



Compete.

**Council on
Competitiveness**

Compete.

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“With the expanding world marketplace, it’s more important than ever for U.S. companies to remain innovative. Innovation is a key driver to America’s remaining competitive in the future.”

Frederick W. Smith
Chairman, President and CEO
FedEx Corporation

The Game Has Changed... the Mission Has Not

Message from the Chairman and President of the Council on Competitiveness

The Council on Competitiveness was founded in 1986 during a period of great anxiety about American competitiveness. The United States was losing market shares to international competitors, facing stagnant productivity growth, and suffering from high unemployment and inflation. Two dozen industry, university and labor leaders came together to elevate competitiveness as a national priority and to tackle those economic challenges.

The Council’s mission is just as relevant today as it was 22 years ago. We are now in a new era that will be shaped by turbulence, transition and transformation. Seismic shifts are dramatically altering the world’s competitive landscape and the ecosystems that drive growth and prosperity.

Turbulence

The landscape of global competition is radically changed. In the past, our domestic economy, markets and business enterprises offered the United States a degree of independence and isolation from the world’s troubles.

The Game Has Changed... the Mission Has Not

Message from the Chairman and President of the Council on Competitiveness

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Today, we are incredibly connected through global enterprises, markets, supply chains and talent networks—and face new risks and opportunities as a result. Innovation, sustainability and resilience will help us chart a path forward to economic growth and prosperity for all Americans.

Transition

With this year's presidential election and a new administration in place in 2009, America stands ready to face the daunting challenges at home and abroad that will profoundly shape our economic prosperity, security and global leadership. On the domestic front, there is strong bipartisan commitment to tackle issues at the very heart of competitiveness—education, health care, tax policy and regulation, immigration reform, energy and climate change, multilateral trade, and invest-

ment policies. Council members must be ready to engage in the debate and take action during this time of change.

Transformation

The future of all Americans depends on how well we marshal our talents and assets to create, collaborate and compete at the frontiers of innovation. Building upon the strategic platforms of national competitiveness, talent, investment and infrastructure, the private sector must assume the mantle of leadership for public policy advocacy and action.

21st Century Competitiveness Compact for America

Drive Innovation and Entrepreneurship

If globalization is the new playing field, then innovation

The Council on Competitiveness is delighted to welcome the following new members:

Robert A. Altenkirch
New Jersey Institute
of Technology

Thomas R. Baruch
CMEA Ventures

Alain J. P. Belda
Alcoa, Inc.

Judith F. Cardenas
Lansing Community College

David F. Carney
Lincoln Educational Services

Clarence P. Cazalot, Jr.
Marathon Oil Corporation

William W. Destler
Rochester Institute of Technology

Brian L. Halla
National Semiconductor
Corporation

John C. Hitt
University of Central Florida

Ralph Izzo
Public Service Enterprise
Group Incorporated

Steve Jurvetson
Draper Fisher Jurvetson

Steven Knapp
The George Washington
University

Donald R. Knauss
The Clorox Company

Richard T. McCormack
Merrill Lynch & Co., Inc.

Michael A. McRobbie
Indiana University

Edward E. Nusbaum
Grant Thornton LLP

Thomas F. O'Neill
Sandler O'Neill + Partners, L.P.

James W. Owens
Caterpillar Inc.

Vikram S. Pandit
Citigroup Inc.

John D. Petersen
The University of Tennessee

Ralph R. Peterson
CH2M HILL

James M. Phillips
Pinnacle Investments

Judith A. Ramaley
Winona State University

Peter J. Robertson
Chevron Corporation

John A. Rollwagen
SiCortex

Bill Segura
Texas State Technical College
System

John E. Sexton
New York University

Scott D. Sheffield
Pioneer Natural Resources
Company

Frederick W. Smith
FedEx Corporation

Mary S. Spangler
Houston Community College

James D. Spaniolo
The University of Texas
at Arlington

Randall L. Stephenson
AT&T Inc.

Robert J. Stevens
Lockheed Martin Corporation

John A. Swainson
CA, Inc.

John E. Treat
Alternative Hybrid Locomotive
Technologies

William L. Walton
Allied Capital Corporation

Joseph L. Welch
ITC Holdings Corp.

CREDITS: (LEFT) PETER HOWARD (RIGHT) TISARA PHOTOGRAPHY



is the way to win the game in the 21st century. Leadership in innovation will unleash the productivity and economic growth that will underpin America’s prosperity. The ability to rapidly translate knowledge and insights into new high-value products and services is imperative to addressing many of the grand challenges facing the United States and the world.

Engage in the Global Economy

In the 21st century, the issue is not “What will globalization do to me?” Rather, it is “How can I seek out and secure work and investment for myself?” Nations, regions and people who figure out the answer to this question will prosper. Globalization must become a race to the top, not to the bottom. To succeed in the global economy, the United States must maintain its reputation as a powerful magnet for the world’s best minds and high-value investments.

