



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

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Statement of Rep. Stephen Knight (R-Calif.)

H.R. 2763, the *Small Business Innovation Research and Small Business Technology Transfer Improvements Act of 2017*

Rep. Knight: Thank you Mr. Chairman.

H.R. 2763 is a bi-partisan bill that amends the Small Business Act (Act), to improve the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs.

Small Businesses drive our economy and are key to America's global leadership in innovation. Small Businesses are more nimble, can respond to market changes more rapidly than their bigger counterparts, and make the United States more agile in the world economy.

The SBIR and STTR programs have proven very successful at driving small business participation in federal R&D activities, and solving government agency problems – from protecting soldiers in the field to helping eradicate malaria.

Last year the Science Small Business Committees worked with the House and Senate Armed Services Committees to include a 5 year extension of the SBIR and STTR programs. This provided small businesses and the participating agencies alike with the confidence and security to know that these popular programs will continue to be there, at least through 2022.

Last month, the Small Business Subcommittee on Contracting and Workforce that I chair held a joint hearing with the Science Research and Technology Subcommittee to look at recommendations for making minor adjustments to improve the SBIR and STTR programs

H.R. 2763 takes some of those recommendations and strengthens the program in five ways.

First, the bill insists on agency accountability, including several hard reporting deadlines for participating agencies and for the Small Business Administration (SBA) to provide Congress with better information and a greater grasp of the programs' strengths and weaknesses.

Second, the legislation clarifies congressional intent of the previous reauthorization to ensure that taxpayers reap the benefits of the SBIR and STTR programs by tying them to long-term projects at the Department of Defense.

Third, the legislation extends a popular pilot program that would allow all participating agencies to award a Phase II contract if the agency finds that the small business concern has already completed work typically done during Phase I.

Fourth, it makes permanent the option for participating agencies to establish Commercialization Readiness Programs (CRPs). As a pilot program, CRPs have shown to provide much needed assistance to small firms nearing the completion of the process and have helped advance technology to the commercialization phase.

Fifth, it extends a provision to allow participating agencies to utilize 3 percent of their allocation for administrative functions, increase waste, fraud, and abuse efforts, and conduct outreach in an effort to bring more companies into the SBIR and STTR world.

It is important to note that while the SBIR and STTR programs provide an average of \$3 billion in awards to small firms annually, it does so without a direct appropriation. These programs simply provide that approximately 3.65 percent of already appropriated extramural R&D dollars be reserved for small businesses through these programs.

I look forward to working with my colleagues on both the Science Committee and the Small Business Committee to refine the bill, and move it to the floor for a vote.

Thank you Mr. Chairman for your support and this opportunity, and I yield back.

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