

Dear Chairman _____ and Ranking Member _____:

Thank you for your continued support for the Regional Innovation (RI) Program within the Department of Commerce and for funding the program at \$17 million in Fiscal Year 2017.

As you develop the Commerce, Justice, Science and Related Agencies Appropriations bill for Fiscal Year 2018, we ask you to provide \$50 million for the Regional Innovation Program. The RI Program encourages and supports the development of regional innovation strategies by funding flexible awards with a 1:1 private match. Funding the RI Program at \$50 million would support efforts to increase job growth, revitalize the manufacturing industry, and increase American innovation. The program also provides a strong return on investment of \$1.30 for every dollar put into the program.

Originally authorized by the America COMPETES Act, the Regional Innovation Program funds local organizations that are growing jobs and economies through science, technology, innovation, and entrepreneurship. While federally-funded basic and applied research provide the fuel for inventions and discoveries, these research investments often do not make it out of the lab and into the marketplace. The RI Program helps state, regional, and local innovation ecosystems leverage existing resources to fill this gap and bring research to market. This in turn catalyzes regional collaboration and supports economic recovery and job creation in high-growth industries.

Demand for this funding is strong across the country. Over the three rounds of RI Program awards, the EDA has received more than 620 applications from all 50 states, DC, and Puerto Rico requesting \$245 million in funding and committing \$284 million in private matching funds. To date, EDA has made 98 awards totaling \$39.5 million.

Preliminary results from the first two program rounds are very promising, demonstrating the ability of the program to spark job creation in our communities. For example, under the i6 Challenge, over 950 full time jobs have been created and more than 1,000 entrepreneurs have been assisted. Under the Seed Fund Support program, \$11 million of seed capital has been obtained and \$3.4 million has been invested in early-stage companies.¹ We will see even stronger job numbers over the next five to ten years, when the full effects of these investments are realized. Given that the grantees from the first and second rounds are only 22 months and 11 months into their respective project periods, there is strong indication that these projects will see substantial long-term positive impacts.

Senate

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, the Alliance for Innovative Medical Technology Proof of Concept Center project, a collaboration between the Southern Research Center and the University of Alabama, provides outreach to medical innovators in the greater Birmingham area. With the help of a \$500,000 i6 grant awarded in 2016, they are bringing innovative medical ideas to the commercial market. Another

¹<https://www.eda.gov/news/blogs/2017/03/01/success.htm>

example is the Form to Factory Supporting Advanced Manufacturing Project in Northeast Massachusetts. With the help of a \$500,000 i6 grant awarded in 2016, a new Hardware Advisory Committee was created consisting of stakeholders in the hardware startup and manufacturing industries. The project is providing 2,400 hours of technical assistance to 30 startup companies, which should result in more than 20 concepts nurtured into prototypes. The project will also create new internship opportunities, dozens of jobs, and \$2 million in new revenue.²

House

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, the creation of the Texas Smarter Water Innovation Cluster provides water technology solutions in response to extreme demands on Austin's water infrastructure such as aging water lines. With the help of a \$500,000 i6 grant awarded in 2016, the cluster aims to create 100 new water-technology focused jobs that will apply digital technologies to water, including sensors and software to monitor water systems. Another example is the Scaling Up a Mentorship-Driven Seed Fund project in Buffalo, NY. With the help of a \$245,460 Seed Fund Support grant awarded in 2016, Launch NY is addressing the lack of funding for startup companies by providing them with increased seed capital and mentoring. This project will help startups become ready for investment and bring new investment opportunities to the upstate region.

As you develop the Commerce, Justice, Science, and Related Agencies appropriations bill for FY18, we ask you to prioritize the Regional Innovation Program and fund it at \$50 million. Increased resources for the RI Program is instrumental to cultivating entrepreneurship, growing new startups, and bringing new products and ideas to market.

We thank you again for your continued support and consideration.

Sincerely,

² <https://www.eda.gov/archives/2016/oie/ris/i6/2016/i6/Metro-North-Regional-Employment-Board.htm>