

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairperson Barbara P. Allen at 3:30 p.m. on January 22, 1996 in Room 423-S of the Capitol.

All members were present except: Rep. Long - excused  
Rep. Flaharty - excused  
Rep. King - excused

Committee staff present: Lynne Holt, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Nancy Kirkwood, Committee Secretary

Conferees appearing before the committee: Jim Hague, Professor, Kansas State University; EHV Corp  
Mary Good, Under Secretary for Technology, U. S. Department of Commerce

Others attending: See attached list

Jim Hague, EHV Corp, briefed the committee on how KTEC has been a vital catalyst in EHV Corp's success, not only for the money it has invested, but also because of the network and focused support KTEC provides to a start up company. KTEC helps to nurture and incubate business opportunities that make the state of Kansas competitive in technology (Attachment 1).

Mary Good, Under Secretary for Technology, U. S. Department of Commerce, briefed the committee on partnership issues underway in the federal government with KTEC interaction. She explained that Capital, Labor and Technology is what drives economic growth (Attachment 2).

The meeting adjourned 4:35 p.m.

The next meeting is scheduled for January 23, 1996.



GOOD \_\_\_\_\_ LADIES AND GENTLEMEN, ON BEHALF OF JON WEFALD, THE ADMINISTRATION, FACULTY, AND STAFF AT KANSAS STATE UNIVERSITY, I WANT TO SAY THANKS FOR ALLOWING ME THIS OPPORTUNITY TO SPEAK TO SUCH A DISTINGUISHED AND IMPORTANT COMMITTEE. YOU SHOULD KNOW THAT THE LAST TIME I SPOKE TO LEGISLATORS, I WAS CHAPLAIN OF THE SENATE. DURING THAT TIME, IN ADDITION TO MY RELIGIOUS DUTIES, I SPONSORED A BILL THAT WON THE MODEL LEGISLATOR'S "BEST BILL" AWARD FOR MULLINVILLE HIGH SCHOOL. (next slide)

I CAN HONESTLY STATE THAT DURING MY LAST SPEAKING ENGAGEMENT IN THIS BUILDING I ACTED WITHOUT MUCH FORETHOUGHT AND HAD LOTS OF FUN. I CAN HONESTLY STATE THAT I AM STILL HAVING FUN BUT, I BELIEVE THE SERIOUSNESS OF MY TALK IS extremely MORE IMPORTANT. TODAY, I AM NOT ONLY AWARE OF THE RAMIFICATIONS OF MY OWN ACTIONS BUT, I AM AWARE OF THE RAMIFICATIONS OF YOUR ACTIONS. IT IS MY DESIRE TO GIVE YOU A BRIEF OVERVIEW ABOUT ME AND WHY I WANT TO SPEAK TO YOU TODAY. I WILL THEN TELL YOU A LITTLE ABOUT THE COMPANIES I CREATED AND WHY I CREATED THEM. (next slide)

ABOUT MYSELF ----- I GRADUATED FROM MULLINVILLE HIGH SCHOOL IN 1967. IMMEDIATELY UPON LEAVING HIGH SCHOOL I JOINED THE UNITED STATES NAVY. DURING MY NAVAL CAREER I HAD THE OPPORTUNITY TO TRAVEL THROUGHOUT THE WORLD BOTH ON LAND, ON SEA, AND IN THE AIR. MY FAMILY AND I LIVED IN MANY FOREIGN COUNTRIES. THIS MILITARY EXPERIENCE MADE ME REALIZE MY

