



**Opening Statement of Chairman Graves
Committee on Small Business**

Hearing: "Oversight of the Small Business Innovation Research and Small Business Technology Transfer Programs"

May 21, 2014

Good afternoon. The hearing will come to order.

Thank you all for being here. I'd especially like to express my gratitude to each of our witnesses who have taken time out of their busy schedules to be with us.

Today, we are holding the first of two oversight hearings to examine the programmatic changes made in the National Defense Authorization Act for Fiscal year 2012 to both the Small Business Innovation Research, or SBIR, and Small Business Technology Transfer, or STTR, Programs. This hearing will focus on private sector impressions of the programs and the real world effect of the changes made two years ago to the SBIR and STTR Programs.

Small businesses are a major driver of high-technology innovation and economic growth in the United States, generating new jobs, initiating new markets, and supporting high-growth industries. In this era of globalization, optimizing the ability of small businesses to develop and commercialize new, highly innovative products is essential for U.S. competitiveness and national security.

This is why programs like SBIR and STTR are so important. Created in 1982, the SBIR program was designed to increase the participation of small, high tech firms in the federal R&D endeavor. The driving force behind its creation was the belief that while technology-based companies under 500 employees tended to be highly innovative, and innovation is essential to the economic well-being of the United States, these businesses were underrepresented in government R&D activities. By including qualified small businesses in the nation's R&D effort, SBIR awards stimulate innovative new technologies to help federal agencies meet their needs in a wide variety of areas, including health, energy, and defense.

Although smaller, the STTR program is also an important program that expands R&D funding opportunities for small firms, and promotes public/private sector partnerships, including joint venture opportunities for small businesses and the nation's network of nonprofit research institutions.

Numerous programmatic changes were made to both the SBIR and STTR programs in the 2012 Reauthorization. This hearing represents an opportunity for Members to learn more about these programs, gain perspective from private sector witnesses about how they are functioning, and determine if federal agencies are complying with various aspects of the law.

The primary goals when crafting this reauthorization legislation were to increase commercialization of SBIR funded research, to promote greater participation from a wider array of small businesses, and to increase the end use of the technology developed through the SBIR program by federal agencies. This is especially critical in the Department of Defense where technologies developed are often war-fighter focused and lack a specific market in the private sector.

I look forward to hearing today's testimony. Again, thank you all for being here and I yield to Ms. Velazquez for her opening statement.