

July 8, 2009

(WASHINGTON, D.C.) -- Today, the U.S. House of Representatives passed a bill introduced by U.S. Congressman Jason Altmire (PA-04) that will improve the Small Business Administration's (SBA) research and development programs and fix an SBA rule that is currently hurting dozens of local companies. More than 60 small, high-tech firms in western Pennsylvania and eastern Ohio are effectively prohibited from receiving grant funding from the Small Business Innovation and Research (SBIR) program, the SBA's largest research and development program, because they have venture capital investors.

Under Congressman Altmire's Enhancing Small Business Research and Innovation Act of 2009 (H.R. 2965), however, small business with venture capital investors will be eligible for SBIR funding, which can help them develop new products, create jobs and spur economic development.

"Unfortunately under the SBA's current policy, many western Pennsylvania small businesses have been forced to choose between accepting investments from venture capital firms and participating in the federal government's largest R & D program for small businesses," Altmire said. "We should make it easier for small firms to raise capital, not penalize them for doing so. By allowing small businesses to both attract venture capital and apply for SBIR grants, we can enhance their ability to develop innovative products and create more good paying jobs."

In 2006, more than \$2 billion in SBIR funding was awarded to small businesses nationwide. These SBIR awards have helped small businesses both study the feasibility of a new technology or idea and develop their research of new products. Under Altmire's bill, the size of awards available under the SBIR program will more than double, which will help small businesses continue to develop new products despite the current economic recession.

"SBIR and STTR programs have helped bring millions of dollars into our portfolio companies when they needed it most," said John W. Manzetti, CEO of the Pittsburgh Life Sciences Greenhouse. "This boost of funding enables entrepreneurs to reach milestones necessary to obtain follow on capital to fuel growth. We applaud the Congressman's tireless efforts to help bring more innovative technologies to market. He is a true champion of innovation."

"Early stage innovation is an important part of the economy, and SBIR and STTR support is critical to companies like mine," said David Palmer, President & CEO ClearCount, Medical Solutions in Pittsburgh, PA. "Expanding funding and programmatic opportunities through these programs is critical to our ability to continue to drive our patient safety solutions through the commercialization process -- ultimately creating jobs and wealth for our region and the U.S. economy at large."

Under the bill Altmire introduced, both SBIR and the Small Business Technology Transfer Program (STTR) will be extended and improved. This bill will also encourage a more diverse array of companies to apply for SBIR and STTR funding by expanding outreach to underserved areas and firms owned by service-disabled veterans, women and minorities. This bill will also develop programs which can help SBIR-funded companies commercialize their research and bring their innovative ideas to the marketplace.