Manage Risk and Achieve Resilience

Globalization is creating a whole new dimension of risk exposure that many organizations are not prepared to handle. The potential for disruption rises with technological complexity, interdependency, terrorism, mutating viruses and even weather phenomena—disruptions that can cascade across networks, sectors and geographic borders. The successful competitors will be agile, flexible and resilient. They will be able to anticipate and manage risk and recover quickly from disruptions.

Secure Energy and Create Sustainability

Energy security and sustainability have become the space race of this century, inextricably tied to economic competitiveness and national security. The private sector must play starring roles in this transformation as the

innovators, adopters, investors and change agents in the energy arena. Increasingly, green approaches to business are proving to be good bottom-line strategies by decreasing both cost and risk while increasing energy productivity.

Win the Skills Race

With a billion new workers competing for the world’s jobs, simply being an educated American is not an entitlement to a secure, high-wage job. High-speed communications and digitization are commoditizing work processes, making it easier to ship work around the world. American workers must establish a margin of advantage by providing proactive training and education, creating a competitive edge in technical competencies and service industries, developing whole fields of science and new industries, and focusing on the creativity, empowerment and entrepreneurship that actively differentiates our workforce.

The Council is committed to working with our unique, tripartite membership to influence the debate and reshape the current policies and approaches to competitiveness. More than two decades since its inception, the Council’s mission is more important than ever. We must swiftly forge a new path to attract high-value economic activity to regions across America.

The Council stands poised, once again, to address today’s competitiveness challenges with cutting-edge thought leadership, actions and national impact.

Sincerely,

CHARLES O. HOLLIDAY, JR.

CHAIRMAN, COUNCIL ON COMPETITIVENESS
CHAIRMAN AND CEO, DUPONT

DEBORAH L. WINCE-SMITH

PRESIDENT, COUNCIL ON COMPETITIVENESS

INITIATIVE ROUNDUP

Council Lays Foundation for Action Agenda to Drive Private Sector Demand for Sustainable Energy Solutions

ESIS Initiative defines the energy–competitiveness relationship and articulates path forward

COUNCIL ON COMPETITIVENESS



*Susan Rochford, Vice President,
Energy & Sustainability Initiatives*

THE COST OF ENERGY IS CLEARLY IMPACTING THE PROSPERITY OF THE UNITED STATES. But the story does not end there.

The economic toll exacted by maintaining the current state of energy use, as well as the prospective windfall for ending it, has not been adequately captured or communicated in the context of competitiveness. It is the private sector—the leading innovators, investors and adopters of new energy sources, technologies and management practices—that will be the powerful change agent of our national energy system.

The goal of the Energy Security, Innovation & Sustainability



Andy Karsner, Assistant Secretary for Energy Efficiency and Renewable Energy, speaks during the ESIS Dialogue II.

(ESIS) Initiative is to accelerate the nation's achievement of an energy security agenda that will enhance U.S. competitiveness. The Council is conducting a series of three Progressive Dialogues, which examine the ways energy impacts U.S. companies, productivity levels and competitive

Energy Security, Innovation and Sustainability (ESIS) Steering Committee

CO-CHAIRS

Shirley Ann Jackson
Rensselaer Polytechnic Institute

D. Michael Langford
Utility Workers Union of America,
AFL-CIO

James W. Owens
Caterpillar Inc.

Thomas R. Baruch
CMEA Ventures

Alain J. P. Belda
Alcoa, Inc.

Frank L. "Skip" Bowman
Nuclear Energy Institute

Clarence P. Cazalot, Jr.
Marathon Oil Corporation

COMMITTEE

Anthony J. Alexander
FirstEnergy Corporation

Dan E. Arvizu
National Renewable Energy
Laboratory

Steven Chu
Lawrence Berkeley National
Laboratory

Mary Sue Coleman
The University of Michigan

Michael M. Crow
Arizona State University

John J. DeGioia
Georgetown University

Michael T. Eckhart
American Council on Renewable
Energy

John M. Engler
National Association of
Manufacturers

James W. Griffith
The Timken Company

Peter T. Halpin
World Resources Company

Richard H. Herman
University of Illinois at Urbana-
Champaign

Susan Hockfield
Massachusetts Institute of
Technology

John D. Hofmeister
Shell Oil Company

Ralph Izzo
Public Service Enterprise
Group Incorporated

Carl F. Kohrt
Battelle Memorial Institute

Douglas J. McCarron
United Brotherhood of Carpenters
and Joiners of America

George H. Miller
Lawrence Livermore National
Laboratory

position in the world. The progressive series will culminate in early 2009 with the release of a public-private action agenda to drive private sector demand for sustainable energy solutions and to support the creation of new industries, markets and jobs.

The Council recently published the findings of Dialogue I in *Define. The Energy-Competitiveness Relationship*, a report that can be downloaded from www.compete.org. In March, Dialogue II examined factors that encourage or deter energy users from investing in more productive and sustainable energy practices.

