

Opening Statement
Ranking Member Donna Edwards
Creating and Growing New Businesses: Fostering U.S. Innovation
November 2, 2010

Mr. Chairman, thank you for calling this hearing on small business creation and ways to spur innovation. And thank you to our witnesses for joining us here today to discuss the obstacles and challenges facing small businesses and what this subcommittee can do to help.

Mr. Chairman, I am also honored to join you on this Subcommittee as Ranking Member. I am certainly looking forward to working with you on the important issues that come before this subcommittee. I believe that there is a lot of common ground on these matters, and I fully expect that we will be able to work together in a collaborative and bipartisan way to address them.

I am certain that there isn't a person in this hearing room today that does not recognize how important small businesses are to our economy. Small businesses, particularly new small businesses, spur innovation and create new jobs. According to the Small Business Administration, small businesses generated 65 percent of net new jobs over the past 17 years. As we continue our efforts to put our economy back on track, we should be committed to fostering the creation of small businesses and give them the support and resources they need to succeed.

I am also certain that many of us here today would agree that there is much that can be done to reduce the regulatory burden on emerging small businesses by reviewing duplicative or outdated regulations, as well as, reducing bureaucracies that slow progress and add costs to businesses.

I expect that many of us will also be united in our desire to create an environment for small business creation. We can support policies that provide additional tax incentives to foster growth. I have long championed providing incentives to companies that colocate research and development with domestic manufacturing. These federal policies incentivize good behavior and spur home-grown innovation and progress.

We must also ensure that our communities have the proper infrastructure and support to help businesses thrive. For that reason, I appreciate the shout out from Mr. Rothrock to the I-270 corridor in his prepared remarks. The efforts the critical investments the state have made to support and grow businesses has been recognized by Bloomberg News in its naming of the region as one of the top 10 places for startups.

There are additional ways to support small business creation including, amending our intellectual property laws to spur greater innovation and updating our immigration laws so that small businesses will have access to the most skilled workforce possible and enable entrepreneurs from throughout the world to set up shop here in the United States. While there may well be a shared interest in tackling these sorts of matters, they unfortunately do not fall within this Subcommittee's jurisdiction and are not items upon which we have the authority to legislate.

Fortunately, there is a lot within this subcommittee's jurisdiction that can be done to support and foster the creation of new small businesses, and it is my hope that we will be able to focus today's discussion on these issues.

There are countless technologies that we use every day that can trace their origin back to Federal research and development investments. The indisputable truth is that without new discoveries, we won't have new game-changing technologies or the small businesses to make and sell them. If we want a vibrant small business community that spurs innovation and creates new jobs, we simply must provide sufficient funding to our Federal research agencies. If we turn our back on Federal research and development, the medium- and long-term impacts on small business creation will be devastating.

We must also do a better job of transferring new ideas and technologies out of Federal or university labs and into the hands of startup companies in this country. I believe there are many opportunities for us to strengthen and improve Federal technology transfer and build upon the lab-to-market efforts that are already underway within the Administration. Mr. Chairman, I hope that this is an issue that we can explore together in the months to come.

Finally, we should be building upon the foundation this Committee laid last year in the *America COMPETES Reauthorization Act* to enhance and expand Federal support for the commercialization of new technologies by small businesses. Over the last year, the Administration has made significant strides through its Startup America initiative to ensure that the Federal government does not turn its back on struggling small businesses. These efforts are helping to provide small businesses with the tools and resources they need to innovate and transform promising technologies into marketable products.

This subcommittee ought to be doing what it can to build upon the Administration's efforts. We should be taking our cue from our international competitors who are developing and investing in ground-breaking programs that help small businesses innovate and commercialize new products. For example, this year, Germany is investing \$545 million in cooperative research and development projects conducted collaboratively by a number of small manufacturers or by small manufacturers in collaboration with public research institutions.

The truth is that when our Federal government has stepped up to the plate and taken an active role in private sector innovation – whether through the widely popular Small Business Innovation Research program or the Advanced Technology Program at NIST – we've witnessed great success. I am hopeful that we can begin to move past historical debates about industrial policy and picking winners and losers, and acknowledge that this is instead about ensuring that our country and our small businesses win in the global market.

Mr. Chairman, thank you again for holding this important hearing. I look forward to hearing from our witnesses today on this important topic.