

House Bill 514

Testimony to support Maryland SBIR/STTR Incentive Program

House Ways and Means Committee

February 20, 2020

I am Mr. Evandro Valente, Founder and Chief Technology Officer of Airgility Inc, located at the Discovery District in College Park, MD. We develop autonomy and artificial intelligence algorithms responsible for decision-making onboard our patent pending unmanned aerial systems and supporting ground systems.

Late 2019, we were awarded \$225K by the National Science Foundation. This Phase I SBIR award is entitled: "Intelligent cloud-based Advanced Manufacturing Services".

This NSF SBIR project broadly impacts Advanced Manufacturing as it extends additive manufacturing beyond low-rate prototyping.

In essence, the proposed intelligent algorithm provides logistical decision-making as it guides fabrication personnel on tasks to perform while receiving and processing digital engineering changes occurring upstream from the point of fabrication. As a result, design-change friendly engineering is retained while mitigating time and material losses that typically occur in fabrication and assembly of the final product.

While SBIRs are an enormous boost and validation for any small business, the Federal level monetary incentive comes with certain inflexibilities, such as: milestone based fund dispersal (perform first then get paid), inability to use funds for materials/machines/IP protection, government shutdown and so on.

In all, having State of MD matching SBIR funds to bridge funding gaps is essential to keeping small innovative businesses thriving. More importantly, funding resiliency to SBIR awarded companies incentivizes them to remain in the State of Maryland and ward off the allure of accepting VC Funding prematurely. In addition to the goal of creating and retaining jobs in Maryland, innovation-based startup entrepreneurs retain ownership of their companies longer. This organic growth enables a larger valuation in exchange for less equity when VC Funding is needed. Therefore, it is more likely that majority ownership will remain with the Founders longer rather than transferred to the VC Funding Agent that (likely) has no interest in keeping the company in Maryland.

Lastly, this bill will further energize new entrepreneurs to enter and stay the Maryland ecosystem and grow the products/services that they are passionate about.

Thank you.

Evandro Gurgel Valente

5145 Campus Drive

Suite 1132 (Patapsco Building)

240-478-5091

evandro@airgility.co

www.airgility.co