

Dear Sir,

Since 2014, I have operated a small technology business in Rhode Island. In 2023, We were awarded a NIST SBIR Phase 1, and in 2024 we successfully obtained a NIST SBIR Phase 2.

As you are doubtless aware, SBIRs are highly competitive and are a significant endorsement of a company's activities. In our case, we have been developing Nosy™, an affordable environmental sensor platform designed specifically for smaller and older commercial buildings. These buildings represent over 90% of the building stock in the USA, and yet the market is chronically underserved. The revenue opportunity is significant.

Nosy gives building operators granular data and actionable insights so they can improve their buildings, their processes, and the wellbeing and productivity of building occupants. We currently have six active pilot sites, and have run multiple pilots in Rhode Island. Data from Nosy is helping save money on utility bills, improve the effectiveness of critical business processes, and improve indoor conditions. For example, in a recent study using data from a RI high school, we were able to demonstrate that low humidity correlated with a 41% increase in student medical absenteeism.

As a small business, every dollar counts. Furthermore, as a small business entering a market dominated by massive corporations, we **must** secure intellectual property protection such as patents. Failure to do so will put our entire business at risk. Intellectual property protection is just one example of the kind of critical expense that SBIR funds **cannot** be used for. There are many others on the road to commercialization. The matching funds program is a literal lifeline, and it has played an invaluable role in getting Nosy closer to commercial launch.

To be blunt, the idea that the Rhode Island legislature would even consider eliminating funding for this program is astonishing. The historical return on investment of this program is significant. Furthermore, there are many other states in the US that continue to provide matching funds at the same or higher rate than Rhode Island. This includes nearby states such as Massachusetts, New York, and New Jersey.

Rhode Island already ranks poorly as a business-friendly state. It was placed 39th in the Tax Foundation's 2025 State Tax Competitiveness Index, and 44th in Chief Executive's Best & Worst States for Business (2024). Furthermore, costs are skyrocketing across the state, from living costs to the impact of tariffs. Removing yet another support will have a crippling effect, and will only serve to make Rhode Island even less competitive.

I know many local business owners. Most of us have lived here for multiple years, raised families here, and committed ourselves to being involved in our local communities. But everyone has their limit. If the legislature continues to ignore and underfund local businesses, local business owners will simply leave.

Sincerely,

-Nicholas

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Nicholas Napp  
Xmark Labs, LLC