

OPENING STATEMENT AS PREPARED FOR DELIVERY



Chairman Carlos Curbelo

Subcommittee on Agriculture, Energy and Trade, Committee on Small Business

“Ready for Liftoff: The Importance of Small Businesses in the NASA Supply Chain”

July 12, 2016

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Good morning. I call this hearing to order. Thank you all for joining us today as we examine some of the challenges small businesses face when doing business with the National Aeronautics and Space Administration, or NASA. We have an excellent panel of witnesses and I look forward to hearing their testimony. During the 114th Congress, the Small Business Committee has held numerous hearings on government contracting and subcontracting issues, always seeking ways to make it easier for small firms to do business with the federal government. What we learned over this time is disturbing. Over the last five years, the number of contract actions with small businesses fell by almost 60 percent. And one of the more disturbing figures is that there are over 100,000 fewer small firms registered to do business with the Federal Government than there were in 2012. This data means we have a real problem.

Another disturbing trend is that starting in 2008 and continuing to this day, we are seeing more business deaths than we are business births each year. Small businesses are the canary in the coal mine – when their role in federal contracting declines, we lose innovation, job creation, and competition, leading to higher costs to the Federal government. This is obviously untenable going forward and we at the Committee remain dedicated to finding solutions to stop these trends, be they regulatory, tax, capital access, or government contracting related.

When most people think about the way NASA works, they think of Cape Canaveral in Florida and the Kennedy Space Center in Houston. While those certainly are main hubs, the small businesses that work with NASA, be they prime contracts or subcontracts, are located in all 50 states and nearly every single Congressional District. NASA's presence throughout the United States is larger than you might think.

Back in my home state of Florida, NASA spent nearly \$487 million last year, with \$123 million of that going to small businesses. In my Congressional District, \$1.1 million in small business contracts have been signed for FY 16. Flagship space programs, such as the current Space Launch System, or SLS, and the Orion spacecraft are increasingly important in providing opportunities for the small business community. However, over the past few years, with the retirement of the Space Shuttle program and the starting and stopping of the Constellation program, we have seen signs of uncertainty crop up in the supply chain. Too often, small firms are unsure as to what an Administration will do with their priorities, or what Congress may or may not choose to fund moving forward. These challenges discourage some small shops from signing space contracts, instead opting for more reliable general aviation contracts. Certainty is essential in any business endeavor, but is absolutely mission-critical for an exceptionally innovative and forward thinking space program.

Designing next generation spacecraft takes time and in recent years, thankfully, there has been bipartisan consensus on the path forward for human exploration of deep space. With a new Administration taking office in January, we must build upon that commitment and provide the certainty the industry needs to continue growing, innovating, and building our economy to ensure our nation continues its preeminence in human space flight. Thank you again, and I now yield the Ranking Member Meng for her opening remarks.