



COMMITTEE ON  
**SCIENCE, SPACE, & TECHNOLOGY**  
Lamar Smith, Chairman

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**Statement of Research and Technology Subcommittee Chairwoman Barbara Comstock (R-Va.)**

*Improving the Small Business Innovation Research and Small Business Technology Transfer Programs*

**Chairwoman Comstock:** America's future economic and national security depends on global leadership in key areas of science and technology.

Basic research supported with taxpayer dollars through the National Science Foundation, NASA, NIH, DOD, and other federal agencies underpins the key scientific discoveries that have created today's world: the internet, wireless communications, life-saving medicines, lasers, and more.

At the horizons of basic research are breakthroughs in new fields like quantum computing, artificial intelligence, and bioengineering, breakthroughs that will continue to transform our lives and the world we live in.

If basic research produces the scientific feedstock for innovation, risk-taking small businesses are the catalysts for converting knowledge into new products and services. They are the catalysts for economic growth, for producing the family and community sustaining jobs that we need so badly.

Congress enacted the Small Business Innovation Research, or SBIR, program in 1982, followed by the Small Business Technology Transfer, or STTR program in 1992.

These two programs accelerate technological innovation and commercialization of new products and services by small businesses. They also help the Department of Defense and other federal agencies meet their research and development needs.

Federal agencies with extramural research budgets of \$100 million or more per year, offer assistance through the SBIR program. They are required to allocate 3.2 percent of their extramural research budgets for competitive grants to small businesses, grants that underwrite the businesses' technology development and commercialization initiatives.

The five federal agencies with extramural research budgets of at least \$1 billion or more per year comprise the STTR program. These agencies allocate an additional 0.45 percent of their budgets for STTR grants.

Although these sound like small percentages, the total dollar numbers are huge. Since Congress first authorized these programs, participating federal agencies have awarded more than \$40 billion to small businesses.

This is a huge cumulative taxpayer investment. And this continuing investment and the programs' potential to stimulate needed economic growth make it particularly important for Congress to assure the programs are being administered efficiently and effectively.

There are many small business success stories in which SBIR and STTR assistance have played a key part. Among the thousands of small companies and start-ups that have used SBIR and STTR to bootstrap their growth are dozens in my Northern Virginia district.

These include:

- **3 Phoenix**, an engineering small business in Chantilly, Virginia that uses SBIR assistance to create innovative electronic technology solutions to the Department of Defense and the US Navy, as well as private industry. The CEO of 3 Phoenix, Inc. testified before our Subcommittee last year.
- **Mosaic ATM**, a Leesburg enterprise that has used SBIR to improve air transportation efficiency and safety and push the envelope on unmanned aircraft systems.
- **Vidrio Technologies**, an Ashburn small business commercializing neuro-imaging tools and microscopes to provide a better "window into the brain."
- **Progeny Systems** of Manassas, Virginia has leveraged both SBIR and STTR assistance to develop specialized software and hardware system integration capabilities, computer-vision solutions, and cutting-edge research and development for advanced manufacturing.
- And **Aurora Flight Sciences** of Manassas, Virginia, a global leader in advanced unmanned systems and aerospace vehicles for NASA and other government agencies and private concerns. I'll be introducing Aurora's CEO to the Subcommittee shortly as an expert witness for today's hearing.

One of the most important accomplishments of the last Congress was timely reauthorization of SBIR and STTR. Continuity is crucial for affected small enterprises, and I am proud that Congress acted to extend the programs through Fiscal Year 2022.

The next step, which is the subject of today's hearing, is considering what Congress can do to strengthen the programs.

- What program updates are needed to spur accelerate conversion of basic science into innovative products and solutions?

- What adjustments are needed to maximize the return on investment for taxpayers?
- What reforms would help agencies and their IGs detect and prevent fraud and abuse.

I look forward to hearing our expert witnesses address these questions.

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