*Economic Development*  
*JANUARY 22, 1996*  
*Attachment 1*

GREAT SENSE OF PRIDE FOR AMERICA AND ESPECIALLY FOR KANSAS AND KANSANS. ROUTINELY, STUDENTS AT KSU WILL ASK ME WHERE I WENT TO COLLEGE, MY INITIAL RESPONSE IS ALWAYS THE SAME: "BACK EAST." ---- MOST OF YOU, NO MATTER WHAT PART OF THE STATE YOU ARE FROM WILL APPRECIATE MY PREDICAMENT WHEN I TELL YOU THAT I GRADUATED FROM THE UNIVERSITY OF KANSAS!! DURING MY LAST TOUR IN THE NAVY I HAD THE PRIVLEDGE TO TEACH AT THE UNITED STATES NAVAL ACADEMY. I THINK IT IS IMPORTANT FOR YOU TO KNOW THAT UPON LEAVING THE NAVY, I HAD ACCEPTED A JOB WITH AT&T FEDERAL SYSTEMS AND KNEW THAT I WOULD BE WORKING AT BELL LABS ON ADVANCED COMPUTER DESIGN FOR SUBMARINE SYSTEMS. YOU MIGHT ASK, HOW THEN DID I END UP AT KSU FOR THE PAST EIGHT YEARS? MY ANSWER, PEOPLE AND MOST IMPORTANTLY, K-STATE'S TEAM. I LEARNED IN MY MILITARY CAREER, NO MATTER HOW MUCH MONEY YOU HAVE, NO MATTER HOW MUCH EQUIPMENT YOU HAVE, NO MATTER WHAT THE STATE OF YOUR FACILITIES, PEOPLE MAKE THE DIFFERENCE. AT KSU AND IN KANSAS, I BELIEVE WE HAVE SOME OF OUR NATION'S BEST AND BRIGHTEST AND I WANTED TO BE PART OF THE TEAM. NOT EVERYONE OUTSIDE OUR STATE AGREES WITH MY ASSESSMENT OF KANSAS AND ITS UNIVERSITIES. AS I SERVED ON NATIONAL COMMITTEES, SUCH AS THE PRESIDENTIAL FEDERAL FLEET CONVERSION TASK FORCE OR SERVED AS NATIONAL CHAIR OF THE DEPARTMENT OF ENERGY'S ELECTRIC VEHICLE PROGRAM, I BECAME CONVINCED THAT KANSAS AND ITS CITIZENS CAN PROVIDE THE KIND OF LEADERSHIP THIS COUNTRY

NEEDS. NOT EVERYONE OUTSIDE OUR STATE AGREES WITH MY ASSESSMENT! (next slide)

TODAY, AS IT HAS BEEN IN THE PAST AND WILL BE IN THE FUTURE, OUR STATE AND OUR NATION FACE EVER CHANGING ISSUES THAT REQUIRE CHOICES. MANY ISSUES ARE CONTENTIOUS AND THE SOLUTIONS DIFFICULT EVEN BEFORE WE POLITICIZE THEM! KANSAS MADE A CHOICE TO CREATE THE **KANSAS TECHNOLOGY ENTERPRISE CORPORATION**. BY CREATING KTEC, KANSAS ESTABLISHED A VITAL ELEMENT THAT ASSISTS IN ECONOMIC AND TECHNOLOGY DEVELOPMENT. I BELIEVE KTEC IS A VITAL STATE TOOL. HOW BRIGHT IS OUR STATE'S ECONOMIC FUTURE IF OUR REGENTS UNIVERSITY'S EDUCATE THE BEST AND THE BRIGHTEST KANSAS' SONS AND DAUGHTERS AND WE DON'T CREATE AN ENVIRONMENT THAT WILL PROVIDE THESE TALENTED FAMILY MEMBERS WITH CHALLENGING OPPORTUNITIES THAT WILL ALLOW THEM NOT ONLY TO SERVE OUR STATE BUT THIS GREAT NATION? KTEC ALLOWS KANSAS TO COMPETE WITH FORTY-NINE OTHER STATES IN CREATING OPPORTUNITY.

AS PUBLIC POLICY MAKERS, I AM CONVINCED THAT **YOU MUST** USE THE MARKETPLACE TO ALLOCATE THIS NATION'S SCARCE HUMAN, NATURAL, AND FINANCIAL RESOURCES TO ACHIEVE STATE AND NATIONAL GOALS. ONE SUCH IMPORTANT GOAL IS A HEALTHY ENVIRONMENT. OUR GOVERNMENTAL ORGANIZATIONS MUST STRIVE TO ENSURE THAT MARKET PRICES PROPERLY REFLECT THE **FULL COST FOR THE USE OF FUELS**. THIS IS NOT JUST MY OPINION, MANY OF AMERICA'S BEST **THINK TANKS** AGREE AND ARE WORKING TO

ESTABLISH NATIONAL POLICY TO ENSURE THAT FUTURE GENERATIONS OF AMERICANS WILL BE ABLE TO ENJOY CLEAN AIR AND A SAFE ENVIRONMENT. MOST OF YOU WILL AGREE THAT TECHNOLOGY AND ASSOCIATED MANUFACTURING JOBS ARE PART OF ANY SOLUTION. IT IS IMPOSSIBLE TO PUT THE GENIE BACK IN THE BOTTLE. WE HAVE USED TECHNOLOGY TO IMPROVE MANY AREAS OF OUR LIVES, WE MUST ALSO USE TECHNOLOGY TO SOLVE PROBLEMS CREATED BY ITS ADVANCEMENT. (next slide)

