



Insight

The President's Plans for Technology and Innovation in FY 2016

WILL RINEHART | FEBRUARY 2, 2015

The White House released its 2016 budget and again it has proposed a spectrum user fee. In past years this fee was justified as a means to promote the “efficient” use of the spectrum, but in reality the proposal targets mobile phone consumers who already pay exceptionally [high taxes](#). When proposed in the past, Congress had the foresight to remove the higher fees from the budget. The \$5 billion that would come from consumers’ pockets over the next 10 years would do nothing to actually ensure the efficient use of spectrum.

Thankfully, the new budget hints at further sales of spectrum, which would actually help to ensure this vital asset gets put to the most efficient use. The administration expects to auction off the 1675-1680 mhz band for \$300 million in the coming years, and to gain another \$700 million over the next five years via reallocation of government run spectrum.

The budget proposal expands on current expenditures on research and development (R&D), with nearly \$146 billion in total going to R&D, a 5.5 percent increase from 2015. These increases will go to basic research at the Department of Energy and the National Science Foundation, biomedical research at the National Institutes of Health, agricultural R&D, and “investments in the natural sciences to strengthen the scientific basis for decision-making” of natural resources.

The budget also makes a pitch for a new Scale-Up Fund, which will be run by the Small Business Administration and act as a \$5 billion investment fund. The aim of the program is to increase investment and secure capital for technology intensive manufacturing start-ups so they can bring their products to market. The budget further urges Congress to create a National Network for Manufacturing Innovation with increases that total \$350 million to support seven new manufacturing institutes in the Departments of Commerce, Agriculture, Defense, and Energy.