

NOTES FOR GEORGIA TECH PRESIDENT G. WAYNE CLOUGH

Introduction of Commerce Secretary Carlos Gutierrez
Council on Competitiveness Annual Meeting, October 26, 2007

- Department of Commerce has 38,000 employees and budget of \$6.5 billion. Is one of the federal government's broadest and most diverse:
 - Gathers economic, demographic data (Census Bureau)
 - Issues patents, trademarks; protects IP
 - Formulates technology, telecom policy
 - Forecasts weather; conducts oceanic, atmospheric research
 - Stewards marine resources
 - Oversees weights, measures, and standards
 - Works to position the U.S. to compete globally
- Carlos Gutierrez, 35th Secretary of the U.S. Department of Commerce, has brought an additional perspective to these many tasks over the past 2 ½ years:
 - Born in Cuba; came to U.S. with family at age 7
 - Educated in Mexico at Monterrey Institute of Technology – one of Mexico's top universities; dual degree program with Georgia Tech.
 - Co-chair for Commission for Assistance to a Free Cuba and advisor to the President on immigration issues.
 - Frequent international travels to open new markets for U.S., promote U.S. exports
 - Key role in CAFTA-DR, breaking down trade barriers throughout Latin America
- Combines his unique international perspective with a grounding in the business world – former chairman and CEO of the Kellogg Company.
- I have personally participated in several events put on by Sec. Gutierrez in past 6 months, including:
 - Americas Competitiveness Forum he hosted in Atlanta in June.
 - Department of Commerce Competitiveness Summit in Washington in September.
- Pleased to welcome him to speak on engaging in the global economy.

(SECRETARY GUTIERREZ SPEAKS)

- Thank you, Secretary Gutierrez. Appreciate your taking time from your busy schedule to frame our discussion of engaging in the global economy.
- Secretary Gutierrez got discussion off to a good start by highlighting some of the important balances we need to maintain as we engage more fully in a global economy:
 - Balance open markets and seamless global supply chains with national security.

- Balance innovation and sharing ideas with protection for intellectual property – or, how to be an innovation leader in the global economy without losing \$250 billion a year in IP theft.
- Balance attracting the brightest and best minds from around the world with immigration reform.
- Of course, the whole global economy itself is based on a balance of competition with collaboration and cooperation.
 - Talent is now everywhere, not just the U.S. and Western Europe.
 - Silicon Valley is now everywhere – from Bangalore to Singapore.
 - Capital is now everywhere – IPO's in China have totaled \$40 billion so far in 2007, according to *BusinessWeek*.
 - All of it is connected through networked communications, a global supply chain.
 - Demands balance between
 - Competition for important resources, from natural resources to intangible resources like capital, talent, and ideas
 - Collaboration to solve global challenges from climate change to potential health pandemics.
- Challenge is to approach this new economy by asking the same entrepreneurial questions that have always made America great – Where are the opportunities for me to engage this new economic climate and how can I use it to my advantage?
- Want to take a few minutes to sketch out what I believe that means for higher education, and then will turn to panelists.
- At Georgia Tech – working deliberately to seize the opportunity presented by a global economy to become a genuinely global university. How is that different from typical university that has some international programs?
 - Takes the typical study abroad programs to a higher level, broadening to include sciences and engineering and incorporating more fully with curriculum. At GT more than 1/3 of undergrads study abroad, compared to less than 1% at typical technological university.
 - Builds strategic international research and education platforms that are interconnected with activities on the home campus – GT has them in France, Ireland, Singapore, with a few more under development, that are supported by the governments there.
 - Stimulates economic development and works on policy issues in a global context. GT international affairs and computing students, faculty helped Liberia develop a national telecommunications policy to help usher them into the global economy.
 - Links to highest levels of government in multiple international locations – GT facilitates policy and business connections between state of Georgia and high-ranking officials in places where its research and education platforms are located.
- We know that increasingly top talent and break-through research discoveries will be located around the world, rather than being concentrated in the United States and other

developed nations. Georgia Tech's goal is to be there – to partner with that talent in the research and discoveries that are happening in other places, so that we can leverage the discoveries of others, just as others have and will continue to leverage the discoveries made in the United States.

- But still have work to do:
 - Better manage IP and commercialize it more rapidly.
 - Work more strategically with industry – in my work with NSB, saw a decline in the collaborative research between universities and industry.
 - Build more effective global collaborations that help to improve U.S. competitiveness.
- Would like to engage our panelists, beginning with **Ellen Kullman**
 - Executive VP at DuPont and member of Office of the Chief Executive
 - Began career at DuPont in 1988 in marketing for the Medical Imaging business. Moved up through ranks in variety of DuPont businesses, from flooring systems to bio-based materials.
 - Considered one of the 50 most powerful women in business by *Fortune* magazine.
 - Member of Board of Directors of GM and board of trustees at Tufts University.
- Ellen, you've had an outstanding career at DuPont, which is one of the nation's oldest manufacturing companies, dating back more than 200 years. And that puts you in a unique position to speak to the engagement of manufacturing industries in the global economy. How does the globalization of manufacturing help DuPont to compete, and how does that, in turn, help America to compete in the global economy?

Ellen does 3-5 minute statement

- Our other panelist is **Ralph Peterson**
 - CEO of CH2M HILL since 1991, and also became chairman and a Director in 2000.
 - Since I am a civil engineer, easy for me to forget that this company may not be familiar to some of you – is a global company that offers engineering, construction, consulting, and operations expertise. Annual revenues of \$5 billion.
 - Has been with company since 1981, and was president from 1991-2006.
- Ralph, as a fellow engineer, I have seen two trends in American engineering companies – they are going global, and at the same time they are moving from strictly hands-on engineering work to the higher, more sophisticated level of consulting and managing. CH2M HILL is a great example of both trends. Tell us about the economic future for engineering companies like yours. How has engagement in a global economy changed your company, and how does that, in turn, benefit the United States?

Ralph does 3-5 minute statement

- We still have a little time for questions from the audience, so let's open the floor for discussion.