EHV CORP, IS MY EFFORT AND ONE EXAMPLE OF APPLYING TECHNOLOGY TO SOLVE A PROBLEM CREATED BY ANOTHER TECHNOLOGY. EHV CORP WAS OFFICIALLY STARTED IN NOVEMBER 1991. IT WAS MY SINCERE DESIRE TO DEVELOP TECHNOLOGY THAT COULD BE USED IN AN ELECTRIC VEHICLE MARKET. I BELIEVED THESE ELECTRIC VEHICLES WOULD EVOLVE IN ORDER TO SOLVE ENVIRONMENTAL ISSUES AND THAT WITHOUT EARLY INVOLVEMENT BY OUR STATE, WE WOULDN'T STAND A CHANCE AGAINST OTHER STATES ECONOMIC DEVELOPMENT PROGRAMS. I CAN REMEMBER WADE GRAVES, MANAGER OF RESEARCH AT WESTERN RESOURCES, TELLING ME I WAS INSANE! CALIFORNIA HAD MANDATES AND MONEY, HOW COULD I EXPECT TO COMPETE. (next slide)

I TOLD WADE THAT THIS STATE, ITS UNIVERSITIES, AND ITS INDUSTRIES COULD NOT AFFORD NOT TO COMPETE. THE TECHNOLOGIES AND ASSOCIATED MANUFACTURING JOBS CREATED BY THIS EFFORT WILL DEFINE THE FUTURE AND REVOLUTIONIZE MANY OF THE INDUSTRY'S THAT WE KNOW TODAY. WITHOUT EARLY

PARTICIPATION AND DEVELOPMENT, KANSAS WOULD HAVE TO EXPEND CONSIDERABLE SUMS OF MONEY TO CATCH UP WITH OTHER STATES OR BECOME A "CONSUMER STATE" BUYING THE TECHNOLOGY FROM OTHERS. MY OPINIONS ARE BASED ON THE ENGINEERING EDUCATION THIS STATE PROVIDED ME AND ON MY LIFE'S EXPERIENCE. I HAVE WATCHED THE DEGRADATION OF LOS ANGELES' BASIN FOR THE PAST TWENTY YEARS. THIS IS NOT AN ISOLATED CASE. I WOULD HAVE TO BE BLIND NOT TO RECOGNIZE THE DEGRADATION IN ENVIRONMENTS IN ALMOST EVERY MAJOR URBAN CENTER IN THE WORLD. I WILL NOT BE BLIND TO RECOGNIZE THAT INDIVIDUAL TRANSPORTATION SYSTEMS HAVE TO BE RADICALLY ALTERED TO PROTECT OUR ENVIRONMENT. THE CONTINUED USE OF EXISTING TRANSPORTATION SYSTEMS, LEFT UNCHECKED, POSE SERIOUS HEALTH RISKS AND HAVE SERIOUS GLOBAL IMPLICATIONS. I believe THERE IS AN OPPORTUNITY. WESTERN RESOURCES, ALTHOUGH CONCERNED ABOUT MY SANITY, SUPPORTED MY EFFORTS WITH A VERY SMALL GRANT. AT ABOUT THE SAME TIME, WADE INTRODUCED ME TO KEVIN CARR AND KTEC. (next slide)

THE REST IS HISTORY. EHV HAS BEEN IN BUSINESS FOR FOUR YEARS. EHV CORP HAS BEEN FEATURED ON NBC NIGHTLY NEWS, HAS BEEN FEATURED IN A NUMBER OF NATIONAL MAGAZINES AND BOOKS SUCH AS ENCYCLOPEDIA BRITANNICA, AND MORE IMPORTANTLY, HAS BEEN RECOGNIZED BY SOME OF THE MAJOR AUTOMOTIVE INDUSTRY BUSINESSES AS A POTENTIAL PARTNER IN TECHNOLOGY DEVELOPMENT. AS YOU CAN SEE FROM THE OVERHEAD, EHV CORP

HAS PROMOTED ITS PRODUCTS IN A NUMBER OF STATES AND FOREIGN COUNTRIES. AS IS FURTHER DEMONSTRATED BY THE OVERHEAD, YOU CAN SEE I AM AN ENGINEER MORE THAN A BUSINESSMAN BUT, LET ME QUICKLY ADD, THE RACE ISN'T OVER ~~AND AS ONE FAMOUS QUOTE GOES: "WE HAVE JUST BEGUN THE FIGHT."~~ (next slide)