More than 35 high-level experts from industry, academia, national laboratories, NGOs, the U.S. government and other thought leaders participated in the two-day meeting held in Virginia. The findings will be released this summer in the report *Discover. Demand Drivers for Sustainable Energy Solutions*.

The ESIS Initiative is led by a CEO-level steering committee comprised of a diverse group of chief executives from business, labor and academia who bring global perspective to the multiple facets of the energy-competitiveness equation. The goal of the steering committee is to provide the strategic direction and frame the critical questions for the Progressive Dialogue Series.

The ESIS Dialogues and steering committee meetings have benefitted from several influential keynote speakers who are heavily involved in energy security issues. They include Congressman Edward J. Markey (D-Mass.), chairman of the House Select Committee for Energy Independence and Global Warming; Andy Karsner, Assistant Energy Secretary



Left to right: Council President Deborah L. Wince-Smith with ESIS Initiative co-chairs, James W. Owens of Caterpillar Inc.; Shirley Ann Jackson of Rensselaer Polytechnic Institute; and Representative Edward J. Markey at the ESIS Initiative Steering Committee meeting.

for the Office of Energy Efficiency and Renewable Energy; Daniel Yergin, chairman, Cambridge Energy Research Associates; and Daniel C. Esty, director of the Center for Business and Environment and the Center for Environmental Law and Policy at Yale University.

For more information, contact Susan Rochford, Vice President, Energy & Sustainability Initiatives (srochford@compete.org or 202.969.3384) ★

Ralph R. Peterson
CH2M HILL

James H. Quigley
Deloitte Touche Tohmatsu

Ian C. Read
Pfizer Inc

John A. Rollwagen
SiCortex

Robert Rosner
Argonne National Laboratory

John W. Rowe
Exelon Corporation

Kenan E. Sahin
TIAX LLC

John P. Selldorff
Legrand North America

Scott D. Sheffield
Pioneer Natural Resources
Company

Lou Anna K. Simon
Michigan State University

Frederick W. Smith
FedEx Corporation

John A. Swainson
CA, Inc.

John E. Treat
Alternative Hybrid Locomotive
Technologies

Joseph L. Welch
ITC Holdings Corp.

Simon P. "Pete" Worden
NASA Ames Research Center

James E. Wright
Dartmouth College

Mark S. Wrighton
Washington University in St. Louis

Charles O. Holliday, Jr. *Ex-officio*
DuPont

Open Letter to Candidates Calls for Energy Policy Debate

Dear Presidential Candidates,

Energy is the defining challenge and economic opportunity of our time.

The competitiveness and economic growth of the United States hinge on our ability to craft and implement a comprehensive strategy for increasing energy security and sustainability. In an age of competing global demands for energy and unstable sources of supply, our prosperity is linked to the kinds of energy we use and how efficiently we use it.

The economic toll of the exponential increase in global demand for energy has rippled across our economy, adding to the cost of doing business and squeezing the pocketbooks of ordinary Americans. Securing access to energy supply, increasing the nation's energy productivity, maximizing the economic value of each unit of energy consumed and minimizing environmental impact—each of these issues must be addressed if the United States is to remain competitive.

To ensure our leadership in the global economy, we must act now. Energy security cannot be achieved without a comprehensive national strategy. This certainly includes reducing U.S. dependence on foreign oil, but an energy strategy must encompass more. Redundancy of supply and diversity of source are essential if the United States is not to be overly dependent on any one energy source or supplier in the marketplace.

The match-up of appropriate energy source to sector of use must be optimized—whether supplying energy to heat homes, to transport goods, to light cities or to power enterprises. Each of these elements must be supported by innovation: technological innovation, policy innovation and innovative global collaboration. To date, key energy issues have been almost entirely absent from the presidential debates, even though energy is a driver of U.S. competitiveness in the global marketplace and is a key focus of business enterprise worldwide. There has been little discussion about the role of government in creating the environment for progress in energy security. There has also been limited debate about how to create the conditions necessary to stimulate innovation in the energy

arena, or about the steps necessary to ensure an adequate energy workforce to meet the needs of the 21st century.

We represent a cross-section of private sector leaders—from business, labor and academia—who see the tremendous potential for the creation of new energy markets, technologies, industries and good jobs ahead if we properly harness our resources. The economic boom that would accompany these energy advances would drive our economy for a generation. Our institutions and companies are already acting to capitalize on and shape these opportunities.

Sincerely,

Shirley Ann Jackson

ESIS Initiative Co-Chair
President
Rensselaer Polytechnic Institute

James W. Owens

ESIS Initiative Co-Chair
Chairman and Chief Executive Officer
Caterpillar Inc.

D. Michael Langford

ESIS Initiative Co-Chair
National President
Utility Workers Union of America, AFL-CIO

Deborah L. Wince-Smith

President
Council on Competitiveness

Council on Competitiveness Chairman and DuPont CEO, Charles O. Holliday, Jr., is pleased to announce that Shirley Ann Jackson, Ph.D., has accepted the position of University Vice Chair of the Council.

