



February 28, 2020

The Honorable José Serrano
Chairman
Subcommittee on Commerce, Justice,
Science & Related Agencies
Committee on Appropriations

The Honorable Robert Aderholt
Ranking Member
Subcommittee on Commerce, Justice,
Science & Related Agencies
Committee on Appropriations

Dear Chairman Serrano and Ranking Member Aderholt:

Thank you for your continued support for the Regional Innovation Program within the Department of Commerce and for funding the program at \$33 million in Fiscal Year 2020.

As you develop the Commerce, Justice, Science and Related Agencies Appropriations bill for Fiscal Year 2021, we ask you to provide \$50 million for the Regional Innovation (RI) Program. The program encourages and supports the development of regional innovation strategies by funding flexible awards with a 1:1 match. Funding the RI Program at \$50 million, which is in-line with its most recent authorization, would accelerate efforts to create high-quality jobs, revitalize the manufacturing industry, and unleash American innovation.

Originally authorized by the *America COMPETES Act*, the RI Program was most recently reauthorized in the *National Defense Authorization Act for FY 2020*. The program funds local organizations that are growing jobs and economies through science, technology, innovation, and entrepreneurship. While federally-funded research facilitates inventions, these discoveries often do not leave the lab and enter the marketplace. The RI Program helps state and local innovation economies leverage existing resources and regional collaboration to fill this gap—transforming discoveries into new solutions, products, and companies. This in turn supports job creation in high-growth industries.

Demand for the RI Program is strong across the country. EDA has received 1,200 applications from all 50 states, D.C., and Puerto Rico over the six rounds of RI Program awards. To date, EDA has made 224 awards totaling \$101 million across 47 states, the District of Columbia and Puerto Rico.

Preliminary results from the program are very promising, demonstrating the program's ability to spark job creation in our communities. Through March 2018, i6 Challenge programs had already assisted more than 4,000 entrepreneurs, supported 1,661 product launches, and seen businesses raise more than \$900 million in capital. Seed Fund Support recipients have marshalled more than \$91 million for funds and seen nearly \$19 million invested in companies.

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, in the 2019 round, projects are supporting industry- and university-driven innovation in 28 states, DC and Puerto Rico, including Florida, Michigan, New York, Ohio, Pennsylvania and Texas.

- Composite Recycling Technology Center in Washington has supported six entrepreneurs in keeping more than 400,000 pounds of carbon fiber out of landfills;
- Grupo Guayacán developed Puerto Rico's first seed fund, which has already invested in 10 companies and attracted nearly \$2.5 million in total investment;
- In Ohio, Lorain County Community College and its partners have helped early-stage companies pursue 59 patents and \$5 million in sales;
- mHub in Illinois has worked with 350 manufacturing-focused startups, which have generated \$105 million in revenue and created more than 1,000 jobs;
- New Orleans BioInnovation Center in Louisiana has helped 270 entrepreneurs, who have raised nearly \$50 million in private investment; and,
- Tampa Bay Wave in Florida has assisted more than 300 companies, which have gone on to raise more than \$230 million and create 2,000 jobs.

As you develop the Commerce, Justice, Science, and Related Agencies appropriations bill for FY 2021, we ask you to prioritize the Regional Innovation Program and fund it at 50 million. This level of funding for the program will catalyze and expand initiatives that are cultivating entrepreneurship, growing new startups, and bringing new products and ideas to market—efforts that are crucial in building and maintaining the U.S. competitive edge.

We thank you again for your continued support and consideration.

Sincerely,

Angel Capital Association
Assoc. of University Research Parks
International Business Innovation Assoc.
SSTI
University Economic Development Assoc.

Assoc. of Public & Land-grant Universities
Center for American Entrepreneurship
National Venture Capital Assoc.
Technology Councils of North America