

# **OPENING STATEMENT AS PREPARED FOR DELIVERY**



**Chairman Steve Chabot  
House Committee on Small Business Hearing:  
“Commercializing on Innovation: Reauthorizing the Small Business Innovation Research and Small  
Business Technology Transfer Programs”  
March 2, 2016  
AS PREPARED FOR DELIVERY**

Good morning. Thank you all for being here. Today, we are holding the first of two hearings our committee will conduct this month concerning the reauthorization of the Small Business Innovation Research and Small Business Technology Transfer Programs, or SBIR and STTR.

Innovation is the engine that drives our economy. Technological breakthroughs and the entrepreneurship it spurs build our economy by finding state-of-the-art solutions to difficult problems and marketing those new products. This correlation is particularly important in the small business arena. Small businesses tend to be more nimble, responding to market changes more rapidly than their bigger counterparts, and they drive the innovation sector and make us more agile in the global economy. It is that recognition of small firms’ ingenuity that led Congress to establish the SBIR program in 1982 and the STTR in 1992. These programs set aside a portion of federal research dollars for small businesses. Spanning eleven participating agencies such as the Department of Defense, National Institutes of Health, and the National Science Foundation, the development dollars set aside for small businesses are critical for both the small companies that use the grants and the federal agencies that seek innovative solutions to the problems they encounter. Whether it is a new software system for tracking contract payments, a new medical device to help with cancer treatment, or a new piece of technology that saves lives on the battlefield, the SBIR and STTR programs have consistently delivered results across all agencies.

In this era of globalization, making it easier for small businesses to develop and commercialize new, innovative products is essential for America’s competitiveness and national security. This is why programs like SBIR and STTR are so important. Small innovators have always been at the cutting edge of science and technology. These are the entrepreneurs who have the kind of mentality to take big risks in search of big rewards. But the “next big thing” doesn’t just materialize. It happens with a lot of sweat equity and late nights. Ideas matter, but executing those ideas is what’s most important.

That’s where the SBIR and STTR programs come in. The very competitive and phased system of these programs allows for a relatively small initial federal investment to help entrepreneurs cultivate a concept. Often being the first place prospective entrepreneurs go to find seed funding, the SBIR and STTR programs allow initial testing and further development of that idea. If it appears the idea has merit, the company can compete for a much larger award to develop that idea further and work toward making it a commercial success. These programs were last authorized in 2011. In order to give entrepreneurs stability and predictability, we’re getting a jump start on reauthorizing them before next year’s deadline. Today, we have a very distinguished panel of government witnesses who are intimately involved in their agency’s SBIR and STTR programs. We look forward to hearing about your programs and your suggestions of how we can make these good programs even better. Again, I want to thank you all for being here. I now yield to our Ranking Member, Ms. Velázquez for her opening remarks.