



Opening Statement
Chairwoman Renee Ellmers
Subcommittee on Healthcare and Technology
Hearing: “The Creating Jobs Through Small Business Innovation Act of 2011”
April 7, 2011

Thank you all for being here with us this morning as we discuss legislation to reauthorize the Small Business Innovation Research, or SBIR, and the Small Business Technology Transfer, or STTR, programs. 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.

Small businesses are a major driver of high-technology innovation and economic growth in the United States, generating significant new jobs, new markets, and 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 technology firms in the federal R&D endeavor. The driving force behind its creation was predicated upon 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 grants and contracts stimulate innovative new technologies to help agencies meet the specific research and development needs of the nation in a wide variety of areas, including health, energy solutions, and defense.

It has been said that nobody has a patent on good new ideas. While that is true, it can be difficult for an innovator or a small company, with limited resources, to take that idea and manufacture it into a new product or process. Programs like SBIR provide a bridge between product conception and marketability—a step of vital importance for

innovative ideas to become reality. The new technologies and discoveries that come out of this program go a long way toward keeping our competitive edge in the world marketplace, and the SBIR program is the kind of public-private partnership that is essential to the continued growth of our economy.

In 2007, the National Research Council (NRC) of the National Academies of Science completed one of the most comprehensive examinations of the SBIR program. The study found that the SBIR program provides substantial benefits for participating small businesses at all agencies, in a number of different ways. According to the NRC study, the SBIR program is a significant job creation engine, a considerable factor in the founding of new companies, helps to provide partnering and networking opportunities for small businesses, and provides the impetus to start projects that otherwise would not have gotten off the ground.

There is a very strong case for reauthorizing the SBIR and STTR programs. The discussion draft of legislation to reauthorize these programs that we have before us goes a long way toward modernizing and improving the SBIR program. They have a proven track record of creating jobs, advancing innovative science to the marketplace, and solving federal agency problems. Our legislative goal is to strengthen these programs to ensure efficient use of taxpayer dollars that help create more jobs by targeting the best science. Moreover, the bill does not cost anything, but rather sets aside 2.5% of all federal extramural research dollars for small businesses to compete for.

Among other things, the draft would reauthorize the SBIR and STTR programs for three years; increase Phase I and Phase II award sizes for both programs; allow for greater participation of small companies regardless of their financial structure; and enhance data collection for the programs to help us provide accurate and consistent oversight.

Again, thank you all for being here today. I am eager to hear the testimony of our witnesses and I look forward to working with you, Ranking Member Richmond, and Chairman Graves and Ranking Member Velazquez of the full committee, to reauthorize these important programs. I now yield to Ranking Member Richmond for his opening statement.