



May 10, 2004

The Honorable Judd Gregg  
The Honorable Ernest Hollings  
Subcommittee on Commerce, Justice, State & Judiciary  
Senate Committee on Appropriations  
S-128 The Capitol  
Washington, DC 20510

The Honorable Frank Wolf  
The Honorable José Serrano  
Subcommittee on Commerce, Justice, State & Judiciary  
House Committee on Appropriations  
H-309 The Capitol  
Washington, DC 20515

Dear Senators Gregg and Hollings and Congressmen Wolf and Serrano,

As you consider the FY2005 budget for the Department of Commerce this year, the Electronic Industries Alliance (EIA) and its 2,500 corporate members from across the high-tech sector urge you to support full funding for the Advanced Technology Program (ATP), administered by the National Institute of Standards and Technology (NIST). The Administration's budget proposal to Congress unfortunately seeks to eliminate ATP, and we are concerned that the loss of this valuable program will weaken the U.S. innovation structure.

The ATP is a public-private partnership that encourages innovation and accelerates the commercialization of new technologies. Through its award of peer-reviewed grants, the ATP helps stimulate pre-competitive research and encourages industry investment in long-term, high-risk research and development. The bottom-line value of investing in R&D for next-generation innovations has never been more apparent: a *Harvard Business Review* study of high-tech firms shows that next-generation innovations – which represent only 14% of product launches and 38% of revenue – generate 61% of profits. The research that the ATP encourages is the foundation for future jobs and economic growth in this country.

About half of the project research areas funded by the ATP since its inception in 1990 have been in the electronics, computer hardware, communications and IT fields, so EIA's members have a particularly strong interest in seeing this important program maintained. We urge you to restore and fully fund the ATP at FY2003 levels in order to continue encouraging industry investment in long-term R&D.

If you have any questions, please contact Storme Street, EIA's Senior Manager of Government Relations, at 703-907-7759. Thank you for your consideration.

Sincerely,

Dave McCurdy  
President

Cc: Senator Ted Stevens, Chair, Senate Committee on Appropriations  
Senator Robert Byrd, Ranking Member, Senate Committee on Appropriations  
Representative C.W. Bill Young, Chair, House Committee on Appropriations  
Representative David Obey, Ranking Member, House Committee on Appropriations