

April 13, 2020

The Honorable Eddie Bernice Johnson
Chairwoman
Committee on Science, Space, & Technology

The Honorable Frank Lucas
Ranking Member
Committee on Science, Space, & Technology

Dear Chairwoman Johnson and Ranking Member Lucas:

We appreciate the Committee on Science, Space, & Technology's solicitation of ideas to help address the immediate and long-term repercussions of the COVID-19 pandemic for America's physical and economic health.

SSTI, the organizer of the Innovation Advocacy Council, is a national nonprofit founded in 1996 to strengthen initiatives to create a better future through science, technology, innovation and entrepreneurship. More than 150 state and local governments, institutions of higher education and nonprofit organizations work with us to share information and work together to advance this goal.

Tapping into this network and experience, we are writing to suggest the following proposals for the Committee's consideration. Our recommendations are structured under the headlines provided in the request for ideas.

Opportunities for Additional R&D and Related Activities Specific to COVID-19 Response and Recovery

American innovation is critical to the national recovery: biosciences discoveries and creative manufacturing will help to solve the medical crisis, and innovative companies will help drive our economic recovery. Unfortunately, private and public investments in such activities are likely to be curtailed during a health crisis and recession. To help contribute to the discovery of solutions sooner, and to help position regional economies to be ready to recover as quickly as possible, Congress should make sure that its investments in technology-based economic development are aligned through the Economic Development Administration (EDA) Build to Scale (B2S) program (appropriated as Regional Innovation Program). Since the program's inception in 2014, B2S has made strong investments in entities supporting bioscience and is responsible for mentoring, access to laboratory space, business development assistance, intellectual property and regulatory support, and proof-of-concept funding that is not available to innovative start-ups anywhere else.

Recommendation: Expand EDA's emergency funding authorization to allow B2S to provide further assistance to organizations supporting companies working on biosciences development (e.g., anti-viral vaccines and therapeutics) and

the production of medical devices and supplies. We suggest an authorization of \$100 million, and that the funds not be subject to the program's typical match requirements.

“Shovel-Ready” Research Infrastructure

We believe there are two key directions in which the Committee should influence any infrastructure proposals considered in Congress.

First, as suggested by the Committee's request for ideas, Congress should adequately provide for investments in research infrastructure. The process of making scientific and medical research progress and converting these innovations into real solutions and businesses is an infrastructure-intensive process. A common concern of cities throughout the country is a lack of sufficient laboratory space to investigate new drugs, robotics, and other innovations, and new products often thrive when cultivated in a scalable site co-located with collaborators and competitors.

Recommendation: Any infrastructure funding passed through Congress should include a modest, but impactful set aside for technology parks, labs, incubators, and other research-related infrastructure.

Second, the Committee should encourage infrastructure investments to incorporate innovations in a variety of fields, such as energy efficiency and sensor technologies developed through agencies within the Committee's jurisdiction. Infrastructure is no longer necessarily a “dumb” object, planned and built once and then left to sit silently while it decays. Today's technology enables infrastructure to be a proving ground for new materials, adaptable to changing conditions, and a source for sensors revealing customer patterns and alerting owners to actual—not projected—maintenance needs. Investments in public infrastructure must be made in conjunction with the research centers, startups, and manufacturers that are actively developing these innovations.

Recommendation: Federal investments in infrastructure should encourage technological advancement by (a) encouraging special consideration for innovation as part of proposal scoring, and by (b) specifically funding projects to demonstrate potential commercial value of new technologies in regulated sectors, such as by the Department of Energy and the National Institute of Standards and Technology (NIST).

Long-term Economic Stimulus/Recovery

For the reasons discussed above, the EDA B2S program is a key channel for Congressional investment in long-term economic stimulus. Moreover, the type of economic activity stimulated through the program is likely to catalyze improved regional stability, as new innovations are

transformed into new products, jobs, and businesses. The program is ripe for additional support from Congress, having received more than 1,300 proposals and awarded more than \$100 million in grants across 224 projects. B2S has a proven track record that can be quickly replicated in a short amount of time, is able to distribute funding in a geographically balanced manner, and has already helped create over 14,200 jobs across the country and catalyzed more than \$1.6 billion in follow on investment capital into startups and new venture funds. This will be critical to our upcoming economic recovery.

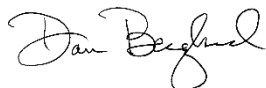
Recommendation: Congress should provide a new appropriation of \$100 million for B2S (appropriated as the Regional Innovation Program) to improve the long-term economic resiliency of regions throughout the country.

America's greatest source of global competitiveness is our capacity for innovation. As we look to generate an economic stimulus, Congress should make an investment in transforming American innovation into new products and services, a process that creates new companies and employment opportunities. While entrepreneurs seeking to make these transformations face a variety of challenges, experienced venture development organizations and others can provide assistance to help overcome these barriers and accelerate growth. Partners in regions like St. Louis, Missouri, Central Florida, and Portland, Oregon have invested in this type of support and seen their innovators and entrepreneurs thrive. In this time of economic need, an appropriately-scaled Federal investment should drive the transformation of innovation throughout the country.

Recommendation: Create a new program at NIST to support regional efforts to transform federal R&D (both intramural and extramural) into new products and jobs. To achieve the best results and provide support that encourages local partners to make the best long-term choices, the Federal funding for this effort should be patient, taking the form of cooperative grants for up to 10 years. To achieve impact in as much of the country as possible, we recommend 50 awards of up to \$1 million per year.

We thank you and the entire Committee for your consideration of these proposals to help lead the nation through—and out of—this national health and economic crisis. Please do not hesitate to reach out if we can provide any further information or assistance. We stand ready to support you to our fullest capacity in this endeavor.

Sincerely,



Dan Berglund
President & CEO, SSTI