AS THIS OVERHEAD DEMONSTRATES, OTHERS ACROSS THE ~~U~~<sup>S</sup> NATION AND IN OTHER NATIONS BELIEVE IN WHAT ~~WE ARE~~<sup>EHV IS</sup> TRYING TO ACCOMPLISH. THE PARTNERSHIPS AND NATIONAL RECOGNITION SURROUNDING EHV CORP CONTINUE TO GROW. CLEARLY KTEC<sup>H</sup> HAS BEEN A VITAL CATALYST IN EHV CORP'S SUCCESS. NOT ONLY VITAL FOR THE MONEY INVESTED BUT, VITAL FOR THE NETWORK AND FOCUSED SUPPORT IT PROVIDES A START UP COMPANY. LET ME ASSURE YOU, THERE ISN'T ANY ENTREPRENEUR IN THIS STATE THAT CAN'T OR DOESN'T QUICKLY FIND OUT ABOUT KTEC AND THE POSSIBILITIES IT PROVIDES. AND I DON'T MEAN JUST MONEY. KTEC'S IMPORTANCE CANNOT BE UNDERESTIMATED IN GETTING THE ENTREPRENEUR GOING DOWN THE "RIGHT PATH." GETTING ON THE "RIGHT PATH" EARLY IN THE PROCESS IS STRATEGICALLY IMPORTANT TO ACHIEVING SUCCESS. ~~(P. 10)~~ <sup>STOP</sup> TALK ABOUT SLIDE

LET ME EMPHASIZE THE POINT. EHV HAS STRUGGLED AND WILL CONTINUE TO STRUGGLE FOR THE NEAR FUTURE. NO GREAT SUMS OF MONEY HAVE BEEN MADE, NO LARGE NUMBERS OF JOBS HAVE BEEN CREATED, NOR HAS EHV CORP'S STOCK BECOME THE "DARLING OF WALL STREET." IN FACT, MANY SKEPTICS CAN ARGUE THAT EHV CORP IS A ~~DISASTROUS~~ FAILURE AND KTEC'S INVESTMENT A WASTE. IF



IMMEDIATE CREATION OF JOBS IS THE MEASURE OF SUCCESS, I HAVE FAILED. BUT I WILL CLAIM TO SEE SUCCESS ALL AROUND ME. FURTHER, I CONTINUE TO SEE ADDITIONAL OPPORTUNITIES, NOT ONLY FOR ME BUT FOR KANSAS. IN FACT I SEE SO MUCH OPPORTUNITY, I AM AFRAID IT WILL STRAIN THE STATES INFRASTRUCTURE TO RESPOND TO IT. AM I DREAMING? AM I REALLY INSANE? NO, I BELIEVE IN WHAT I AND OTHERS LIKE ME ARE TRYING TO ACCOMPLISH. LETS FACE IT, IF IT WAS EASY TO PICK WINNERS, WE WOULD HAVE ALL BOUGHT INVESTMENTS IN LEE IACOCCA OR BILL GATES ACTIVITIES A LONG TIME AGO. <sup>(NEXT SLIDE)</sup> EHV CORP HAS NOT YET CREATED LOTS OF JOBS AND MAYBE ITS FIRST PRODUCT WON'T BE AS BRIGHT IN THE FUTURE AS I SEE IT BUT, WITH \$105,000 OF CAPITAL FROM KTEC AND WESTERN RESOURCES, EHV CORP HAS STIMULATED OVER \$13,000,000 WORTH OF ECONOMIC DEVELOPMENT. NOT JUST IN MANHATTAN, BUT IN DODGE CITY, WICHITA, LENEXA, HUTCHINSON, AND HOPEFULLY BEFORE I AM DONE, IN MANY OTHER PLACES WITHIN OUR STATE. THIS **IS NOT AN EXAGGERATION!** IN FACT, THE REAL INVESTMENT BY OTHERS, DUE TO EHV CORP'S ACTIVITIES WILL SOON EXCEED \$20,000,000. TODAY, AS I SPEAK TO YOU, THE AUTOMOBILE INDUSTRY IS ROUTINELY CALLING KANSAS' COMPANIES AND SETTING UP VENDOR RELATIONSHIPS. AUTOMOBILE INDUSTRY STAFF ARE MEETING WITH ORGANIZATIONS WITHIN OUR STATE TO EXPLORE POSSIBILITIES. TODAY, AS I SPEAK, A DETROIT COMPANY IS SPENDING MILLIONS TO BUILD A NEW PLANT IN MANHATTAN THAT WILL CREATE JOBS AND OFFER OPPORTUNITIES FOR EXISTING AND NEW MANUFACTURING COMPANIES IN OUR STATE.

