

January 20, 2026

Re: Request for Information on the National Science Foundation Tech Labs Initiative

ACT | The App Association (ACT) appreciates the opportunity to respond to the National Science Foundation's (NSF) Request for Information on the Tech Labs Initiative. ACT represents small and medium-sized software developers and technology firms that are building and deploying AI-enabled solutions across scientific, industrial, and commercial domains.

The small businesses ACT represents are frequently the source of novel technical approaches and real-world applications, yet they face persistent structural barriers in translating early-stage research into scalable, deployable technologies. ACT therefore strongly supports NSF's efforts to explore new models that accelerate technology translation, strengthen U.S. competitiveness, and enable broader participation across the innovation ecosystem.

I. Statement of Interest

ACT is a global policy trade association for the small business technology developer community. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. The small businesses and startups we represent both participate and seek to participate in the international standard-setting process to contribute and build on important technical standards. ACT members are active in new platforms, like Web3, develop using indispensable technologies (i.e., artificial intelligence), and innovate on top of technical standards. The value of the domestic ecosystem ACT represents, which we call the app economy, is approximately \$1.8 trillion and is responsible for 6.1 million American jobs, while serving as a key driver of the \$8 trillion internet of things (IoT) revolution.¹ As leading innovators in critical and emerging technologies (CET), small businesses must be a part of this conversation.

II. ACT Comments

Across sectors and jurisdictions, ACT's engagement with policymakers consistently shows that the most significant barriers to innovation are not a lack of research or technical talent, but friction in the transition from research to deployment. Traditional grant-based funding models are often slow, rigid, and project-centric, while private capital is frequently unwilling to invest at early translational stages due to uncertainty and risk.

These challenges disproportionately affect small and medium-sized innovators, which lack the resources to navigate prolonged development timelines, fragmented funding pathways, or complex compliance regimes. As a result, many promising technologies stall before reaching real-world application despite clear potential for economic and societal benefit.

¹ https://actonline.org/wp-content/uploads/Fast-FactS_Website.pdf.

ACT supports NSF's exploration of a team-based, outcomes-driven model. The Tech Labs concept reflects several design elements that, if implemented effectively, could address long-standing translation gaps, including:

- A focus on full-time, dedicated teams rather than isolated research projects;
- Sustained, multi-year support tied to clearly defined milestones and outcomes;
- Operational flexibility enabled through the use of Other Transaction authority; and
- An emphasis on real-world impact, adoption, and platform development rather than publications alone.

This approach has the potential to better align public investment with the realities of technology development and deployment.

Including SMBs by Design

To be successful, the Tech Labs program should be designed with accessibility and inclusivity as core principles. Small and medium-sized businesses (SMBs) are often excluded not by explicit rules, but by program structures that assume hyperscale capacity, vertical integration, or extensive administrative resources.

Eligibility criteria and participation requirements should therefore be structured to:

- Lower barriers to entry for small businesses and independent innovators;
- Enable participation across a wide range of organizational sizes and technical capacities; and
- Avoid one-size-fits-all requirements that inadvertently favor large incumbents.

A program that reflects the full diversity of the U.S. innovation ecosystem will be better positioned to deliver durable, high-impact outcomes.

Modularity Across Technology and Participation

ACT's experience across domestic and international innovation initiatives underscores the importance of modularity. Effective public-private programs allow participants to contribute at different layers of the technology stack and to scale over time rather than requiring fully formed, vertically integrated capabilities at entry.

Tech Labs should therefore:

- Allow teams to grow and evolve throughout program phases;
- Recognize collective capability without requiring each participant to operate end-to-end systems; and
- Enable collaboration across complementary technical roles rather than privileging singular organizational models.

Speed and Predictability as Core Policy Goals

Regulatory and funding delays impose real economic costs, particularly on small businesses that lack the resources to absorb prolonged uncertainty. Pilot programs and experimental funding mechanisms are most effective when they reduce friction rather than relocate it.

Tech Labs timelines, milestones, and evaluation criteria should be designed to:

- Provide clarity and predictability at key decision points;
- Emphasize learning and progress over procedural compliance; and
- Shorten the path from research to deployment wherever possible.

Intellectual Property and Incentives

As proposed, Tech Labs awards will be funded as “Other Transaction” contracts rather than traditional NSF grants, which means they are not subject to NSF’s standard uniform guidance, including in the context of intellectual property (IP). ACT appreciates NSF’s aim to transition technologies “to commercially viable platforms ready for private investment to scale and deploy,” and encourages NSF to ensure that a clear and balanced IP framework is used to sustain private-sector participation, particularly for small businesses whose primary assets are their IP and technical expertise. ACT specifically encourages NSF to ensure that participation in Tech Labs:

- Does not require the disclosure of proprietary information, trade secrets, or commercially sensitive AI assets; and
- Provides certainty that contributors can continue to innovate and commercialize downstream applications.

IP certainty is not a secondary consideration—it is a prerequisite for meaningful participation by small and medium-sized businesses.

Risk-Based Oversight

ACT recognizes NSF’s responsibility to protect U.S. research, technology, and economic security interests. At the same time, security requirements should be risk-based, transparent, and proportionate.

To avoid chilling participation by small and medium-sized innovators, NSF should:

- Clearly communicate security expectations early in the process;
- Avoid overly broad restrictions that unintentionally exclude U.S.-based firms operating in global markets; and
- Balance security objectives with the need for agility and innovation.

III. Conclusion

The Tech Labs initiative presents a meaningful opportunity to modernize federal approaches to technology translation and to better align public investment with real-world innovation

dynamics. By grounding the program in flexibility, modularity, speed, and broad participation, NSF can help ensure that Tech Labs strengthens the full U.S. innovation ecosystem, including the small and medium-sized developers that drive much of America's technological leadership.

ACT appreciates NSF's consideration of these views and welcomes continued engagement as the Tech Labs initiative moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Scarpelli", with a stylized, cursive script.

Brian Scarpelli
Senior Global Policy Counsel

A handwritten signature in black ink, appearing to read "Kedharnath Sankararaman", with a stylized, cursive script.

Kedharnath Sankararaman
Policy Associate

ACT | The App Association
1401 K St NW (Ste 501)
Washington, DC 20005