Shirley Ann Jackson is the president of Rensselaer Polytechnic Institute, the oldest technological research university in the United States, and the co-chair of the Council's Energy Security, Innovation & Sustainability Initiative. Her research and policy focus includes energy security and the national capacity for innovation, including addressing the "Quiet Crisis" of looming gaps in the science, technology and engineering workforce, and reduced support for basic research.

A theoretical physicist, Jackson was chairman of the U.S. Nuclear Regulatory Commission from 1995 to 1999. Described by *Time Magazine* as "perhaps the ultimate role model for women in science," she is a member of the National Academy of Engineering and the American Philosophical Society, and a fellow of the American Academy of Arts and Sciences, the American Physical Society and the American Association for the Advancement of Science (AAAS).

Jackson is a regent of the Smithsonian Institution, a member of the board of the Council on Foreign Relations, past president (2004) and chairman of the board (2005) of the AAAS, and is a trustee of The Brookings Institution. She also is on the board of directors of NYSE Euronext; and a director of IBM, FedEx, Marathon Oil, Medtronic and PSEG. The National Science Board selected Jackson as the 2007 Vannevar Bush Award recipient.

"Not only does Shirley Ann Jackson possess a comprehensive understanding of both energy security and American competitiveness, but she is also an innovative leader that has taken the Council's work to unprecedented levels," Holliday said. "Shirley Ann Jackson has been an integral Council leader for many years, and we are honored that she will continue to advance the Council's mission in this new role."

Jackson has been a member of the Council since she assumed her role as president of Rensselaer in 1999.



"U.S. leaders across the spectrum must work together to sustain our global competitiveness. The Council plays a vital role in coalescing the business, academic and labor leadership essential to shape this debate. It is my privilege to join Chad Holliday, Douglas McCarron, and Deborah Wince-Smith in driving this agenda that is so critical to economic and national security here and around the globe."

SHIRLEY ANN JACKSON
PRESIDENT
RENSSELAER POLYTECHNIC INSTITUTE

How Can the United States Sustain an Advantage in a World of Global Competitors?

Compete 2.0 will generate new perspectives for U.S. competitiveness

“The United States is entering a global era in which Americans will have to compete for jobs in a global marketplace—not only with their neighbors down the street, but with highly motivated, highly capable, increasingly well-educated individuals from around the free world.”

NORMAN R. AUGUSTINE
 RETIRED CHAIRMAN & CEO
 LOCKHEED MARTIN CORPORATION



IN THE TURBULENT TRANSITION TO A GLOBAL ECONOMY, AMERICANS ARE REACHING FOR SILVER bullets that promise quick action, but provide neither a real solution nor a path to long-term prosperity. The Council’s **Compete 2.0** initiative is designed to develop competitiveness roadmaps that benchmark trends, match rhetoric with reality and showcase strategic directions for future prosperity.

The Council will use Compete 2.0 to set a concrete action agenda to ensure that the United States can compete in the 21st century. The initiative seeks to identify the essential conditions needed to sustain U.S. success and dive into some of the key competitiveness issues, which the Council highlighted in its 2006 *Competitiveness Index: Where America Stands*. To achieve this, the Council will publish

benchmarking reports on workforce skills, manufacturing, financial markets, health care and infrastructure throughout the next 18 months. Capitol Hill briefings, media outreach and dialogues with federal and state policy makers will be critical components of each report rollout. A CEO-level steering committee of Council members and experts will guide and lead each program. Compete 2.0 will culminate with the publication of the Council’s 2009 *Competitiveness Index: Where America Stands*.

Compete 2.0: Workforce Skills

Going forward, one of the most critical strategies is to ensure that America’s workers have the talent and skills they need to compete against anyone, anytime, anywhere in the world. In the emerging global economy of the 21st century, human capital is becoming the dominant competitive differentiator—for countries and companies as well as citizens. The focus on workforce skills represents the Council members’ belief that America needs a national skills strategy to succeed in an economy increasingly defined by globalization. Tremendous opportunities exist for workers if the United States can successfully align skills with opportunities.

For more information about Compete 2.0, contact Debra van Opstal, Senior Vice President, Thought Leadership (dvanopstal@compete.org or 202.969.3382) ★

CHRISTY BOWE



Sen. Max Baucus (D-Mont.) speaks during the Council's congressional briefing on workforce skills April 30th on Capitol Hill. In the background from left are Norman R. Augustine, Lockheed Martin Corporation; and Deborah L. Wince-Smith, Council on Competitiveness.



Deborah L. Wince-Smith, Council on Competitiveness (pictured second from right) with Compete 2.0: Workforce Skills Co-Chairs (from left) James C. Spohrer, IBM Corporation; Judith F. Cardenas, Lansing Community College; Joel Leonard, Skill TV; and Norman R. Augustine, Lockheed Martin Corporation; at the Council's congressional briefing on workforce skills April 30th.



