toward a compromise and encourage congressional leadership to bring reauthorization to the floor as soon as a bipartisan agreement is reached.

We thank congressional leadership for its continued support and attention to a matter vital to our nation's economic and national security interests.

Sincerely,

Aerospace Industries Association

Commercial Space Federation

National Defense Industrial Association

Professional Services Council

U.S. Chamber of Commerce