

Opening Statement of Senator Olympia J. Snowe
Ranking Member, Senate Committee on Small Business and Entrepreneurship
Mark-up on Bills to Reauthorize the SBA's Venture Capital and Entrepreneurial
Development Programs
June 26, 2007 (Draft #3, 6-25-07 AND 5:45 PM)

Good morning and welcome to this mark-up of the Small Business Administration's (SBA's) Venture Capital and Entrepreneurial Development Programs. Today, we will consider two critical pieces of legislation. The first will reauthorize the SBA's Small Business Investment Company (SBIC) and New Markets Venture Capital (NMVC) programs while the second addresses the Agency's programs that help entrepreneurs launch new and innovative companies.

This year, the Committee has already passed legislation to reauthorize the SBA's disaster and key lending programs. These bills were designed to help existing small businesses. Today, we are focused on assisting entrepreneurs and future small businesses. The SBA's venture capital and entrepreneurial development programs provide investment dollars and management assistance to small businesses, particularly during their growth stages. They also offer counseling, assistance, and educational programs to 1.2 million prospective and existing business owners, many of which may one day become the household companies of the future. Indeed, the SBA's record is nothing short of exemplary, as it has assisted companies whose names have become world-renowned brands such as Staples, FedEx, America Online, Costco, Apple Computers, and Intel.

The bills before us today represent a compilation of ideas and initiatives spearheaded by Chairman Kerry, other Members of the Committee, and me. The foundation for the legislation was my SBA Reauthorization and Improvements Act passed unanimously by the Small Business Committee during the 109th Congress. Unfortunately, that bipartisan measure never passed the full Senate.

The SBIC and NMVC programs have successfully leveraged private investment with additional funds supported by SBA guarantees. Each year, this financing allows small businesses to create or retain tens of thousands of jobs. For

example, during FY 2006, the SBIC program invested nearly \$2.9 billion in 2,121 small businesses. Since its beginning in 1958, the SBIC program has provided approximately \$48 billion of long-term debt and equity capital to more than 100,000 small businesses. This bill not only reauthorizes the SBIC program, but it also makes good on past funding commitments in the Participating Securities program. This will ensure that Participating Securities SBICs will have sufficient leverage to meet their portfolio's investment plan.

If we do not reauthorize the SBIC and NMVC programs this year, entrepreneurs will not have sufficient access to investment dollars to start new businesses. This, in turn, will lead to fewer high-paying jobs and slower long-term economic growth, particularly in under-invested urban and rural areas. Consider that in its short existence, the NMVC program has achieved remarkable results, **creating and maintaining 1,626 jobs in the areas in which they operate.** We must pass the bill before us today to build on this success by bringing NMVC companies to each area of the country.

Turning to the **SBA's entrepreneurial development programs, which created 87,500 new jobs in FY 2005 alone.** These programs continue to demonstrate the vital role Congress can play in bolstering business prospects for millions of Americans.

Small Business Development Centers (SBDCs), which are among the Federal government's most successful programs, have been essential in the delivery of management and technical counseling assistance. Unfortunately, the SBDC program has been underfunded over the past few years. Accordingly, **the legislation before the Committee will increase authorized SBDC funding from \$90 million in FY 2007 to \$145 million by FY 2010.**

The entrepreneurial development legislation before us today also includes several other priorities that I have long championed. Notably, it provides the SBA with the resources necessary to help small businesses continue expanding in overseas markets. By creating new statutory requirements within the SBA's Office of International Trade, we will ensure that small businesses will be represented during

international trade negotiations. For example, the SBA will now jointly develop and conduct training programs for small business exporters and lenders.

Finally, reauthorizing the Women's Business Centers (WBCs) will help women entrepreneurs grow. Women entrepreneurs are one of the most rapidly expanding segments of the economy, accounting for 30 percent of all business in the country. In order to help propel this growth, this bill directs the SBA to help women entrepreneurs address technology, financing, manufacturing, and international trade issues. In addition, this bill also increases grant transparency, creates an online electronic clearing house on women's business activities, and strengthens the advisory role of the National Women's Business Council.

Thank you, Chairman Kerry, for your tireless leadership in helping to forge this truly bipartisan bill. I also appreciate all the suggestions and feedback that we have received, and I look forward to working with Committee Members as this bill moves forward.