Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
Hearing: "Small Business, Big Threat: Protecting Small Businesses from Cyber Attacks"
April 22, 2015

Good morning and thank you all for being here today. Special thanks to all our witnesses for being here to share their insights and expertise with this Committee on a very timely and very important subject.

Cyber security is one of the most pressing, but least understood, challenges of our time.

The American government, American businesses, and Americans themselves are attacked over the Internet on a daily basis. Sometimes they know, sometimes they don't. These attacks come from criminal syndicates, "hacktivists," and foreign nations. They're after intellectual property, bank accounts, Social Security numbers, and anything else that can be used for financial gain or a competitive edge.

The increasing number of attacks come as more people are using the Internet than ever before. In the past five years, global Internet traffic has increased more than five-fold, and in the next five years, this number will triple.

This isn't the Internet of 1995, when most Americans simply got online to check e-mail. Today, we are using the Internet in increasingly innovative and practical ways. We pay for coffee with our phones. We request ride-sharing services to our exact location. We stream live video. Most Americans even bank online. In fact, in 2013 the average amount stolen from small business bank accounts was $6,927, and just last year that nearly tripled to $20,000.

This technology and -- our behavior with it -- is the underpinning of our modern economy and the foundation for our future. This is why we must address cyber security *now*, so that as a country and as the leader in the global marketplace, we can operate without fear of attack. We need the peace of mind that we have adequately prepared, we are protected, and we are constantly learning, adapting, and strengthening those systems of protection against cyber attacks.

When hackers affect large corporations, it's a breaking news alert on TV and probably on our smart phones. But the majority of cyber attacks happen at small businesses. In fact, 71 percent of cyber attacks occur at businesses with fewer than 100 employees. These are family businesses and small manufacturers with fewer resources to combat security threats, which make them even bigger targets.

A cyber attack on a big-box store will be reported by the media and probably dent their bottom line. An unreported attack on a small firm may put them out of business and cost Americans their jobs.
So today, we are here to examine these issues through the lens of an everyday American. How do we protect ourselves and our businesses? Is it as simple as using a more complicated password? Or does it require much more than that? And what is the appropriate role of the federal government in all of this?

Not long ago an enemy would attack with bombs and ammunition. Today they use malware and Trojan horses.

I look forward to hearing from our witnesses and I now yield to the Ranking Member.