June 25, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Johnson, Leader Thune, Leader Jeffries, and Leader Schumer,

We write to urge Congress to support policies that strengthen America's national scientific research and development, including through pro-growth tax incentives and by fully funding targeted public research and development programs in FY2026 and beyond. At a time when global rivals are rapidly scaling their own science and technology initiatives, the United States must reaffirm its leadership and strengthen its competitive edge by committing the resources necessary to stay at the forefront of technological innovation.

Federally funded research is a critical part of our innovation ecosystem. Key federal programs—such as the National Science Foundation's (NSF) research grants, DARPA, the Department of Energy's Office of Science, NIST, ARPA-H's health breakthroughs, and the Regional Tech Hubs program authorized by the bipartisan *CHIPS and Science Act*—generate basic scientific research and technological capabilities that fuel new industries, startups, and breakthroughs across the economy. They also help bridge the gap from basic to applied research, creating favorable conditions for private sector investment. Robust federal investment in R&D is a proven engine for long-term economic growth, national competitiveness, and private sector innovation. The Trump administration recently acknowledged the benefits of federally funded research by renaming the Department of Energy's Office of Technology Commercialization, recognizing the importance of public research in turning scientific breakthroughs into real-world results that benefit the American people.

Federal funding for research and development reduces security risks, signals national priorities, and accelerates the commercialization of emerging technologies—from AI and quantum computing to advanced energy solutions and cutting-edge manufacturing. Among other successes, federally funded research laid the foundation for the existence of today's internet, 3D printing, breakthroughs in semiconductor technology, consumer GPS devices, and the AI technologies that power modern digital assistants, facial recognition, and chatbots. Many of the most influential research papers that underpin private sector AI large language model

(LLM) development in recent years, for example, rely heavily on government-supported research.

Today, federal spending continues to catalyze private sector investment. For example, the Elevate Quantum Tech Hub, created following the *CHIPS and Science Act* and serving Colorado, New Mexico, and Wyoming, received a $40.5 million federal award that was matched by $84 million in state support and $1 billion in private capital across more than 100 consortium members. That small federal investment and the enormous private funding it catalyzed will help this single Tech Hub launch 50 quantum startups, create more than 11,000 American jobs, and upskill more than 30,000 workers.

Just as robust federal support for research and development programs creates enormous benefits to the United States, reducing that support would invite detrimental consequences. For example, a recent report from American University's Institute for Macroeconomic & Policy Analysis found that a 25% decrease in public research and development spending would reduce U.S. GDP by approximately 3.8%, roughly equivalent to the decline in GDP during the Great Recession. Cutting that public spending in half would decrease GDP by 7.6% and make the average American $10,000 poorer, along with decreasing federal government revenue by 8.6%. Decreased public support for these programs also creates the threat of the United States losing the race to attract the world's top technology talent, with researchers and graduate students drawn to foreign schools rather than American research universities that may face budget cuts in the absence of federal support.

Along with federal support, private sector innovation remains a cornerstone of American economic progress, and federal tax policy should work alongside federally funded programs to incentivize private sector research and development to strengthen American competitiveness. To keep the United States at the forefront of new and developing technologies, Congress should permanently reinstate the ability for businesses to deduct research and development and software development expenses, as well as capital investments more broadly, in the year they are incurred.

As Congress considers federal funding levels for FY2026 and beyond, we urge you to view research and development programs not as discretionary spending, but as investments in strategic infrastructure. These programs are critical to job creation, national security, workforce development, and maintaining U.S. leadership in science and technology. By combining the power of public investment with pro-growth tax policies that encourage and reward private breakthroughs, we can unleash the engines of innovation in every state, at our research universities and national labs, and in industry partnerships that create real-world solutions to national challenges.

Federal support for science and research has long been a bipartisan priority, and the results speak for themselves: new companies, new technologies, new cures, new capabilities, and improved American economic and national security. We urge

Congress to uphold this tradition and work to strengthen America's competitive edge.

Sincerely,

TechNet
Center for American Entrepreneurship
Engine
Excel Regional Solutions
Global Innovation Forum
Information Technology Industry Council (ITI)
Make Startups
National Venture Capital Association (NVCA)
Software & Information Industry Association (SIIA)
Technology Councils of North America (TECNA)

Cc:

The Honorable Jason Smith, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means
The Honorable Mike Crapo, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Susan Collins, Chair, Senate Committee on Appropriations
The Honorable Patty Murray, Vice Chair, Senate Committee on Appropriations
The Honorable Tom Cole, Chairman, House Committee on Appropriations
The Honorable Rosa DeLauro, Ranking Member, House Committee on Appropriations