

House Passes Altmire Small Business Investment Bill

(Washington, DC) - Today, the U.S. House of Representatives passed legislation introduced by Congressman Jason Altmire (PA-4), Chairman of the House Small Business Subcommittee on Investigations and Oversight, that will help increase the flow of venture capital to start-up companies, increasing the ability of small firms to expand their operations and to add new employees. Congressman Altmire's legislation, the Small Business Investment Expansion Act of 2007 (H.R. 3567), will revamp the Small Business Administration's (SBA) investment programs, bringing them up to date with contemporary business practices and addressing inefficiencies that contribute to the more than \$60 billion in unmet capital needs for small businesses each year. H.R. 3567 passed by a bipartisan vote of 325 to 72.

"Each year, millions of small businesses are started by entrepreneurs with an innovative idea, but converting these ideas into successful companies often requires an infusion of capital investment at an early stage," said Congressman Altmire. "My bill revamps the SBA's investment programs and ensures that the SBA is an efficient partner in the business development of small firms by improving their access to two vital sources of investment - venture capital and angel investment."

The Small Business Investment Expansion Act addresses the current shortfall in capital investment by updating the SBA's Small Business Investment Company (SBIC) and the New Markets Venture Capital (NMVC) programs. Both are public-private partnerships designed to aid small firms' in particular those owned by veterans and women' in acquiring venture capital. The bill also creates a new Office of Angel Investment to build the first-ever nationwide network of angel groups and enhance awareness about available investment opportunities. Angel investors are sophisticated individuals who invest in and support start-up companies in their early stages of growth. It is estimated that angel investors account for more than 51,000 entrepreneurial ventures a year and are rapidly becoming a common way for start-ups to obtain capital. Additionally, the Act would ensure firms that receive venture capital are able to maintain their small business classification, removing current disincentives to seeking this kind of financing.

"New start-ups and young entrepreneurial technology firms require large amounts of capital to reach the point of commercializing their products or services," said Audrey Russo, president and CEO of the Pittsburgh Technology Council. "The SBIR program can be an important source of critical seed funding for emerging and early-stage technology firms, but it usually is not sufficient to fund all costs of commercialization. Venture capital often fills this critical gap in financing."

"Western Pennsylvania's small businesses are ripe to benefit from these overdue improvements to the SBA's investment programs," said Congressman Altmire. "Our region is home to top universities, leaders in corporate research and development, and on the cutting edge of many high tech industries. By creating an environment that facilitates the flow of venture capital and angel investments to small businesses, we can help local leaders in western Pennsylvania go from start-up to Fortune 500 companies, creating jobs and strengthening our region's economy."

H.R. 3567 is endorsed by the Biotechnology Industry Organization (BIO), Advanced Medical Technology Association (AdvaMed), Medical Device Manufacturers Association (MDMA), National Venture Capital Association, Surety and Fidelity Association of America (SFAA), and the American Insurance Association (AIA).