



COMMITTEE ON
SCIENCE, SPACE, AND TECHNOLOGY
REPUBLICANS Frank Lucas, Ranking Member

Opening Statement of Research & Technology Subcommittee Ranking Member Jim Baird, PhD

Research & Technology Subcommittee Hearing

America's Seed Fund: A Review of SBIR and STTR

February 5, 2020

Chairwoman Stevens, I appreciate you holding today's hearing to review the SBIR and STTR programs.

I was proud to introduce H.R. 3774, the Small Business Innovation Research and Small Business Technology Transfer Improvements Act.

I want to thank the Chairwoman for joining me in sponsoring the bill, and for advancing that effort with today's legislative hearing.

America's leadership in science and technology is critical to our economic and national security. Basic research supported with taxpayer dollars through the National Science Foundation, NASA, NIH, DOD, and other federal agencies has led to the key scientific discoveries that have created today's world: the internet, wireless communications, life-saving medicines, lasers, and more.

If basic research produces the scientific fuel for innovation, risk-taking small businesses are the engines for converting knowledge into new products and services. Small businesses are the catalysts for economic growth, for producing good-paying jobs in our communities.

The SBIR and STTR programs help accelerate the commercialization of taxpayer-funded research into new products and services. They also help the Department of Defense and other federal agencies meet their research and development needs.

The SBIR and STTR programs are funded from set-asides of the extramural research budgets at federal agencies – 3.2% for SBIR grants and just less than half a percent for STTR. These set-asides sound small, but they amount to over \$2.7 billion for SBIR and \$368 million for STTR annually. This is a huge taxpayer investment, so it is important for Congress to ensure the programs are working.

My legislation takes steps to improve accountability.

First, it reinforces the requirement that the Small Business Administration (SBA) give a comprehensive annual report of the SBIR and STTR programs to Congress and holds the Department of Defense (DoD) accountable to stimulate technological innovation.

The bill also sets priorities for the SBIR and STTR programs to stimulate manufacturing and cybersecurity products and services in the United States. The bill also extends flexibility given to agencies for innovative funding mechanisms under the SBIR and STTR programs.

Congress acted to extend the SBIR and STTR programs through Fiscal Year 2022, but our work must continue to ensure the success of these programs. The SBIR and STTR programs are vital to helping our Hoosier small businesses and our nation.

I am proud to have one of those Hoosier success stories on our panel today. Dr. Johnny Park took basic research he developed in his lab at Purdue University, and started a company with the assistance of SBIR awards to develop his research. He created products for farmers and a thriving business that was then acquired. I look forward to hearing his testimony today, as a great example of the innovation system in America.

We must take every opportunity to strengthen investment in R&D so we can continue breaking boundaries and moving our economy forward. I'm proud to work with my colleagues to encourage innovation and give our businesses the resources they need to thrive.

I look forward to hearing ideas from our panel of witnesses of how we can continue to strengthen the SBIR and STTR programs.

I yield back.