TODAY, THERE ARE EXECUTIVES IN THE AUTOMOBILE INDUSTRY THAT WANT TO MAKE KANSAS THE CENTER OF ADVANCED ALTERNATE FUEL VEHICLE TECHNOLOGY. BECAUSE OF KTEC AND WESTERN RESOURCES INVESTING A SMALL AMOUNT OF MONEY AND A LARGE AMOUNT OF FAITH IN A CRAZY IDEA LIKE ELECTRIC VEHICLE CHARGE STATIONS OVER FOUR YEARS AGO, DOLLARS AND ADVANCED TECHNOLOGY MANUFACTURING JOBS ARE HEADED TO KANSAS. MORE IMPORTANTLY, KANSAS HAS BEEN RECOGNIZED AS A LEADER IN THE FIELD OF ADVANCED TECHNOLOGY VEHICLES.(next slide)

ENERGY IS AN IMPORTANT NATURAL RESOURCE. IT IS YOUR RESPONSIBILITY AS POLICY MAKERS TO ENSURE THAT WE MANAGE ~~THE~~ <sup>TO</sup> USE OUR PRECIOUS RESOURCES WISELY. TRANSPORTATION IS A VITAL SEGMENT OF EVERY INDUSTRY AND MANUFACTURING IS 19% OF OUR STATES GROSS PRODUCT. GUESS WHAT, ENVIRONMENTAL ISSUES ARE GONG TO DEMAND CHANGE. I BELIEVE THE CHANGES WILL REVOLUTIONIZE NOT ONLY THE TRANSPORTATION INDUSTRY BUT THE UTILITY INDUSTRY. KANSAS HAS A LIMITED OPPORTUNITY TO LEAD THIS NATION IN SOLVING THE TRANSPORTATION PROBLEM AND IN INVENTING THE UTILITY PLANTS OF TOMORROW. KANSAS AND ITS POLICY MAKERS SHOULD REMAIN FUEL NEUTRAL. KANSAS SHOULD FOCUS ON USING BOTH ITS OWN AND OTHER'S NATURAL RESOURCES TO THE MAXIMUM EFFICIENCY POSSIBLE WHILE MAINTAINING A SAFE AND VIABLE ENVIRONMENT. IN SO DOING, WE WILL CREATE THE TECHNOLOGIES OF TOMORROW. FOR EXAMPLE, AS EHV CORP FOCUSED ON ELECTRIC CHARGE STATIONS AND THE

INHERENT EFFICIENCIES OF ELECTRIC DRIVE TECHNOLOGY, EHV CORP WAS CONFRONTED<sup>N</sup> WITH SOLVING THE PROBLEM OF COLLECTING PAYMENT FOR ELECTRICITY USED IN VEHICLES. (next slide)

IEM, INC., ANOTHER COMPANY CREATED IN KANSAS, FOCUSES ON FUTURISTIC BILLING SYSTEMS. THIS COMPANY FOCUSES ON THE ISSUE AND ASSOCIATED OPPORTUNITY OF EXCHANGING MONIES IN A "GLOBAL MARKETPLACE." ~~WE~~ TECHNOLOGY<sup>THAT</sup> WILL ALLOW ANYONE, ANYWHERE, ANYTIME, TO EXCHANGE FUNDS ELECTRONICALLY OR IN PERSON. WITHOUT ANY FUNDING FROM KTEC BUT, YET AS A DIRECT RESULT OF KTEC SUPPORTING THE STARTUP OF EHV CORP, IEM IS NOW MANUFACTURING ADVANCED TECHNOLOGY READERS THAT WILL ACCEPT CREDIT CARDS OR FUTURE SMART CARDS. IEM, INC HAS ESTABLISHED KANSAS AS THE FIRST STATE IN AMERICA TO MANUFACTURE THESE READERS FOR THE RETAIL MARKETPLACE. IEM, INC HAS TREMENDOUS POTENTIAL AND IS ACTIVELY PURSUING SEVERAL JOINT VENTURE OPPORTUNITIES THAT WOULD INVOLVE PARTNERSHIPS WITH SOME OF THE WORLDS LARGEST CORPORATIONS. I PROMISE YOU WILL BE HEARING MORE FROM IEM, INC. I DIDN'T SAY I WOULD GUARANTEE SUCCESS OF THESE COMPANIES. I WILL GUARANTEE THAT THERE ARE MANY ENGINEERS AND BUSINESSMEN WHO ARE STRIVING TO ESTABLISH KANSAS AS A LEADING STATE IN THE ADVANCEMENT OF CRITICAL TECHNOLOGIES. YOU CREATE THE FRAMEWORK WITH WHICH WE WORK! YOUR ACTIONS DIRECTLY IMPACT OUR OPPORTUNITY TO COMPETE WITH OTHER STATES IN CREATING A BRIGHTER FUTURE FOR

