

## Rep. Doris Matsui Amends Legislation to Provide Resources for Sacramento Organizations

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Path to Making Small Business Owners' Dreams a Reality Will Be Made Easier

WASHINGTON, D.C. - Today, Rep. Doris Matsui (CA-05) successfully amended the SBIR/STTR Reauthorization Act (H.R. 5819) to help entrepreneurs implement their ideas and shepherd them through production and commercialization. The amendment will encourage business incubators-entities that provide startup companies with resources and services to grow their businesses-to partner with Small Business Innovation Research (SBIR) award recipients.

"When you hear the word 'incubator,' an image is called to mind of a safe environment that allows growth to happen. Business incubators are entities that do just that: they provide our innovators and entrepreneurs a stable environment in which to move their ideas from concept to reality," said Rep. Matsui.

In Sacramento, incubators such as CleanStart and the McClellan Technology Incubator have already had a demonstrably positive effect on the maturation of the business climate in Sacramento. Business incubators provide startup companies with technical and management assistance, access to equipment, shared office space, networking opportunities with other local businesses and venture capital groups, and a host of other services. Put simply, these incubators undertake the task of shepherding entrepreneurial companies from the initial idea stage to product implementation and, eventually, commercialization.

The companies which receive SBIR grants, are by definition, small, innovative and with brand-new research. These are just the type of companies best situated to take advantage of the tools an incubator can provide. This amendment will support and strengthen the objectives of the SBIR program.

"Congresswoman Matsui's amendment on this bill is a big step for growing Sacramento's technology-based economy. This legislation will provide opportunities for crucial funding and business development assistance for innovative companies in our region's burgeoning clean technology and medical technology sectors. Her leadership on this important federal research and development program is most timely and valuable for local economic development efforts," said J.D. Stack, CEO of Sacramento Area Regional Technology Alliance (SARTA).

There are over 1,100 incubators in the United States, and the vast majority of these are non-profit organizations, such as the McClellan Technology Incubator. According to the National Business Incubation Association, incubators in North America assisted more than 27,000 startup companies that generated more than \$17 billion in 2005 alone.

Section 404 of H.R. 5819 requires Federal agencies to encourage partnerships between small companies that receive SBIR awards and prime contractors, venture capital companies, and larger businesses. The intent of these partnerships is to help SBIR awardees get their products to the commercial phase faster. However, Section 404 did not require these partnerships to include business incubators, even though these incubators are uniquely positioned-in fact, designed-to help small companies make the transition from concept to commercial product.

The Matsui amendment requires that business incubators are included in these provisions.

"Cultivating our workforce, which is largely comprised of small businesses, will help ensure that America remains competitive in the evolving global market. By providing resources to innovative new businesses, we are taking action now to grow the cutting-edge workforce of tomorrow," said Rep. Matsui.

"The bill we passed today reinvests in research and development in the sectors that will compose the workforce of tomorrow, including clean energy and technology. Taking steps now to help grow our small businesses will cultivate a better America for the future," said Rep. Matsui.

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