

TECHNOLOGY CEO COUNCIL

February 25, 2008

Senate Majority Leader Harry Reid
S-221 U.S. Capitol
Washington, DC 20036

Senate Republican Leader Mitch McConnell
S-230 U.S. Capitol
Washington, DC 20036

Mike Splinter
Applied Materials, Inc.

Steve Appleton
Micron Technology, Inc.

Greg Brown
Motorola, Inc.

Michael Dell
Dell Inc.

Mark V. Hurd
Hewlett-Packard
Company

Joseph McGrath
Unisys Corporation

William Nuti
NCR Corporation

Paul Otellini
Intel Corporation

Samuel J. Palmisano
IBM Corporation

Joseph Tucci
EMC Corporation

Bruce P. Mehlman
Executive Director

Dear Senators Reid & McConnell:

As leaders of America's foremost technology companies, we call on Congress and the Administration to fulfill their pledge to keep our economy competitive by restoring FY08 funds to the National Science Foundation (NSF), the Department of Energy's Office of Science, and the National Institute of Standards and Technology (NIST).

It has become common knowledge that in our globally integrated economy, a nation's competitiveness rests on how well it generates new ideas and converts those ideas into commercial value – in short, on how well it innovates. Dozens of reports and books over the past few years have made the case that innovation is America's path to high-wage jobs and a prosperous future, a belief reflected in the Democratic Innovation Agenda and the President's American Competitiveness Initiative.

Critical areas where America has failed to keep pace include our students' performance in science, technology, engineering and mathematics disciplines, and in our investment in basic research in the physical sciences – a well-spring of breakthrough ideas. Leaders in Washington responded by enacting the bipartisan America COMPETES Act and pledging to double funding over 10 years at NSF, DOE Science, and NIST.

The FY08 omnibus appropriations measure, however, made these actions little more than empty promises. With key budgets that grew at less than the rate of inflation, our science agencies have no choice but to cut back or tread water rather than lead. At a time when we need them most, over 550 scientists, engineers, technologists and support personnel will be laid off at our national laboratories and universities due to DOE Science shortfalls alone. Hundreds of new jobs won't be realized in fields critical to our competitiveness.

Our science agencies also cannot address meaningfully the severe shortage of qualified K-12 math and science teachers, nor will they expand scholarships and research grants to our most promising students who could launch the next generation of world-leading American companies. We face the closure of high energy physics labs and a default on our international commitment to fusion energy research. We are moving backwards when it is well within our means to address these problems.

It is time to prioritize these investments and back them with more than words. Excluding earmarks, the FY08 shortfall from promised levels at NSF, NIST and DOE Science adds up to a combined \$918 million. We are extremely disappointed that the \$555 billion omnibus appropriations measure failed to fund the students, teachers and scientists we need to drive U.S. competitiveness and innovation. We need the

Congress and the Administration to work together to restore this funding in full or in part for FY08, and sustain that commitment going forward.

Sincerely,



Mike Splinter
President & CEO
Applied Materials, Inc.
Chairman, TCC



Steve Appleton
Chairman & CEO
Micron Technology, Inc.



Greg Brown
President & CEO
Motorola, Inc.



Michael S. Dell
Chairman & CEO
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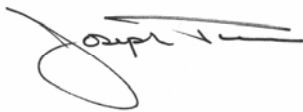
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