



# TASK FORCE ON AMERICAN INNOVATION

February 16, 2017

The Honorable Mick Mulvaney  
Director  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, D.C. 20503

Dear Director Mulvaney:

The Task Force on American Innovation (TFAI), a coalition of businesses, trade groups, scientific and engineering societies, and university organizations, looks forward to working with you as Director of the Office of Management and Budget (OMB). TFAI supports federally-funded scientific research and promotes its benefits to America's economy, security, and quality of life. As you assist the President in proposing his FY 2018 budget, we strongly urge you to make federal investments in basic scientific research a top priority, particularly at the National Science Foundation (NSF), the Department of Energy (DOE) Office of Science, the Department of Defense, NASA, and the Department of Commerce's National Institute of Standards and Technology (NIST).

Investments are essential to building and sustaining successful enterprises. Similarly, federal investments in basic research are vital to our nation's science, technology, innovation, and manufacturing sectors. Only the federal government has the long-term horizon and resources to invest in basic research that will pay dividends ten or more years in the future in the form of discoveries, processes, and knowledge that can lead to new products, services, industries, and jobs.

Federal investments in basic research played a significant role in the explosive economic growth of the second half of the 20th century. Those investments have been limited in recent years while our international competitors have greatly increased investments supporting their technological advancements. Per 2016 data from the American Association for the Advancement of Science, federal investment in research and development (R&D) is at a historic low relative to Gross Domestic Product (GDP), steadily declining from nearly 2 percent at the height of the Space Race to 0.79 percent in FY 2016. This decline directly impacts the ability of agencies to fund a large proportion of the quality research proposals they receive, and continuation of this trend could negatively impact the future economic growth of the country.

The U.S. is now tenth among developed nations in terms of prioritization of R&D investments relative to GDP. This is no coincidence. Our global competitors aim to supplant us as the leader in science and innovation, increasing the difficulty of maintaining America's economic edge as other countries race to invest in research. If the trend of declining U.S. and accelerating foreign investment in research continues, an innovation deficit will be created that could deprive our nation of the benefits of its long-term global leadership.

One must look no further than the existing backlog of federal research projects to see the need for additional federal investment. That backlog is a direct result of the constrained funding noted above and we ask you to take this into consideration as you develop the President's FY 2018 budget as well as future proposals. The research projects funded in the FY2018 budget will be the basis for new industries and economic growth over the course of the next decade. The technological innovation developed by federal investments in research in FY 2018 will directly affect our national security and our capabilities in industries from agriculture to healthcare in future years.

TFAI would appreciate the opportunity to meet with your staff to discuss research issues and exchange ideas. Please feel free to have your staff contact us, if you have any questions or require any further information.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Stewart Young". The signature is fluid and cursive, with a large, sweeping flourish at the end that curves back towards the start of the name.

Stewart Young  
Executive Director  
Task Force on American Innovation