



Opening Statement of Ranking Member Randy Feenstra

Research & Technology Subcommittee Hearing – SBIR Turns 40: Evaluating Support for Small Business Innovation

April 5, 2022

Thank you, Chairwoman Stevens, and thank you to our witnesses for joining us today to share your expert testimony on the Small Business Innovation Research and Small Business Technology Transfer programs.

SBIR and STTR are the Federal Government's largest source of early-stage technology development and commercializing funding for small businesses. Our witness panel today represents a variety of perspectives which will be valuable to our Committee as we think about SBIR and STTR reauthorization. With the programs set to expire at the end of September, we have work to do to ensure they can continue to make investments in small businesses that can propel American innovation forward.

The SBIR and STTR programs provide an opportunity for small businesses to be involved in federal research and development, and to help transfer federally funded R&D into innovative products and services. It is for this reason that these programs are sometimes referred to as America's seed fund, investing in research and emerging tech ideas that are too risky to raise capital in the private sector.

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 added up to around \$3.3 billion for SBIR and \$429 million for STTR in 2019. This is a huge taxpayer investment, so it is important for Congress to ensure the programs are working efficiently as we consider reauthorization.

My esteemed colleagues, Dr. Baird and Charwoman Stevens, are leading a bipartisan bill which would improve these programs by enhancing accountability, providing agencies flexibility, and prioritizing successful policies. This bill, H.R. 4033, presents a path forward for SBIR and STTR reauthorization, and I look forward to working with both Dr. Baird & Ms. Stevens on the legislation.

If America wants to maintain its competitive edge in the technologies of the future, we must make sure federal investments in R&D are made across the country, not just in

Silicon Valley. These programs provide a unique opportunity for middle America small businesses to become more involved in federal R&D.

States like Iowa have recognized the opportunity SBIR and STTR provide to their state economies. Last year, Iowa received our most awards year to date for a total of around \$11 million federally invested in Iowa small businesses through these programs.

One of our witnesses today is Dr. Nigel Reuel, a professor from Iowa State University located in my district. Iowa State is doing great work to foster the entrepreneurial spirit on campus. This hard work is paying off - the Princeton Review recently ranked Iowa State 11th in the nation for student entrepreneurship. I am thrilled to have Dr. Reuel with us today to discuss Iowa State's work and to share his own SBIR story.

I'm also looking forward to hearing from Dr. Binkley about how the Department of Energy's National Labs, like Ames Laboratory, are utilizing the SBIR and STTR programs.

Investing in basic research at NSF, DOE, NASA and other agencies has led to key scientific breakthroughs. And investments like SBIR and STTR are key to supporting jobs, retaining talent, and leveraging state and private funding in America's heartland. I am proud to work with my colleagues to encourage innovation and give our businesses the resources they need to thrive.

We must take every opportunity to strengthen investment in R&D so we can continue breaking boundaries and moving our economy forward.

Thank you, again, Madam Chair for hosting this hearing. I look forward to hearing from our witnesses and I yield back the balance of my time.