



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

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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.
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Association for Computing Machinery
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