

RAHALL *Report*

SMALL BUSINESS INNOVATION ACT

BY CONGRESSMAN NICK RAHALL

ALL TOO OFTEN, SMALL BUSINESS FIRMS FIND IT DIFFICULT, IF NOT IMPOSSIBLE, TO ATTRACT PRIVATE CAPITAL NEEDED TO DEVELOP A NEW IDEA OR PRODUCT. A MINIMAL AMOUNT OF FEDERAL SUPPORT AT THE EARLY DEVELOPMENT STAGE OF SUCH A PRODUCT, COULD BE EXTREMELY HELPFUL IN GIVING SMALL BUSINESSES A NEEDED BOOST.

BETWEEN 1953 AND 1973, FOR EXAMPLE, A NATIONAL SCIENCE FOUNDATION STUDY FOUND THAT SMALL FIRMS PRODUCED 24 TIMES AS MANY MAJOR INNOVATIONS PER RESEARCH AND DEVELOPMENT DOLLAR AS LARGE FIRMS AND 4 TIMES AS MANY AS MEDIUM-SIZED FIRMS. SUCH SMALL BUSINESSES HAVE ONE OF THE FASTEST RATES OF GROWTH IN EMPLOYMENT, SALES, EXPORTS, PRODUCTIVITY, NET REVENUES, AND TAX DOLLARS IN THE U.S.

FOR THIS REASON, I HAVE CO-SPONSORED AND AM ACTIVELY SUPPORTING LEGISLATION ENTITLED THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT. THIS MEASURE WOULD SET ASIDE A PORTION OF THE MASSIVE FEDERAL RESEARCH AND DEVELOPMENT BUDGET TO PROMOTE IDEAS BY SMALL BUSINESS FIRMS.

ALREADY, THIS BILL HAS BEEN APPROVED BY THE HOUSE SMALL BUSINESS COMMITTEE, AND IS AWAITING ACTION BY THE FULL HOUSE OF REPRESENTATIVES. THE SENATE PASSED THE MEASURE LAST DECEMBER, BY A VOTE OF 90-0.

THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT WILL FACILITATE ITS GOAL WITHOUT HINDERING BASIC RESEARCH. BUDETARY INFORMATION COLLECTED BY THE NATIONAL SCIENCE FOUNDATION INDICATES THAT THERE ARE AMPLE FUNDS IN ALL PARTICIPATING FEDERAL AGENCIES TO FULLY FUND THE PROGRAM WITHOUT TOUCHING ANY OF THE MONEY TRADITIONALLY USED FOR EITHER UNIVERSITY OR MEDICAL SCHOOL RESEARCH OR ONGOING DEVELOPMENT PROJECTS.

MOST OF ALL, THIS IMPORTANT SMALL BUSINESS MEASURE WILL BE A BOOM FOR NEW AMERICAN TECHNOLOGY, AND CREATE JOBS---TWO IMPORTANT FACTORS IN OUR NATION'S ECONOMIC RECOVERY.