Sens. Max Baucus (D-Mont.) and Richard Lugar (R-Ind.), the honorary co-chairs of the program, convened a congressional briefing luncheon on Capitol Hill on April 30th.

COUNCIL PUBLICATIONS

“Thrive. The Skills Imperative” sets a roadmap for identifying the skills needed in the jobs of the future. It charts a path of opportunities for American workers and prioritizes itself around jobs that cannot be easily outsourced or replicated abroad.

Visit Compete.org/publications to download a free copy of “Thrive.”



May 13th Executive Committee Meeting, Washington, D.C.

Charles O. Holliday, Jr., welcomed Henry M. Paulson, Jr., Secretary of the Treasury, to the May 13th Council on Competitiveness Executive Committee meeting. Secretary Paulson offered his perspective on current economic challenges facing the United States and the importance of ensuring stable financial markets. Committee members then discussed various short-term and long-term competitiveness initiatives necessary to strengthen the American economy.



From left to right: Douglas J. McCarron, United Brotherhood of Carpenters & Joiners of America; Charles O. Holliday, Jr., DuPont; Henry M. Paulson, Jr., Secretary of the Treasury, U.S. Department of Treasury; Deborah L. Wince-Smith, Council on Competitiveness; and Shirley Ann Jackson, Rensselaer Polytechnic Institute.



Ralph R. Peterson, CH2M HILL



Daniel S. Goldin,
The Intellis Corporation



Luis M. Proenza,
The University of Akron



Larry Weber, W2 Group, Inc.



From left to right: C. William Booher, Jr., Council on Competitiveness; and Steven Knapp, The George Washington University.



From left to right: John Zogby, Zogby International; Shirley Ann Jackson, Rensselaer Polytechnic Institute; Douglas J. McCarron, United Brotherhood of Carpenters & Joiners of America; Charles O. Holliday, Jr., DuPont; and Deborah L. Wince-Smith, Council on Competitiveness.



From left to right: Kenan E. Sahin, TIAX LLC; Robert J. Zimmer, The University of Chicago; D. Michael Langford, Utility Workers Union of America, AFL-CIO; and Shirley Ann Jackson, Rensselaer Polytechnic Institute.



From left to right: James M. Phillips, Pinnacle Investments; John A. Hillerich, Hillerich & Bradsby Co., Inc.; Erich Bloch, The Washington Advisory Group; and Debra van Opstal, Council on Competitiveness.

2008 National Summit on American Competitiveness



From left to right: Deborah L. Wince-Smith, Council on Competitiveness, and Michael E. Porter, Harvard Business School.

On May 22, Deborah L. Wince-Smith, president of the Council on Competitiveness, participated in the 2008 National Summit on American Competitiveness hosted by U.S. Secretary of Commerce Carols M. Gutierrez.

The meeting convened the nation's premier leaders of business, government and academia to determine what steps the public and private sectors can take to secure America's position as the most competitive economy. Wince-Smith served on the opening panel, "Roadmap for the Next Decade," which was moderated by CNBC's Maria Bartiromo. Council members who participated in the summit include: Craig R. Barrett, chairman

of the board, Intel; John M. Engler, president, National Association of Manufacturers; Robert W. Lane, CEO, Deere & Company; James W. Owens, chairman and CEO, Caterpillar; James M. Phillips, board officer, EmergeMemphis and managing partner, Pinnacle Investments; and Carl J. Schramm, president and CEO, Ewing Marion Kauffman Foundation.



Panelists from left to right: W. James McNerney, Jr., The Boeing Company; Louis V. Gerstner, Jr., IBM Corporation; Maria Bartiromo, CNBC; Michael E. Porter, Harvard Business School; Deborah L. Wince-Smith, Council on Competitiveness; and Craig R. Barrett, Intel Corporation.

Technology Leadership & Strategy Council

THE COUNCIL'S HISTORY AND BRAND HAVE ALWAYS BEEN STRONGLY TIED TO A COMMITMENT BY ITS MEMBERS to push the frontiers of technology and innovation in the United States, to create value, and to boost productivity and prosperity. This focus has been encapsulated in a series of major initiatives during the past 20 years—starting with the Council's "critical technologies" work in the 1980s, evolving through the Going Global Initiative in the 1990s, and culminating in the path-breaking 2004 National Innovation Initiative (NII) and the ongoing High Performance Computing Initiative.

As the NII argues, changes in the nature of science, technology and innovation are accelerating the challenges and opportunities facing U.S. national security and competitiveness in the 21st century. Technology is diffusing at ever-increasing rates around the world; technological development and innovation have become increasingly more collaborative; research is multidisciplinary and technologically more complex; and the capacity for cutting-edge research is now global in scope as advances come from centers of excellence located around the world.

To compete in this new 21st century environment, the United States needs a fresh approach to understanding these changes, challenges and opportunities. To that end, the Council is creating the first-ever Technology Leadership & Strategy Council (TLSC)—a group of forward-thinking chief technology officers (CTOs) and Council members who represent a broad range of industries, large and mid-sized firms, organizations and leading academic institutions—to design a new public-private partnership to support America's future technology leadership.

