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Mike Graff

Chairman and CEO, American Air Liquide Holdings

Chad Holliday

Retired Chairman and CEO, DuPont

Friday, March 23, 2018

The Honorable Thad Cochran
113 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Rodney Frelinghuysen
2306 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Patrick Leahy
437 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nita Lowey
2365 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairmen Cochran and Frelinghuysen and Ranking Members Leahy and Lowey:

Over the last decade, energy innovation has transformed our country's energy story. Dependence and vulnerability have been replaced by abundance and stability. Constructive research and development partnerships between the public and private sectors have been especially important in creating this energy abundance. Federally funded energy research, commercialized by the private sector, has a long and storied history of providing enormous returns to taxpayers. But much remains to be done, including in the field of affordable, sustainable, clean energy. As Congress examines Fiscal Year 2019 appropriations, we ask the Energy and Water Appropriations Subcommittees to invest in America's economic and energy future by funding vital Department of Energy research and development programs.

Focused and constructive partnerships between the public and private sectors have been the key to developing new energy technologies and the jobs they create. The development of new energy technologies is capital intensive, faces uncertain regulatory environments and takes place over time-scales that are challenging for most would-be investors. Despite these challenges, we have succeeded in bringing new technologies like nuclear energy, hydraulic fracturing, and renewable energy into the marketplace. Federal investments at crucial stages in the innovation cycle provide essential support to private sector efforts in developing new energy technologies and resources. A combination of publicly-funded research and



development and billions in private sector efforts to commercialize energy technologies has transformed domestic and global energy markets, significantly strengthening the U.S. economy and affording us important new geopolitical opportunities. At the same time, energy innovation also enhances the competitiveness of energy intensive domestic industries like manufacturing and agriculture, while driving down transportation costs that affect the broader economy.

Yet today, the United States is at risk of ceding this global leadership to other nations at a time when increases in global demand for energy represent trillions in economic opportunity and carry important geopolitical and security implications. More than a billion people around the world still lack access to modern energy services and over the next several decades, billions more will need access to clean, affordable and reliable energy. This opportunity has sparked an intensifying global competition for innovation-driven economic benefits that will accompany global leadership in advanced energy technologies. Other nations, including China, have announced large investments to meet this demand and seek to lock in strategic advantages that will be difficult for the U.S. to compete with if we do not make investments in energy innovation a priority. Programs like ARPA-E, which focus on solving big problems with game changing technologies, are key to maintaining U.S. competitive advantages in the rapidly evolving race to develop new energy technologies.

Ensuring America stays at the forefront of global energy technology research is both an economic and security imperative. Decisions about federal investments in energy innovation that are made today will set the stage for years to come. We commend the Committees for their long-standing commitments to support these programs which are vital to American prosperity. At such a pivotal moment, we encourage you to continue robust funding in FY19 for energy innovation, which would prioritize and support long-term American competitiveness.

Thank you,

A handwritten signature in black ink that reads 'Norm Augustine'.

Norm Augustine
AEIC Co-Chair

A handwritten signature in black ink that reads 'Chad Holliday'.

Chad Holliday
AEIC Co-Chair