

LEAVITT SEEKS FUNDS FOR 'SILICON ALLIANCE'

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Gov. Mike Leavitt proposes spending \$1.35 million to promote his "Silicon Valley Alliance." And \$750,000 of that money will go into rural communities to help them become both techno-savvy and techno-productive.

The alliance hopes to gain technology-related business as California's Silicon Valley exceeds its capacity.

Leavitt unveiled his proposal Wednesday morning at a news conference in the Capitol rotunda. Though in the context of a multibillion-dollar state budget, it's not a huge sum, the governor emphasized that when it's paired with his \$102 million "engineering initiative" to boost training of engineers, computer scientists and other technology professionals, a \$6.7 million "enhancement" to the Industrial Assistance Fund for new and expanding technology companies, plus funding to construct related higher-education buildings, it amounts to a serious investment in the state's technological future.

"It's a strategy to assure that our economy continues to be prosperous. But one of the truly important points of this is it needs to be a statewide effort."

The challenge will be less technological than sociological, he said. It will require a different mindset, a "new-economy" way of thinking.

His hope is that "we will as a culture recognize the importance of entrepreneurship fast enough to be among the leaders. That we will emphasize education fast enough. And change the thinking in rural communities to embrace it fast enough."

That it won't happen would be his greatest fear, he said. "I prefer to think in terms of my hope. I'm very optimistic."

Citing the "absolutely undeniable link between education and prosperity" in an information-based economy, he said Utah must position itself to be part of the technology wave sweeping the country and the world.

The Silicon Valley Alliance, a coalition that will have 20 working subgroups each tackling a different challenge, now has a work plan and Leavitt will create its operating structure by executive order. Roderick Linton has been tapped to head the alliance, which will operate in the Department of Community and Economic Development.

One of the alliance's major goals is to promote Utah as a place that can absorb the growth of California's real Silicon Valley. Linton said that Valley has major infrastructure problems, including a high cost of living, traffic tangles and no room to expand.

Utah wants to be the place where those Silicon Valley companies can expand. As part of that, the state has undertaken monthly trade missions to California.

Positioning Utah is where the rural economic development comes in. The economies of rural Utah communities have traditionally been almost exclusively natural-resource based, the governor said. But that's becoming a "greater challenge. We have to find a way for rural Utah to become part of the new economy."

He likens his proposal to a popular science experiment involving sugar water. When something like a grain of sand or a BB is dropped in, it begins to crystallize. In time, it crystallizes completely. If you don't drop something in, it doesn't.

He wants to "drop something in" in the form of working with rural communities to promote

their high quality of life, while marketing their human resources, developing high capacity bandwidth, assuring adequate transportation in and out and "working with locals to attract the beginnings of some information-age jobs. We're plowing new ground," Leavitt said, " but we believe we can market rural Utah to information-technology companies on the basis of the stable, able work force."

It would translate into better-paying jobs in rural areas, and fewer young people would have to leave to find meaningful work.

But he warned that it won't happen overnight.

Some of the alliance's efforts will center around "branding and marketing" Utah as a technology center.

Although it's just a proposal now, Leavitt said he believes there is "strong legislative support for the basic idea" and it will happen. Failure to take advantage of the opportunity that exists will turn the state's challenges into disadvantages, he warned.

The increased visibility from the Olympics will help showcase Utah's technological advantages, he said, and he plans to ask for \$2 million to promote the state during the Games.

Utah is just one of many states trying to position themselves to be among the technology leaders in the country.

"This is a historic opportunity," Leavitt said. "If we can't make something out of a work force that's twice the national average, history ought not to judge us well."