The goals of the TLSC are to:

- Map the technology landscape of the 21st century global economy: how, where, why and in what do private sector technology leaders choose to invest?
- Chart the most promising "frontiers" of technology and sources of competitive advantage in the 21st century.
- Benchmark technological capacity and deployment in the United States and around the world.
- Identify barriers to being a first-mover toward frontier technologies.
- Design a national policy strategy to leverage public and private sector technology investments more effectively and collaboratively.



Ray O. Johnson,
Lockheed Martin Corporation



Mark M. Little,
GE Global Research

The TLSC is co-chaired by Ray O. Johnson, senior vice president and CTO of Lockheed Martin Corporation, and Mark M. Little, senior vice president and director of GE Global Research. The Council will jump-start the TLSC this year via an innovative, multi-platform media partnership. This partnership will include participation in a:

- Web-based survey that will measure the "who, what, where, when and why" of scientific and technological innovation within firms and other organizations.
- A one-day conference in Washington to understand how science, technology and innovation are redrawing the business landscape of the 21st century.

For more information on the Technology Leadership & Strategy Council, contact Chad Evans, Vice President, Strategic Initiatives (cevens@compete.org or 202.969.3380) ★

HIGH PERFORMANCE COMPUTING INITIATIVE

High Performance Computing (HPC) co-chairs, David E. Shaw, chief scientist and chief executive officer, D. E. Shaw Research, and Richard H. Herman, chancellor of the University of Illinois at Urbana-Champaign, convened the annual meeting of the HPC Advisory Committee in Washington on May 6. The committee is comprised of national experts from industry, academia, national labs and government agencies.

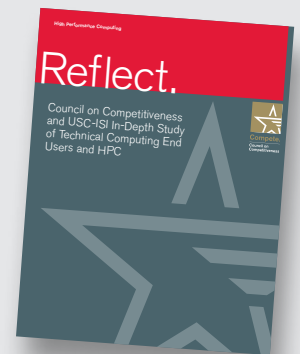
HPC Publications

*Suzy Tichenor,
Vice President and Director,
High Performance Computing
Initiative*

“Reveal.” is the first-ever broad industry survey that examines the reasons why companies have not made the switch from desktop PCs and workstations to more powerful high performance computers, given their proven competitive benefits. The survey found that lack of talent, cost issues and a need for application software are difficult hurdles to overcome. Most of the firms revealed they have important problems that they can not solve on their desktop systems. The implications are sobering: critical U.S. supply chains and the leadership of many U.S. industries may be at risk if more companies do not embrace modeling and simulation with high performance computing.



“Reflect.” benchmarks the findings from “Reveal.” against a group of “desktop-only” and entry-level high performance computing (HPC) users within a focused industrial sector. It confirms that even with customer requirements and/or a competitive threat, desktop-only firms still need assistance in overcoming the cost, talent and software barriers impeding HPC adoption. The report reiterates the important role that partnerships between university and national laboratory HPC centers and vendor/service organizations can play.



Visit Compete.org/publications to download free copies of “Reveal.” and “Reflect.”

INITIATIVE ROUNDUP

Council Launches Regional Leadership Initiative

New initiative seeks to bolster regional economic development through stronger regional leadership



Secretary of Commerce Carlos M. Gutierrez announced the grant for the Council's 21st Century Regional Leadership Institute project at the 2007 Annual Meeting.



Sandy K. Baruah, Assistant Secretary of Commerce for Economic Development, U.S. Department of Commerce, will oversee the Regional Leadership Institute for the Department of Commerce.

EVEN THOUGH IT IS THE RIGHT THING TO DO, IT IS HARD TO ACT REGIONALLY. For nearly a decade, the Council has been a leading proponent of regionalism and regional innovation-based development strategies. Through work with the Harvard Institute of Competitiveness and Prosperity, the U.S. Economic Development Administration (EDA), and the U.S. Employment and Training Administration (ETA), the Council has been at the forefront of the movement to integrate regional economic and workforce development efforts and to create regional clusters of innovation. Most recently, the Council has been a lead advisor to the ETA on the development and implementation of the Workforce Innovation in Regional Economic Development (WIRED) initiative, a path-breaking \$325 million dollar program that is being piloted in 39 U.S. regions.

Based on engagements in more than two dozen U.S. metro areas, the Council has created assessment tools, analytical frameworks and policy recommendations that support regional action. However, too many U.S. economic regions still do not act regionally. Instead, they launch uncoordinated or duplicative development efforts. In the face of traditional political boundaries and rivalries that extend from the football field to efforts of attracting business, it is difficult for leaders to implement regional solutions even when they are the best option.

The Council has launched a new initiative to explore what it believes to be the key element of regional success: leadership. Funded by the U.S. Department of Commerce, the 21st Century Regional Leadership Initiative will develop a baseline understanding of regional leadership systems and develop strategies for supporting regional leadership networks and individual leaders. Ultimately, the Council plans to create a new National Center on Regional Leadership.

