



March 14, 2019

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 \$23.5 million in Fiscal Year 2019.

As you develop the Commerce, Justice, Science and Related Agencies Appropriations bill for Fiscal Year 2020, we ask you to provide \$35 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 \$35 million 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 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, regional, and local innovation ecosystems leverage existing resources to fill this gap—transforming discoveries into new solutions, products, and companies. This in turn catalyzes regional collaboration and supports job creation in high-growth industries.

Demand for this funding is strong across the country. The EDA has received more than 1,000 applications from all 50 states, D.C., and Puerto Rico requesting more than \$350 million in funding over the five rounds of RI Program awards. To date, EDA has made 180 awards totaling \$78 million across 46 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. For example, under the i6 Challenge, programs already have 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. These already-strong figures are from March 2018, and therefore represent partial performance for most grantees.

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 2018 round alone, projects are supporting university- and cluster-driven innovation in 30 states, including Florida, Michigan, Mississippi, New York, Ohio, Pennsylvania and Texas.

In Buffalo, Launch New York is building an investor network to facilitate capital access for underserved entrepreneurs. The Innovation Depot in Birmingham, Alabama has already facilitated seed funding of more than \$3 million into startups. Medical Center of the Americas, in El Paso, received i6 funding to facilitate tech commercialization and entrepreneurship. Pittsburgh's Innovation Works has partnered hardware startups with regional manufacturers for prototyping and (at least) early product lines.

As you develop the Commerce, Justice, Science, and Related Agencies appropriations bill for FY 2020, we ask you to prioritize the Regional Innovation Program and fund it at \$35 million. Increased resources for the program are instrumental to 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
Association of Public & Land Grant Universities
Association of University Research Parks
AUTM
Center for American Entrepreneurship
Information Technology & Innovation Foundation
International Business Innovation Association
National Venture Capital Association
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