

**Remarks by Assistant Secretary of Labor Emily Stover DeRocco
at the Release of the Milken Institute Report, "Mind to Market"**

*September 20, 2006
Washington, DC*

Thank you, Ross. It is honor to join you, Congressman Greenwood, and Mr. Rugg for the release of this important report.

As this report makes clear, the United States, and U.S. universities, are the world leaders in biotechnology research. The identification and ranking of universities leading our research efforts adds to our understanding of the industry. It is the application of this research and its economic potential that brought the Milken Institute's report to the attention of the Labor Department.

As the title of this report, *Mind to Market*, suggests, the economic impact of the biotechnology sector lies in the ability of universities to take the advances made in their laboratories and apply them to the marketplace. Even a quick glance at the list of universities in this report reveals the widely recognized hot-spots in the U.S. economy: Silicon Valley, indeed up and down the entire California coast and Boston, Massachusetts.

This is not a coincidence. The economic development potential and importance of universities have been magnified by the effects of globalization. As this and other studies have shown, the key to our continued economic leadership and success in the global economy is innovation. And one of the major innovation assets to any region is a university. It is the start of the innovation life-cycle, where research and development create intellectual property.

And as Milken's report identifies, the critical factor in bringing intellectual property from the university to the marketplace is a technology transfer model. Though there is no single recipe for success in technology transfer, Milken identifies the key ingredients: incentives, funding, human capital, leadership, and benchmarking.

It is from this work that other universities not found on this list can learn how to develop their technology transfer mechanisms and potentially bring a host of new advances in biotechnology, nanotechnology and other cutting edge fields to the marketplace.

Even with a successful technology transfer model though, universities by themselves cannot bring economic prosperity to their areas. One critical factor, identified by Milken for biotech clusters but true for most of the economy, is regionalism. Areas

must overcome the geographical and political boundaries that divided our old economy in order to compete in the new economy. San Jose's competition isn't Palo Alto or San Francisco, its Shanghai and Bangalore.

Understanding that common areas are part of the same economic region facilitates the development of a combined economic vision and strategy. This allows economic development agencies to then identify and leverage assets from across the region rather than just in their community.

Universities are obviously one of those assets. But intellectual property must be supported if it is to bear fruit. That is why Milken identifies seed and venture capital and foundations as another critical asset.

And beyond that is human capital. Not only do universities need human capital in their research labs and their tech transfer offices, the new start-ups need the full range of talent to evolve into successful businesses. So community colleges and 4-year institutions must also be a part of a region's economic strategy, providing the talent to support the entrepreneurial activities developed at universities.

This year, the Labor Department has been demonstrating this integrated, regional approach to economic and workforce development in 26 regions across the country. Through a combination of seed funding, federal partnerships, and expert counsel, we hope that these regions can develop and implement economic strategies that will allow their citizens to prosper in the global economy.

In five of these regions, we have partnered with the Commerce Department's Manufacturing Assistant Secretary and the Manufacturing Extension Partnership to pilot tech transfer models. This includes working not only with universities, but also with defense and energy labs and other creators of intellectual property, to provide the talent, infrastructure, and resources to support technology transfer.

By participating in and learning about this process in actual regions, Labor and Commerce will be better able to identify the barriers that restrict tech transfer and propose the needed regulatory or statutory reforms.

The work that the Milken Institute has done is an important step in our understanding and applying technology transfer models in one of this country's most successful industries. It provides a blueprint that all regions can replicate and learn from to be better prepared when the nation's next big industry is ready to move out of our minds and into the market.

Thank you, Ross, and Congressman Greenwood and thank you all for attending today's announcement.