Council members John A. Hillerich IV, president & CEO of Hillerich & Bradsby Co., Inc.; Edward J. McElroy, president of the American Federation of Teachers, AFL-CIO; James B. Milliken, president of the University of Nebraska; and Luis M. Proenza, president of the University of Akron; have agreed to co-chair this initiative. In this role, Hillerich hosted the Council's roundtable discussion on the role of private-sector leadership in regions on April 21st in Louisville, Ky. Additional research roundtables will be scheduled for this spring and summer.

For more information, contact Randall T. Kempner, Vice President, Regional Innovation (rkempner@compete.org or 202.969.3403) ★



*John A. Hillerich IV,
Hillerich & Bradsby Co., Inc.*



*Edward J. McElroy,
American Federation of Teachers,
AFL-CIO*



*James B. Milliken,
University of Nebraska*



*Luis M. Proenza,
The University of Akron*

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INITIATIVE ROUNDUP

Council Promotes Global Engagement and Partnerships

AN OVERARCHING GOAL OF THE COUNCIL'S GLOBAL INITIATIVE is to understand the new dynamics of competitiveness in an increasingly global economy and to facilitate dialogue with strategic partners to shape collaborative paths to prosperity.

During the past few months, the Council team has been leading the competitiveness charge in several strategic venues.

Brazil

Deborah L. Wince-Smith, president of the Council, was in Brasilia and San Paolo building on the Innovation Call to Action developed during the Council's 2007 U.S.-Brazil Innovation Summit.

Working with its strategic partners Movimento Brasil Competitivo and ABDI, the Council has started to lay the groundwork for a series of ambitious, CEO-led and university-based "innovation laboratories" in the United States and Brazil. Work by these laboratories this year and through early 2009 will become the backbone for a U.S.-Brazil Innovation Summit to be held in the United States in late 2009. The Council and its Brazilian partners share a long-term vision for pan-hemispheric knowledge creation, energy sustainability and efficient infrastructure.

Mexico

Cynthia McIntyre, the Council's new senior vice president for strategic operations, planning and development, spoke at and moderated a plenary panel in Toluca, Mexico, at the U.S. Department of Commerce Program on Entrepreneurial Growth (PEG) Symposium. The event—hosted by the Council's sister organization IMCO—convened Mexican and U.S. entrepreneurs, educators and policy makers to discuss plans for creating environments that promote innovation and entrepreneurship in Mexico.

Chad Evans, vice president of strategic initiatives for the Council, delivered the keynote address at the 35th Anniversary of the American Chamber of Commerce (www.amchammxmty.com/principale.htm) in Monterrey, Mexico—home base for IMCO founding member Tomas Gonzales Sada, chairman, president and CEO of Grupo Cydsa. In addition, events in Evans' honor were held at Whirlpool's global manufacturing and research center and Monterrey Institute of Technology and Higher Education's business incubator and accelerator. Both Whirlpool and Monterrey Tech are global best-in-class facilities in research, design, manufacturing and skills development.



Deborah L. Wince-Smith and Paulo Vicente Caleffi, secretary general of the Interamerican Transportation Chamber (CIT), sign a Memorandum of Understanding in Brazil for collaborative approaches to transportation infrastructure.

Japan

Evans delivered a keynote address at the Global Innovation Ecosystem (GIES) 2008 Symposium in Tokyo. The findings from the GIES—which is sponsored by the Cabinet Office, Government of Japan, the Science Council of Japan and the Japan Science and Technology Agency—will be integrated into the proceedings of the 2008 G-8 Summit, which took place in Tokyo this July. (www.gies2008.com/en/index.html)

UAE

C. William Booher, Jr., the Council's chief operating officer, represented the Council as part of a delegation to the United Arab Emirates to discuss issues related to global finances, particularly Sovereign Wealth Funds. The group held a meeting with high-ranking officials in the Emirates of Abu Dhabi and Dubai, including the leadership of the Dubai Financial Services Authority (DFSA) and Nasser Al Shaali, CEO of the Dubai International Financial Centre.

For more information, contact Chad Evans, Vice President, Strategic Initiatives (cevens@compete.org or 202.969.3380) ★

NEWS

Council Welcomes New Executive

Cynthia McIntyre named Senior Vice President of Strategic Operations, Planning and Development

Council on Competitiveness President Deborah L. Wince-Smith is pleased to announce that Cynthia R. McIntyre, Ph.D., has accepted the position of senior vice president at the Council.

In her new position, McIntyre is responsible for strategic operations, planning and development pertaining to Council programs and initiatives, and implementing Councilwide strategic plans and development. McIntyre comes to the Council from Rensselaer Polytechnic Institute, the nation's oldest

technological research university, where she served as chief of staff to the president, associate vice president for policy and planning, and assistant secretary of the Institute. McIntyre is a theoretical condensed matter physicist.

