

AN UNPRECEDENTED COMMITMENT TO INNOVATION AND NEW TECHNOLOGIES

Technology plays a powerful role in improving national security, economic growth, and quality of life. The President believes that we must harness the power of current technologies, and invest in the next generation of technologies, to achieve his three main goals for America: winning the war on terrorism, providing for greater homeland security, and strengthening the economy.

The President's commitment to technology is demonstrated by his pro-innovation policies, such as his proposals to accelerate the depreciation schedules for new investments in capital equipment, to make the R&D tax credit permanent, to reform America's export control system, to accelerate e-government, and to combat fraudulent online activities that discourage Internet use. This commitment is also reflected in the President's 2003 budget, which provides significant new resources to help ensure that America remains the most innovative nation in the world:

- **Historic Levels of Investment in Research and Development.** The President's R&D budget provides for an unprecedented level of investments in federal R&D - a record-breaking \$111.8 billion in 2003, up 8 percent from 2002. The 2003 budget is the largest requested increase in R&D in over a decade, and is the first time in history that a President will have requested an R&D budget greater than \$100 billion.
- **Investment in University-Based Research.** The President's budget provides for an increase of 9 percent in basic research for 2003 - much of which is carried out at our Nation's universities. The President's investment in university-based research will help spur innovations in new technologies, while preparing the next generation of leaders in science, engineering, and technology.
- **Federal Investment in Information Technology.** The President's budget includes a \$7 billion increase in information technology spending, bringing the total to \$52 billion. These new expenditures will be carefully targeted to drive better government performance in critical areas, such as winning the war on terrorism, and speeding the delivery of critical government services.
- **Invest in Science and Technology to Combat Terrorism.** America's success in preventing, detecting, and responding to terrorist activities, over the long term, will depend on the extent to which we can improve our tools for meeting the challenge. The President's 2003 budget continues the Administration's strong support of research and development to counter emerging terrorist threats by increasing R&D funding for homeland security and combating terrorism (including protecting critical infrastructure) from nearly \$1 billion in 2002 to an estimated \$3 billion.
- **New Resources to Promote Innovation and Protect Intellectual Property.** The President understands the importance of intellectual property protection to encouraging investments in technology and supporting innovation. The President's budget calls for a \$212 million increase (more than 18 percent) in funding for the Patent and Trademark Office (PTO) to ensure the PTO is able to fully support the pace of innovation in America today.