



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

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**Statement of Chairman Lamar Smith (R-Texas)**

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

**Chairman Smith:** I thank the gentleman from California, Mr. Knight, for introducing this important legislation that makes key improvements to the SBIR and STTR programs.

The SBIR Program was signed into law by President Reagan in 1982 to help spur innovation and increase small business participation in federal research and development activity.

Since its inception, this competitive grant program has funded more than 100,000 projects across America and has helped spawn familiar companies such as Qualcomm, Sonicare, and Symantec.

SBIR and STTR award winners also have created innovations critical to our national science and security efforts, such as parts for the Mars Rover for NASA and a unique cockpit airbag system to protect Army helicopter pilots.

Today 11 federal agencies provide funding to small businesses through SBIR, and five agencies provide funding through STTR – a total of nearly \$3 billion this fiscal year. That's over 66 times greater than the \$45 million spent under the original program in 1983.

Grant recipients have contributed to the country's scientific and technical knowledge, generating hundreds of patents and many contributions to applied science and knowledge.

These small businesses have expanded innovation and helped strengthen our economy by creating thousands of good-paying jobs each year.

However, as we heard at a joint hearing conducted with the Small Business Committee last month, there is still room for improvement.

For example, the General Accountability Office's recent review of SBIR and STTR raised red flags about irregular and incomplete reports to Congress by the SBA and participating agencies.

These are not new problems, and given the exponential growth in the program, it is long past time for them to be remedied. These assessment tools are crucial to ensure that taxpayers get maximum returns on their investment.

We also need to keep in mind that these programs are intended to support innovators and entrepreneurs engaged in early-stage research and development.

We need to update SBIR and STTR in order to reflect a fast-changing business environment. Deficiencies in SBIR-STTR efficiency and effectiveness mean lost opportunities for innovative small enterprises.

The legislation before our Committee addresses both of these needs, and I congratulate Mr. Knight for developing such a responsible, forward-looking bill.

It is appropriate to note that Mr. Knight also serves on the Small Business Committee as Chairman of the Subcommittee on Contracting and Workforce, which shares jurisdiction over SBIR and STTR.

He was a leader for the timely reauthorization of the SBIR and STTR programs last year, which assured no interruption in federal support for continuing innovation and commercialization from taxpayer-supported basic research.

Last week, the House Small Business Committee unanimously approved an amended version of HR 2763.

Today, I look forward to considering a handful of good reform and prioritization amendments, followed by our Committee's approval, which will move this legislation one-step closer to House floor action and eventual enactment.

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