"Cynthia's high-level experience in the areas of project development, entrepreneurship, intellectual property management and strategic planning is a welcome addition to the Council on Competitiveness," Wince-Smith said. "This new position is an exciting testament to the Council's growth. Cynthia's extensive expertise will continue to expand our impact and bolster our competitiveness agenda."

Cynthia McIntyre can be reached at cmcintyre@compete.org or 202.969.3406 ★



Cynthia McIntyre, Senior Vice President of Strategic Operations, Planning and Development

COUNCIL ON COMPETITIVENESS

2008 CALENDAR

May 6

High Performance Computing Initiative Advisory Committee Meeting, Washington

Dr. Anthony Tether, director of the Defense Advanced Research Projects Agency (DARPA), was honored for his founder's support of the High Performance Computing (HPC) Initiative and leadership in making HPC a national competitiveness priority.

May 13

Board and Executive Committee Meetings, Washington

The Council's board and executive committee members considered the results of a Zogby International survey on possible short-term solutions to the recent economic slowdown in the United States.

May 22

Secretary of Commerce Carlos M. Gutierrez's 2008 National Summit on American Competitiveness, Chicago

Council president, Deborah L. Wince-Smith, served on the opening panel "Roadmap for the Next Decade," moderated by Maria Bartiromo.

June 3-4

Energy Security, Innovation & Sustainability Initiative Dialogue III, Chantilly, Va.

The final progressive dialogue examined factors influencing business investments in sustainable energy solutions from the perspective of energy suppliers.

July 22

U.S.-Brazil Innovation Summit, Washington

The Council and the Movimento Brasil Competitivo hosted the second summit of its kind.

July 28

Energy Security, Innovation & Sustainability Initiative Steering Committee Meeting, Washington

The Energy Security, Innovation and Sustainability Initiative Steering Committee members met to discuss program activity.

August 17-19

The America's Competitiveness Forum, Atlanta

October 30-31

Resilience Workshop

A one and a half day retreat that will bring together C-suite executives to discuss risk intelligence and resilience, including panels on developing a common definition, metrics and dashboards and policies that reinforce market mechanisms that reward resilience.

November 12

Council's Annual Event, Washington

Board and Executive Committee Meetings

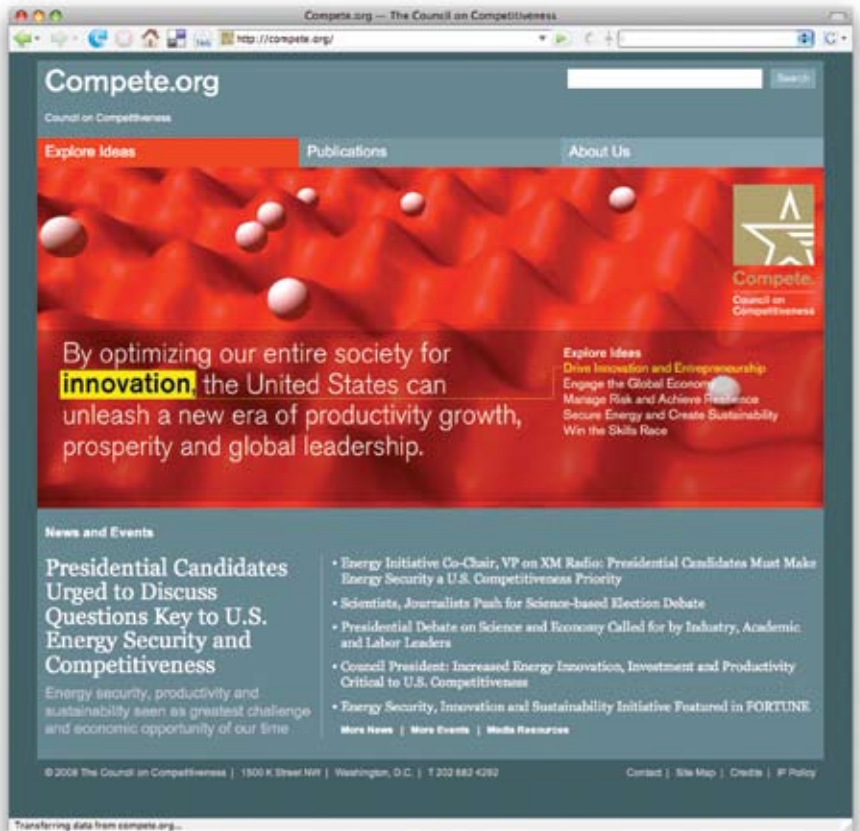
Energy Security, Innovation & Sustainability Initiative

The ESIS Initiative Steering Committee members will meet to discuss program activity.

COMPETE.ORG

In February, the Council launched a totally redesigned Web site, www.compete.org. Please visit www.compete.org to explore how America must compete in the 21st century.

For more information about the Council on Competitiveness, please contact Betsy Thurston, Vice President for Strategic Development (bthurston@compete.org or 202.969.3392) ★



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