OUR CITIZENS. (next slide)

LET ME CLOSE BY GIVING YOU AN <sup>Personal</sup> ~~AN~~ EXAMPLE. IN 1965, WHEN I LIVED IN MULLINVILLE, A SMALL STARTUP COMPANY WAS CREATED CALLED BJ MANUFACTURING. THIS COMPANY WAS A REAL "BOOM" TO THE FARM COMMUNITY OF 400 MULLINVILLE CITIZENS. IN FACT MANY PEOPLE DUG INTO THEIR POCKETS TO SUPPORT THE DEVELOPMENT OF THIS COMPANY. DURING THE NEXT SEVERAL YEARS, BJ MANUFACTURING GREW AND GREW AND ITS DEMAND FOR CAPITAL INCREASED. SOON MULLINVILLE COULD NOT MEET THE NEEDS OF BJ MANUFACTURING AND DODGE CITY OFFERED THEM THE INFRASTRUCTURE AND SUPPORT THE COMPANY NEEDED. IN THOSE 30 SOME ODD YEARS, BJ MANUFACTURING CONTINUES TO EMPLOY PEOPLE IN DODGE CITY WHILE THE TOWN OF MULLINVILLE HAS WATCHED ITS GROCERY STORE CLOSE, ITS TWO GAS STATIONS CLOSE, ITS HARDWARE STORE CLOSE, AND ITS YOUNG PEOPLE MOVE AWAY AS THEY LOOKED FOR BETTER OPPORTUNITIES. MAYBE ALL OF THESE EVENTS WOULD HAVE OCCURRED NO MATTER WHAT BJ MANUFACTURING DID. YOU WON'T EVER CONVINC ME OF THAT FACT.

AS POLICY MAKERS AND AS ENGINEERS, WHAT WE ESTABLISH TODAY WILL HAVE LASTING EFFECTS ON <sup>OUR</sup> ~~NT~~ TOMORROW. THERE IS A TIME TO INVOLVE THE GOVERNMENT AND THERE IS A TIME TO MINIMIZE THE INVOLVEMENT OF GOVERNMENT. LEGISLATORS NEED TO REMAIN AS NEUTRAL AS POSSIBLE WHILE ESTABLISHING BOUNDARIES FOR US TO OPERATE WITHIN. KTEC IS AN IMPORTANT

PART OF THE BOUNDARY. KTEC CAN HELP TO NURTURE AND INCUBATE OPPORTUNITIES THAT MAKE THE STATE OF KANSAS COMPETITIVE. HOLD US RESPONSIBLE AND ACCOUNTABLE BUT RECOGNIZE THAT TECHNOLOGY DEVELOPMENT AND THEREFORE ECONOMIC DEVELOPMENT IS NOT A SHORT TERM PROCESS!

I WOULD LIKE TO THANK YOU FOR ALLOWING ME TO SPEAK TO YOU TODAY. I WOULD ALSO LIKE TO THANK THE GOVERNOR, GARY SCHERER, AND MANHATTAN'S REPRESENTATIVE, KENT CLASSCOCK, FOR THEIR EFFORTS IN ATTRACTING THE AUTO INDUSTRY TO OUR STATE. I BELIEVE THAT THERE WILL BE AMPLE OPPORTUNITY FOR THOSE TALENTED INDIVIDUALS THAT RUN MANY OF OUR BUSINESSES TO PARTICIPATE IN CREATING TOMORROW'S TECHNOLOGICALLY ADVANCED VEHICLES. JUST REMEMBER, IT STARTED WITH KTEC. THANKS KTEC.

