

REMARKS BY GEORGIA TECH PRESIDENT G. WAYNE CLOUGH
Dedication of Advanced Wood Products Lab, December 6, 2000

I'm pleased to join Dean Tom Galloway in welcoming you to this dedication program for the Advanced Wood Products Laboratory. And I extend a special welcome to our guest speaker. State Representative Terry Coleman – we are glad to have you here on campus.

Georgia Tech was created in 1885 by the state legislature with an economic development mission – to help the state move from an agrarian to an industrial economy. We believe we have a similar mission today – to help Georgia move from an industrial economy to a technology-based economy.

Of course that means helping to grow high-tech industry through research discoveries that spin off start-up companies, which we incubate at the Advanced Technology Development Center. But it also means helping Georgia's traditional industries implement new technology. Because in today's economy, there are no low-tech industries; there are only low-tech companies. And the difference between high-tech companies and low-tech companies is increasingly the difference between success and failure.

So, every year Georgia Tech assists more than 1,500 manufacturers around the state through the regional offices of our Economic Development Institute. The Traditional Industries Program, which provides practical research for the pulp and paper, carpet and textiles, and food processing industries, is also coordinated from our campus. And a new food-processing technology building is about to go up close to where we are sitting now.

Today we celebrate yet another chapter in Georgia Tech's mission to promote economic development across the state. As the video indicated, making products from wood is an important part of Georgia's traditional manufacturing base. It's called forestry's "secondary" industry to distinguish it from the primary-level industries of lumber, pulp, and paper.

The most fundamental factors that drive any economic activity are supply and demand, and when it comes to wood manufacturing, we have an abundance of both in Georgia. On the supply side, we lead the nation both in commercial timber acreage and in replanting our forests as we use them. We have planted over 600,000 trees a day for the past 20 years, and our forests have actually increased by almost half a million acres during the past decade. That acreage is split roughly half and half between the softwoods that drive our pulp and paper industry, and hardwoods like oak and maple. Our supply is ample.

On the side of demand, the population of the South is growing, and Georgia leads the region. This growth creates a demand for construction. And construction requires wood products like structural elements and partitions, flooring, doors, windows, trim, stairways, banisters, and cabinetry. It also generates a demand for furniture.

This combination of supply and demand has created a positive environment for the wood manufacturing industry in Georgia. But the study by Dr. Nancey Green Leigh that was referenced in the video indicates that the industry has not been able to exercise its full potential in seizing that opportunity. When Dr. Green Leigh examined nine types of wood products, she found that the concentration of industry in Georgia was below the national average in six of the nine categories, and that we were losing ground in seven of the nine categories.

It's something of a modern echo of the story Henry Grady used to tell about the Pickens County funeral. If you recall, the countryside around the graveyard contained the raw materials to make everything from the coffin to the clothes for the corpse to the iron in the shovel that dug the grave. But the finished products at the funeral had all been imported from the north. Georgia is exporting timber and importing finished wood products. Too many value-added wood-working jobs are located somewhere else.

Our wood manufacturing industry faces the same challenge as our other traditional manufacturing industries: In order to thrive and prosper in today's highly competitive international economy, this industry has to transform itself with technology.

But implementing new technology is not as simple as going out and buying it. As you heard from the industry representatives in the video, skilled workers are hard to find. As the video was being made, several told us that if a prospective employee walked in the door who had both computer skills and woodworking skills, they'd hire him on the spot. If we want to increase our value-added jobs in Georgia, we need to provide workforce training and education.

The Advanced Wood Products Lab is a bold move to coordinate the resources that this important industry needs. The lab takes the same kind of computerized approach to manufacturing wood products that has revolutionized the auto industry and is now being incorporated into other manufacturing industries. And it will help Georgia's wood products manufacturers catch up with this new technology both by demonstrating full-scale operations and by training equipment operators.

But the goal here is not merely to bring Georgia's woodworking industry up to speed with its peers around the nation. We want Georgia to surpass other states and move out to the forefront of the industry. So the lab will also conduct research to solve practical

problems and develop new technology and products that will shape the future of wood manufacturing. The video did not have time to get into this area, but woodworking companies that deal with finishes and composite products like particleboard and plywood are facing environmental issues. So another important area the lab will address is minimizing waste.

Other states have labs that serve the wood-working industry, but our Advanced Wood Products Lab is unique because of the wide range of partners it brings together to provide the industry with one-stop service. It is coordinated by the College of Architecture, which contributes a strong base of expertise in computerized design of wood products. It draws on the know-how of experts across the Tech campus in chemistry, environmental science, computing, engineering, manufacturing, management, marketing, and policy. The Georgia Forestry Commission is also a partner, as is the Warnell School of Forest Resources at the University of Georgia. Off the athletic courts and fields, our two universities are partners in many ways, and this is one of them.

But the most important partner is the SCM Group, represented here today by Executive Vice President John Gangone, and you will hear from him a little later. The SCM Group has equipped the lab with the computerized design and manufacturing technology you see here today. And they made a commitment to update this equipment, so that the lab remains a state-of-the-art facility through the years. The SCM Group's home is in Italy, but they do business in 120 countries around the world, and, fortunately for us, their American headquarters is just up the road in Duluth. We are grateful for their generosity and willingness to be our partners in this endeavor.

We believe the Advanced Wood Products Lab represents a critical resource to help Georgia's wood-product manufacturers catch up with their peers around the nation and seize the future. And the result will be the creation of value-added jobs in Georgia in an industry for which we have both an ample supply of raw materials and a demand for finished products.

It is indeed an honor to welcome Representative Terry Coleman to our campus as our special guest speaker today, and to have an opportunity to personally thank him for being a friend of Georgia Tech through the years.

Representative Coleman comes from Eastman, which is southeast of Macon, right in the heartland of the state. And he's got a lot of acreage of forest in his district. He is about to begin his 29th legislative session as a member of the House of Representatives, where he chairs the powerful Appropriations Committee. And we are grateful for his assistance in watching out for our budget needs.

He is very interested in economic development around the state of Georgia, especially in rural areas that can really benefit from an infusion of technology-based industry, high-paying jobs, and workforce training.

Representative Coleman also serves on the Natural Resources and Environment Committee, and I understand he has already pre-filed legislation for the coming session to create a Computer Equipment Disposal and Recycling Council for Georgia. That is another area of concern to Georgia Tech, and we are grateful for his leadership there as well.

Representative Coleman, we are honored to have you with us today as our guest speaker as we celebrate the dedication of the Advanced Wood Products Lab.