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

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Media Contacts: Alicia Criscuolo, Thea McDonald
(202) 225-6371

Statement of Research & Technology Subcommittee Chairwoman Barbara Comstock (R-Va.)
SBIR / STTR Reauthorization: A Review of Technology Transfer

Chairwoman Comstock: The foundation of America's future economic success is and will continue to be our global leadership in science and technology.

Taxpayer-funded basic research conducted through the National Science Foundation, NASA, NIH, DOD, and other federal agencies underwrites the breakthrough science and the key discoveries that have created today's world: the internet, wireless communications, life-saving medicines, lasers, artificial intelligence, and much more.

Converting scientific breakthroughs into innovations creates new industries, new businesses, and new jobs. Such innovation transforms commerce, everyday life and our entire society.

Risk-taking entrepreneurs and small businesses are the catalysts for innovation. They are the catalysts for economic growth, for generating 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 large extramural research budgets – more than $100 million/year for the SBIR program and $1 billion/year for STTR – award competitive grants to small businesses for technology development and commercialization.

Eleven agencies hit the $100 million research budget threshold for SBIR. They are required to set aside 3 percent of their extramural research budgets to support SBIR (rising to 3.2 percent in FY17).

Five agencies, including NSF, NASA and DOE, surpass the $1 billion threshold for STTR. (These five agencies also account for about 98 percent of SBIR.) These five agencies are required to set aside 0.45% of their extramural research budgets for STTR grants.

Since inception, participating Federal agencies have awarded SBIR and STTR contracts and grants to small businesses totaling more than $40 billion. A number of companies that use SBIR are located in my Congressional district/Northern Virginia.

- 3 Phoenix, Inc. is an engineering small business in Chantilly, Virginia that provides innovative electronic technology solutions to the Department of Defense and the US Navy, as well as private industry. (USN, submarines)
- Headquartered in Manassas, Aurora Flight Sciences is a global leader in the development and manufacturing of advanced unmanned systems and aerospace vehicles for NASA and other private and government customers.
- Mosaic ATM is a Leesburg small business focused on air transportation efficiency and safety and pushing the envelope on unmanned aircraft systems. Mosaic serves a wide range of Government and industry customers.
- Progeny Systems of Manassas, Virginia has leveraged both SBIR and STTR assistance to develop for its military and civilian customers specialized software and hardware system integration capabilities, computer-vision solutions, and cutting-edge research and development for advanced manufacturing.

I look forward to hearing from our panel of expert witnesses this morning, including individuals who lead the administration and management of three of the largest SBIR and STTR programs and the vice president of research from one our nation's most prominent academic research universities.

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