# Federal Technology Policy and the States

Presentation to Kansas

State Legislators

January 22, 1996

Dr. Mary L. Good

Under Secretary for Technology

U.S. Department of Commerce

# Enabling the Nation's Capacity to Perform in a Global Community

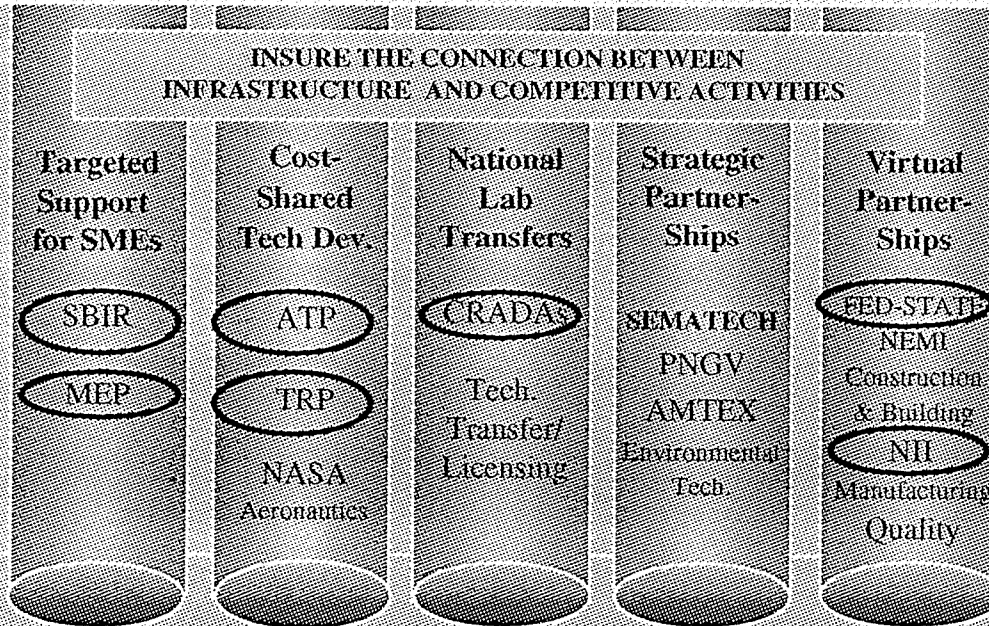
Industry  
\$84B R&D

**Globally Competitive  
U.S. Industrial Base**

**Competitive Products  
& Processes, Creating  
Jobs & Wealth**

## Technology Utilization and Conversion

Joint Industry  
Government  
University



Partnerships for Pre-Competitive and New Technology Development

- Enabling Technologies
- Emerging Technologies
- Technology Development
- Productivity Improvement

## Intellectual and General Infrastructure

Government  
\$70B R&D

<b>FUNDAMENTAL RESEARCH</b> •Discovery Science •Mission Driven Basic Research <b>MISSION APPLIED R&amp;D</b>	<b>BUSINESS ENVIRONMENT</b> •Investment Incentives •Regulation/Legislation •Trade & Export Climate •International Assessments	<b>PUBLIC RESPONSIBILITIES</b> •Education/Training •Standards/Measures •Capture of the Social Value of the Nation's Tech. Base
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# Federal Technology Policy and the States

SBIR - Small Business Innovation Research

MEP - Manufacturing Extension Partnership

ATP - Advanced Technology Program

TRP - Technology Reinvestment Project

CRADAS - Cooperative R&D Agreements

FedState - State/Federal Tech. Partnership

NII - National Information Infrastructure



# Federal Technology Policy and the States

## SBIR - Small Business Innovation Research

- Targetted toward Small Business
- Nation Wide, Every State
- Every Federal R&D Performing Agency
- Funded as % of mission Agency Budget
- Largely mission specific

# Federal Technology Policy and the States

MEP - Manufacturing Extension Partnership

- Targetted toward Small/Med. Manufacturers
- Active Manuf. Sector in Most States
- Department of Commerce NIST
- Cooperative with State Local Efforts
- Some Centers Intiated with DOD/TRP
- Funding remains, but no expansion.

