August 31, 2023

The Honorable Charles Schumer
Majority Leader
U.S. Senate

The Honorable Mitch McConnell
Minority Leader
U.S. Senate

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives

The Honorable Patty Murray
Chair
Senate Committee on Appropriations

The Honorable Susan Collins
Vice Chair
Senate Committee on Appropriations

The Honorable Kay Granger
Chair
House Committee on Appropriations

The Honorable Rosa DeLauro
Ranking Member
House Committee on Appropriations

Dear Leader Schumer, Speaker McCarthy, Leader McConnell, Leader Jeffries, Chair Murray, Chair Granger, Vice Chair Collins, and Ranking Member DeLauro:

The United States has been losing ground in the development of key sectors to industrial rivals like China, which, after years of targeted investment, is now the world leader in 37 out of 44 critical and emerging technologies according to a 2023 report by the Australian Strategic Policy Institute. As the 2022 National Security Strategy warned, "technology is central to today's geopolitical competition and to the future of our national security, economy, and democracy" and "in the next decade, critical and emerging technologies are poised to retool economies, transform militaries, and reshape the world." Congress has recognized this threat in a bipartisan fashion through various actions, including the passage of the *CHIPS and Science Act,* which created a suite of landmark initiatives to bolster domestic production in key sectors, such as artificial intelligence, semiconductors, biotechnology, quantum information sciences, clean energy, next generation communications, and more.

To ensure the U.S. wins the next era of innovation and can meaningfully compete with China's state-controlled economy, Congress should build on its previous efforts by funding these crucial programs at the levels authorized in the *CHIPS and Science Act*, especially those that leverage the U.S. economy's unique strengths and the assets and workforce of regions across the country. In particular, the Regional Technology and Innovation Hubs (Tech Hubs) program, for which groups around the country are currently competing, will jumpstart promising communities through focused investments in public-private partnerships to advance workforce development, translation capabilities, infrastructure, manufacturing bases, and supply chains with the goal of positioning awarded regions to be global leaders in key technology sectors within the decade. If funded at the scale intended by Congress, the anticipated awards made among the 20 or more

designated Tech Hubs have the potential to be some of the most consequential and transformative investments in our nation's history.

However, as drafted, the House and Senate fiscal year (FY) 2024 Commerce, Justice, Science and Related Agencies appropriations bills would provide less than 20 percent of the amount authorized for the first two years of the Tech Hubs program, including a 92 percent reduction below the final FY 2023 funding for the initiative. While Congress's current budgetary choices and constraints are clear, the cost of failing to invest in America's global leadership in key technology areas could put our national security and our economy at grave risk. ***Given the urgency and dire implications for our national security, Congress should use every tool at its disposal to fully fund Tech Hubs at the authorized level***. Providing robust investments to establish Tech Hubs would send a message to aspiring communities around the country and our competitors alike that the United States will be the definitive global leader across key technology areas well into the future.

As representatives of the innovation economy, including entrepreneurs, technology-based economic development leaders, community developers, and private industry, we appreciate your attention to our views and stand ready to serve as a resource to you on this critical matter.

Sincerely,

America Achieves
American Affairs
Center for American Entrepreneurship
Engine
Federation of American Scientists (FAS)
Information Technology Industry Council (ITI)
National Talent Collaborative (NTC)
State Science & Technology Institute (SSTI)
Technology Councils of North America (TECNA)
TechNet