

Getting Back to Business

The letter from Sens. Warren B. Rudman, Edward Kennedy and Lowell Weicker ["The Post Was Not on Watch," Free for All, March 13], criticizes The Post's editorial on the Small Business Innovation Development Act ["Bad Business," March 4].

As the chairman of the Small Business Services Committee of the American Electronics Association, I feel The Post's poor opinion of the proposed bill was right on target. The senators' letter calls the National Science Foundation's Small Business Innovation Research Program an "unqualified success" and explains that their bill is modeled on it.

If the NSF's program is such a success that the senators want to replicate it on a government-wide basis, why did Charles H. Herz, NSF's general counsel, in a letter written to OMB, say that there is no systematic data to warrant extending the program throughout the government?

In fact, NSF opposed the bill, stating "the proposed permanent legislative extension of the NSF's Small Business Innovation Research Program in its present experimental form

across the government without budget scrutiny seems very unwise."

The senators' attack on the American Electronics Association is equally wobbly. As the nation's largest association of small high-technology companies, presumably the chief beneficiaries of the set-aside, we strongly oppose the bill. Having named AEA in their committee report's case for the bill, it ill behooves them to try to dismiss us now.

I have represented a small company (65 employees) on AEA's board of directors for the past three years. I do not find the association "dominated by giant corporations," as the senators charge. In fact, it was the committee I chair—made up entirely of small-company presidents, all members of AEA's board of directors—that initiated AEA's opposition to the bill. None of the members of the "two key governmental affairs committees" referred to in the senators' letter is a member of the AEA's board of directors.

Due to the healthy investment climate created by federal legislation in 1978 and 1981, investment capital is readily available for any entrepreneur or researcher who wishes to capitalize on an idea. In reality, I feel that this bill is five years

late and is no longer required as a stimulus to R&D at the small-business level.

Finally, though the senators claim they gave this bill extensive and detailed consideration, it's fascinating to see that they still do not agree with the Small Business Administration on something as basic as the maximum size company that might participate in their new program.

If they intended to limit it to 500 employees or less, they could easily have done so in their bill. But before they publicly disputed The Post's facts, they should have checked with SBA's associate administrator for procurement assistance. They would have learned that depending on the type of research involved, SBA classifies companies of up to 1,000 employees as "small businesses" and therefore eligible to participate.

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