July 21, 2017

The Honorable Richard Shelby  
Chairman  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
Senate Committee on Appropriations

The Honorable Jeanne Shaheen  
Ranking Member  
Subcommittee on Commerce, Justice, Science, and Related Agencies  
Senate Committee on Appropriations

Dear Chairman Shelby and Ranking Member Shaheen:  

Thank you for your continued support for the Regional Innovation (RI) Program within the Department of Commerce and for funding the program at $17 million in Fiscal Year 2017.

As you develop the Commerce, Justice, Science and Related Agencies Appropriations bill for Fiscal Year 2018, we ask you to provide $50 million for the Regional Innovation Program. The RI Program encourages and supports the development of regional innovation strategies by funding flexible awards with a 1:1 private match. Funding the RI Program at $50 million would support efforts to increase job growth, revitalize the manufacturing industry, and increase American innovation. The program also provides a strong return on investment of $1.30 for every dollar put into the program.

Originally authorized by the America COMPETES Act, the Regional Innovation Program funds local organizations that are growing jobs and economies through science, technology, innovation, and entrepreneurship. While federally-funded basic and applied research provide the fuel for inventions and discoveries, these research investments often do not make it out of the lab and into the marketplace. The RI Program helps state, regional, and local innovation ecosystems leverage existing resources to fill this gap and bring research to market. This, in turn, catalyzes regional collaboration and supports economic recovery and job creation in high-growth industries.

Demand for this funding is strong across the country. In fact, the EDA has received more than 620 applications from all 50 states, DC, and Puerto Rico over the last three rounds of RI Program awards. In total, applicants have requested $245 million in funding and committed $284 million in private matching funds. Preliminary results from the FY14 and FY15 program rounds are very promising, demonstrating the ability of the program to spark job creation in our communities. For example, under the i6 Challenge, over 950 full-time jobs have been created and more than 1,000 entrepreneurs have been assisted. Under the Seed Fund Support program, $11 million of seed
capital has been obtained and $3.4 million has been invested in early-stage companies. We will see even stronger job numbers over the next five to ten years, when the full effects of these investments are realized. Given that the 2014 and 2015 grantees are only 22 months and 11 months into their respective project periods, there are strong indications that these projects will see substantial long-term positive impacts.

The value of the RI Program to regional economies is demonstrated not only by the strong demand discussed above, but also by the projects it funds that are tailored to the unique needs of communities across the country. For example, the Alliance for Innovative Medical Technology Proof of Concept Center project, a collaboration between the Southern Research Center and the University of Alabama, provides outreach to medical innovators in the greater Birmingham area. With the help of a $500,000 i6 grant awarded in 2016, they are bringing innovative medical ideas to the commercial market. Another example is the Form to Factory Supporting Advanced Manufacturing Project in Northeast Massachusetts. With the help of a $500,000 i6 grant awarded in 2016, a new Hardware Advisory Committee was created consisting of stakeholders in the hardware startup and manufacturing industries. The project is providing 2,400 hours of technical assistance to 30 startup companies resulting in 22 concepts nurtured into prototypes. The project will also create new internship opportunities, dozens of jobs, and $2 million in new revenue.

As you develop the Commerce, Justice, Science, and Related Agencies appropriations bill for FY18, we ask you to prioritize the Regional Innovation Program and fund it at $50 million. Increased resources for the RI Program are instrumental to cultivating entrepreneurship, growing new startups, and bringing new products and ideas to market.

We thank you again for your continued support and consideration.

Sincerely,

Association of Public and Land-grant Universities  
Association of University Research Parks  
Educational Association of University Centers  
International Business Innovation Association  
SSTI  
Technology Councils of North America

---
