

America COMPETES Report Emphasizes Innovative Research, Education, Infrastructure

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U.S. Secretary of Commerce John Bryson recently presented the key findings of a year-long study into the challenges and opportunities facing the national innovation economy (full video of the event is available at the [Center for American Progress](#) site). Over the past decade, a number of warning signs, such as declining job creation, poor student preparedness in science and math and aging infrastructure, have indicated that the U.S. is en route to a less dominant position in the global economy. The Department of Commerce (DOC) report focuses on the need for the federal government to collaborate with the private sector to increase research spending, improve STEM education and revitalize manufacturing.

One year ago, Congress reauthorized the America COMPETES Act, which required DOC to prepare a report on U.S. economic competitiveness and innovation. A 15-member Innovation Advisory Board, with representatives from federal agencies, regional groups, foundations and the private sector, worked throughout 2010 on the report. COMPETES-related events were held around the country to solicit input on how the federal government could best support entrepreneurs and innovative industries.

The resulting report depicts a U.S. economy that has struggled to compete because it has under-supported the basic necessities that allow new discoveries to make it to market and that encourage people to take on the risks of entrepreneurship. Three fundamental and interconnected elements create the right environment for innovation, according to the report. Strong federal support for research and development, a forward-looking education system and a 21st century infrastructure would provide the optimal conditional for growth.

In addition, federal support to revitalize the manufacturing sector, along with regional partnerships and collaborations with the private sector could help build a robust, decentralized innovation economy. The manufacturing sector has been a key driver of American innovation, but has experienced a long period of decline that has hurt U.S. economic competitiveness. By focusing on the three elements above and continuing existing initiatives, such as the White House Office of Manufacturing Policy and the Materials Genome Initiative, the federal government can help restore this key industry. Also, expanding federal support for regional initiatives and startups businesses, such as the Startup America Partnership, could help provide the environment and early assistance needed to generate competitive new businesses in many parts of the country.

The report provides a number of specific recommendations to guide federal efforts. Recommendations include:

- Continuing federal support of basic research;
- Enhancing and extending the federal R&D tax credit;

- Accelerating the transition from basic research to commercial application with initiatives such as proof of concept centers, competitions similar to the i6 Green Challenges and the Advanced Manufacturing Partnership;
- Creating new programs to strengthen STEM education and train STEM teachers;
- Increasing the spectrum for wireless communication;
- Expanding access to valuable datasets;
- Coordinating federal support for manufacturing;
- Supporting efforts to foster regional clusters and entrepreneurship;
- Promoting U.S. exports; and,
- Reforming the corporate tax and intellectual property systems.

Read *The Competitiveness and Innovative Capacity of the United States* at:
<http://www.commerce.gov/americancompetes>.