



U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY

Opening Statement

Chairwoman Haley Stevens (D-MI)
of the Subcommittee on Research and Technology

Subcommittee on Research and Technology Hearing:
SBIR Turns 40: Evaluating Support for Small Business Innovation

April 6, 2022

Good morning and welcome to today's hearing of the Subcommittee on Research and Technology to discuss the merits and challenges of the Small Business Innovation Research, or SBIR for short, and Small Business Technology Transfer programs. I'd also like to welcome our distinguished panel of witnesses joining us remotely.

I would like to give a special warm welcome to Mr. George Caravias, Chief Executive Officer of Geofabrica, based in my home state of Michigan. Since I was elected to Congress, I devote time every Monday to visit a manufacturer or business in my district – Michigan's 11th District – that showcases southeastern Michigan's innovation economy. In December, I had the privilege of visiting the team at Geofabrica to hear from Mr. Caravias of about his company's exciting DOD-funded SBIR work. I am looking forward to hearing more from him on how the SBIR program could be strengthened to provide opportunities that encourage small businesses to take risks and pursue innovative research for technology commercialization.

As for what bring us here today – SBIR's impact in our communities –continues to be a very timely topic. It is in alignment with the ongoing conversations about how to sustain America's scientific and manufacturing leadership. The *America COMPETES Act*, which contains important provisions from this very subcommittee, seeks to reinvest in America's future. Supporting innovative small companies is an essential part of that vision of our innovation future.

The Small Business Innovation Research program is a vehicle to take discoveries made in the lab and explore how they can be transformed into a product. Many brand-new businesses use the program to de-risk their ideas and springboard them to private investment. But not all SBIR recipients are start-ups. The program also is a tool for small manufacturers to de-risk innovation and enter new markets.

Over the past five years, the SBIR program has awarded small businesses in Michigan more than \$348 million in funding for R&D. Michigan's Geofabrica is just one of so many stories in Michigan alone. SBIR funding to small companies in my state have also led to the development of a hand-held technology that enables farmers to accurately detect nitrates in their own fields, saving farmers money and protecting our freshwater systems from toxic algal blooms; and the testing of a new ligand for PET imaging of the brain during clinical trials for new memory disorder drugs.

Overall, eleven agencies support small business innovation through the SBIR program. It's important to recognize the diversity of missions and needs across those agencies when considering reauthorization. At one end of the spectrum is the National Science Foundation, which uses the program to support innovation and new businesses broadly. At the other is the Department of Defense, which uses it largely to generate mission-critical technologies. We hope to foster improvements to the program while maintaining the flexibility to meet each agency's requirements.

Despite its many strengths, the SBIR program has some ongoing challenges, and here's where I believe that Congress can help. I'm hoping today to hear ideas for how we can better prepare first-time entrepreneurs, how we can bring in and support more woman- and minority-owned small businesses, and for how agencies can be more responsive to the needs of small businesses. In short, we want to ensure that all communities and would-be entrepreneurs can participate in the program and that businesses with great ideas are prepared to succeed.

I was proud to cosponsor a bipartisan bill last June with Congressman Baird to further strengthen the SBIR and STTR programs. H.R. 4033, *The Small Business Innovation Research and Small Business Technology Transfer Improvements Act of 2021*. This bill seeks to address some of these programmatic challenges.

We must use all of the tools we have to tackle the societal challenges of today and tomorrow, including the challenge of creating safe, sustainable technologies, of environmental remediation, of creating revolutionary new approaches to medicine, and much more. As an investment in a vibrant entrepreneurial ecosystem in our country, the SBIR program is one such tool.

I want to thank the witnesses for being here today. I greatly look forward to hearing your expertise, your experiences, and your feedback on our legislation and any additional ideas Congress should consider for improving the SBIR Program.