



October 13, 2010

The Honorable Erskine Bowles  
Co-Chairman  
National Commission on Fiscal Responsibility  
and Reform  
1600 Pennsylvania Avenue, NW  
Washington, DC 20504

The Honorable Alan Simpson  
Co-Chairman  
National Commission on Fiscal Responsibility  
and Reform  
1600 Pennsylvania Avenue, NW  
Washington, DC 20504

Dear Chairmen Bowles and Simpson:

Among economists, policymakers, and the public, there is little dispute that the fiscal path our nation is following is unsustainable. As representatives of high-tech and other industries, universities, and professional societies, we concur, and we therefore believe it is imperative that our government adopt policies to reduce the budget deficit and stabilize our national debt.

As you consider recommendations for Congress and the Administration, however, we urge you to recognize the importance of keeping our nation on an innovation path that makes it possible for our economy to grow and our citizens to prosper. Ultimately, the point of fiscal responsibility is to provide a better life for all Americans, especially future generations. And while reducing deficits is necessary for achieving long-term prosperity, it is equally necessary that we continue to make the new investments in science and technology that for more than half a century have provided the foundation for innovation and economic growth in our country.

We agree with the leadership of the Commission that all parts of the federal budget must be placed on the table for deficit reduction: entitlement spending, tax and revenue policies, and discretionary spending, both defense and nondefense. However, as the Commission examines its options on the spending side, we urge you to differentiate investments that over time will grow the economy, create jobs, and increase federal revenues from programs that may be desirable but provide little if any financial return. When our fiscal house is in order, we should be able to afford both. But it isn't, and we can't.

Members of the Task Force on American Innovation believe that our government, even as it takes necessary steps to reduce deficits, must continue to make investments that will strengthen our economic competitiveness by spurring scientific advancement and improving the quality of our technological workforce. Specifically, our government must provide robust support for basic research, particularly in the physical sciences and engineering, and for STEM (science, technology, engineering, mathematics) education. Revenue policies should also encourage private investment in research and innovation.

Economic analyses generally attribute more than half of all economic growth in the United States since the end of World War II to technological advances that have driven innovation and productivity. Those advances – such as the laser; the Internet and its companion, the Web; and the large-scale integrated circuit – all had their origins in long-term research, both basic and applied. They were the consequence of federal policies that directly funded long-term research, provided incentives for private investment, and stressed the importance of science and engineering education.

For more than half a century the United States led the world in scientific discovery and technological innovation. Our nation's prowess produced extraordinary economic growth and increased the standard of living of most Americans. Today, a good part of the world has caught up with our scientific competence, and in some cases surpassed it. In the case of K-12 science and mathematics education, we are distinctly second rate. If we do not remedy our deficiencies in the coming decade we run the risk of relegating our nation's economy to the same status. Indeed, nations such as China and India are pouring resources into developing their research capacities and their human capital in STEM fields, helping them over the long term to challenge our economic as well as our military leadership.

We are well aware that you face an enormous challenge. And Congress and the President will face an enormous challenge as they consider your recommendations. We urge you to make recommendations that, over the long run, will enable this generation to leave future generations a legacy not of excessive debt and limited prospects but of renewed technological leadership and economic opportunity.

Sincerely,

### **The Task Force on American Innovation**

**Agilent Technologies**  
**Alliance for Science & Technology Research in America**  
**American Chemical Society**  
**American Institute for Medical and Biological Engineering**  
**American Institute of Physics**  
**American Mathematical Society**  
**American Physical Society**  
**American Society for Engineering Education**  
**Applied Materials, Inc.**  
**ASME**  
**Association for Computing Machinery**  
**Association of American Universities**  
**Association of Public and Land-grant Universities**  
**Battelle**  
**Business Roundtable**  
**Computing Research Association**  
**Computing Technology Industry Association**  
**Council of Graduate Schools**  
**Council on Competitiveness**  
**Cray Inc.**  
**Federation of American Societies for Experimental Biology**  
**Google, Inc.**  
**Infineon Technologies**  
**Intel Corporation**  
**Luna Innovations, Inc.**  
**Materials Research Society**  
**Microsoft Corp.**  
**National Association of Manufacturers**  
**National Center for Women & Information Technology**  
**National Inventors Hall of Fame**

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**National User Facility Organization**  
**Northrop Grumman Corp.**  
**Procter & Gamble Company**  
**The Science Coalition**  
**Semiconductor Industry Association**  
**Semiconductor Research Corporation**  
**Society for Industrial and Applied Mathematics**  
**Southeastern Universities Research Association**  
**TechAmerica**  
**Technology CEO Council**  
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