



**SENATE COMMITTEE ON  
SMALL BUSINESS & ENTREPRENEURSHIP**  
**Senator Mary L. Landrieu**

Opening Statement for  
Hearing entitled: “*Reauthorization of SBIR and STTR Programs*”  
February 17, 2011  
Room 428A of the Russell Senate Office Building

*(As prepared)*

Good Morning. I would like to call to order this hearing of the Senate Committee on Small Business and Entrepreneurship. I want to thank the witnesses for juggling their busy schedules to be here.

The purpose of today’s hearing is to discuss reauthorization of the federal government’s two largest research and development programs for small, highly innovative companies in America -- the Small Business Innovation and Research (SBIR) program and Small Business Technology Transfer (STTR) program. These programs were created in 1982 and 1992 respectively by Senator Warren Rudman and Congressmen John LeFalce and Ike Skelton.

Unfortunately, these programs have been operating by short-term extensions since October 2008, and it is a priority for me, and I believe for this Committee, to adopt a comprehensive, long-term reauthorization bill as soon as possible, but certainly before the current extension expires on May 31st. The Agencies of the federal government that participate in the programs and the entrepreneurs that depend on their smooth operation deserve our best efforts.

Of course, we aren’t in this mess for lack of trying. This Committee, under my leadership, and also under the leadership of Senators Snowe and Kerry, has tried since 2006 to get a bill to the President to provide long-term reauthorization to operate these programs.

We’ve passed bills out of this Committee and through the full Senate numerous times with broad bipartisan support. We’ve also successfully attached this reauthorization legislation to “must-pass” bills, like the annual National Defense Authorization Acts, with the help of Senators Levin and former House Armed Services Chairman Ike Skelton, only to be scuttled by conference decisions.

However, in December of last year, we were able to pass and send to the House a new compromise that blended the House and Senate bills bringing together advocates that had been divided for about six years. Representatives of the two key negotiators of that deal will testify today – the Biotechnology Industry Organizatin (BIO) and the Small Business Technology Coalition (SBTC).

In addition to BIO and SBTC, the compromise continues to have the support of the National Small Business Association, the U.S. Chamber of Commerce, the NFIB, the National Venture Capital Association, local technology groups, and universities such as LSU, Louisiana Tech and the University of Akron. I will submit the letters of support for the record.

No other SBIR and STTR reauthorization bill in Congress, up to this point, has had the support of all these organizations. It is a delicate balance, and I fully appreciate the concessions everyone has made.

For example, we've compromised with an eight-year reauthorization instead of a permanent reauthorization. This compromise will not only give small businesses the confidence to invest in these programs, but also preserve the integrity of a program that has a history of creating jobs in America. These programs are providing the government and the private sector with cost-effective technology and scientific solutions to challenging programs.

Take Louisiana for example—A state well known for its seafood and oil industries. They are home to Mezzo Technologies. Mezzo received \$99,000 in grant funding to develop the radiator that helps the Bradley Tank keep its engine cool. You may not realize that soldiers will soon have advanced technology heating and cooling system suits thanks to a company in the small town of St. Francisville, Louisiana, R-BAT. R-BAT received more than \$99,000 to jump start their research. These are just two simple success stories from a long list of small businesses with innovative ideas from the SBIR and STTR programs. We will be happy to distribute success stories from around the country that the staff has compiled.

Another example, in our ranking member's home state of Maine, one small company developed controls that monitor the accuracy in medical test results for leukemia patients with a \$700,000 SBIR grant. At the start, Maine Molecular Quality Control could not function without SBIR funding, but today, they are completely supported by their own revenues.

One of our witnesses today is Dr. Irwin Jacobs, Co-Founder of Qualcomm. Through their time in the program, the company received roughly \$1.5 million in awards. Over the last 25 years, Qualcomm's innovations in wireless communications technology have become the backbone of our communication infrastructure worldwide. A company that started with only 35 employees now has 16,000 worldwide. With a market capitalization of \$80 billion, paying hundreds of millions in taxes each year to state, local and federal governments, Qualcomm is a very good investment for the taxpayer. As we will hear from testimony today, According to a San Diego Regional Chamber of Commerce study conducted in 2008, Qualcomm's total economic impact to the San Diego region was approximately \$5.5 billion in 2007.

Maybe you woke up this morning and picked up your electronic toothbrush? You can thank an SBIR grant for keeping off the plaque and gingivitis too. SBIR funding helped Optiva Corporation create the SONICARE mechanism inside electronic toothbrushes with grants equating \$100,000 in 1995 and nearly \$750,000 in 1998.

Finally, we are able to communicate easily in disaster zones using technology from a small company GATR [GATOR] out of Huntsville, Alabama. With more than \$1.2 million dollars in grant funding, GATR Technologies created the inflatable antenna which provides emergency internet access, cell phone coverage, and phone lines over satellite networks. We used the prototype during Katrina and it came to first responders' aid after the quake in Haiti.

These gave advanced technologies, developed by businesses that could have started in your garage, a chance to compete with larger businesses out there. Or, they are the brain child of a scientist with a dream who took this program and made their dream an innovation. We find these new technologies thanks to a grant system that works and brings results to the government and private sector.

Today, it is time to hear from some success stories, a technology expert who has thoroughly examined the programs' effectiveness and merits for continuation, and organization representatives to explain why their members support the program and our compromise.

On a more personal note, I would like to congratulate NiFTy Technology in Ruston, Louisiana on being awarded the Tibbets Award from the SBA for their outstanding work in the SBIR program.

I would now like to turn it over to our Ranking Member Olympia Snowe, for her opening statement.