# Federal Technology Policy and the States

ATP - Advanced Technology Program

- Targets Industry Wide, Large & Small Business
- Competitive, no geographic targetting
- Participants from majority of States
- Cost-shared, Peer Reviewed
- Funding in controversey

# Federal Technology Policy and the States

## TRP - Technology Reinvestment Project

- Targetted by Community and Region
- Defense Conversion
- Envisioned Technology Infrastructure Efforts
  - Not Realized
- Funding from Department of Defense
- Not Continued

# Federal Technology Policy and the States

## CRADAS - Cooperative R&D Agreements

- Targets Appropriate Research Partners
- Include State Universities, Industry
- Funded by R&D Agencies - DOD, DOE, NASA
- Numbers Increasing, Metrics Difficult
- Some Technology Diffusion, Transfer

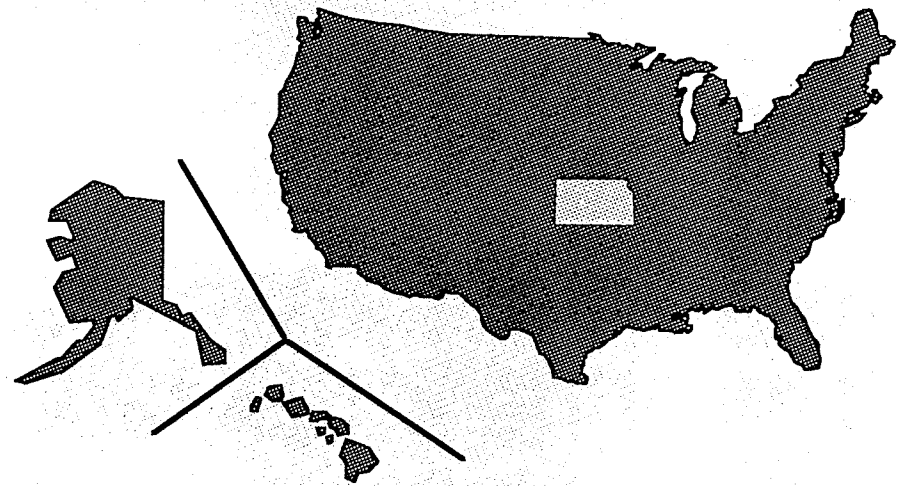
# Federal Technology Policy and the States

## FedState - State/Federal Tech. Partnership

- Targets State Efforts
- Independent Efforts Coalescing
- Leadership from States, DOC, White House OSTP
- No Funding Mechanism

# Technology: State-Federal Partnership

- Technology is Ubiquitous
  - Every State
  - Every Industry
- Economic Development
  - Key component
  - Variety of Approaches
- State-Federal Partnership is in the Formative Stage
- States Differ Greatly



# Federal Technology Policy and the States

## NII - National Information Infrastructure

- National Initiative Infrastructural by nature
- Targets all States, Regions
- NII Task Force, Lead by Secretary of Commerce
- Strong interest by Vice President, Speaker
- NII Applications Grants, Department of Commerce NTIA



## Brief Biography

### Mary L. Good

#### Current Position

Mary L. Good was nominated by President Clinton and approved by the Senate to be Under Secretary for Technology at the U.S. Department of Commerce's Technology Administration. The Technology Administration is comprised of the National Institute of Standards and Technology, the National Technical Information Service, and the Office of Technology Policy. The Technology Administration is the focal point in the Federal government for working in partnership with U.S. industry to improve its productivity, technology and innovation in order to compete more effectively in global markets. In addition to her role as Under Secretary for Technology, Dr. Good chairs the National Science and Technology Council's Civilian Industrial Technology Committee, and coordinates the Clinton Administration's Partnership for a New Generation Vehicle ("Clean Car") effort.

#### Experience

Dr. Good was senior vice-president of technology at AlliedSignal Inc., where she was responsible for the centralized research and technology organizations, with facilities in Morristown, NJ; Buffalo, NY; and Des Plaines, IL. This position followed assignments as President of AlliedSignal's Engineered Materials Research Center, Director of the UOP Research Center, and President of the Signal Research Center. Dr. Good's accomplishments in industrial research management are the achievements of a second career; she moved to an industrial position after more than 25 years of teaching and research in the Louisiana State University system. Before joining AlliedSignal, she was professor of chemistry at the University of New Orleans and professor of materials science at Louisiana State University, where she achieved the University's highest professional rank, Boyd Professor.

Dr. Good was appointed to the National Science Board by President Carter in 1980 and again by President Reagan in 1986. She was the Chairman of the Board from 1988 until 1991, when she received an appointment from President Bush to become a member of the President's Council of Advisors on Science and Technology.

#### Education

B.S.	University of Central Arkansas (Chemistry)
M.S.	University of Arkansas (Inorganic Chemistry)
Ph.D.	University of Arkansas (Inorganic Chemistry)

*Economic Development*  
*January 22, 1996*

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