

Jerry L. Gwaltney, City Manager – Danville, Virginia

Submitted Testimony

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**City Manager – City of Danville, Virginia**

**To the United States Senate Subcommittee on Trade, Tourism, and  
Economic Development**

**Regarding S. 1908, the “Nanoscience to Commercialization Institutes  
Act”**

**May 4, 2006**

## Senate Subcommittee on Trade, Tourism, and Economic Development

Mr. Chairman, Senator Allen and Distinguished Members of the Committee, thank you for the opportunity to appear before you and testify today on the establishment of the Nanoscience to Commercialization Institutes Act (S. 1908.)

I am the City Manager of the City of Danville, Virginia. The independent city of Danville is located on the Dan River in the southern central portion of Pittsylvania County along the North Carolina Border. Strategically located on the mid-Atlantic coast, Danville is within one day's driving distance to over two thirds of the United States' population. Excellent highway and rail systems provide ready access to major northern and southern metropolitan and manufacturing markets.

The City of Danville has a population of 48,411 and has lost a tremendous number of basic employer jobs over the last 24-36 months. These job losses have caused the unemployment rate to hover at more than double the state average (11.9% February 2006 versus VA at 3.3% for that same month). Furthermore, the Danville MSA has held the position of the state's highest MSA unemployment level for 2 years or more.

A total of 58 metropolitan areas suffered total job losses over the year ending September 2005. Danville lost 2,400 jobs. This places Danville in the top four metropolitan areas with job loss. Only three areas ranked higher than Danville. All three are located in areas devastated and ravaged by hurricanes. The entire South Atlantic region has lost a total of 20,300 manufacturing jobs. The City of Danville alone claims over 8% of that regional total.

In order to reinvent the economy, the City of Danville is in the forefront of the establishment of infrastructure and the creation of an atmosphere conducive to facilitating a nano cluster. I would like to share with you today the clear vision and subsequent path the City of Danville is engaging in and further detail for you our efforts and success in utilizing nano as a crucial element in the transformation of our economy.

Our goal in the City of Danville is rooted in and grown from the need to diversify our economy. Knowing we would face a decline in our traditional industries, tobacco and textiles, the City placed a proactive focus on evaluating the global economy and refining a vision that would serve as a catalyst for us and our local economy. In this case, and relative to today, the focus is on nano.

Our efforts have been built on three equally important elements: education, a hands-on governmental approach (local, regional and in partnership with the Commonwealth) and private investment in technology. Through collaboration, partnership and implementation we have had success and recruited a nanotechnology facility, now in place, and are confident additional interest will continue to unfold.

I would like to take a moment to briefly focus on our collaborative efforts as they have been without a doubt innovative and truly a template others can use as a model. The efforts began with creating an atmosphere of learning and interest through schools such as the Galileo High School, a school enabled through a federal magnet grant, which focuses on biotech, information technology and aerospace. The efforts continue through the creation of infrastructure such as a Cyber Park, fiber network, business incubator and the foundation for a nano cluster in our historic tobacco warehouse district redevelopment area. We have shaped our environment into one that is user ready for various technology-focused companies, including nanotechnology. It is no doubt that Luna nanoWorks has been a catalyst for other companies selecting our area.

Our efforts have been long thought out and aggressively sought after, yet would not be possible without numerous collaborative efforts. Our partners range from our neighboring county, Pittsylvania, to federal entities such as EDA along with hard work from our strong supporters; Senator Warner, Senator Allen and Congressman Goode. We have invested in several key technology based economic development assets such as the Institute of Advanced Learning and Research (IALR) and the Regional Center for Advanced Technology and Training (RCATT), with the assistance from the Virginia Tobacco Indemnification and Revitalization Commission, the Commonwealth of Virginia and various educational partners including Virginia Tech. We have a Technology Business Incubator through the contributions of EDA, the City and County. This environment, along with our current nano materials manufacturing facility, Luna nanoWorks, a division of Luna Innovations Incorporated helps to secure Danville's position as a leader in technology-especially in the nanoscale. Luna is an ideal example of our intentions coming to fruition.

Luna is an example of how the City of Danville has bridged the gap in between vision and implementation. It supports the idea that through government support a realistic effort exists in creating a nano ecosystem from which nanotechnology research transference to the marketplace can take place regardless of the size or location of the community.

Specifically, the Luna project scope was \$6.5 million in investment with the creation of 54 high technology jobs over a 30-month period. Today, Luna is 25 employees strong and growing. Fifteen PhD's, including two world renowned Fullerene Scientists, a member of the American Academies of Science, and a successful pharmaceutical entrepreneur make up the scientific leadership team for this high caliber company. Their presence has led to a very creative partnership for educational excellence K-12 and higher education, including significant work towards a graduate program at the Institute for Advanced Learning & Research in nanotechnology. This success story owes its happy ending to a coalition of forces including the City of Danville, who purchased a building that is leased to Luna, the Governor's Opportunity Fund, the Tobacco Region Opportunity Fund, DBA workforce services, higher educational institutions, the SBA Hubzone, etc.

In your words Mr. Chairman, "Nano technology is creating opportunities that range from improving sports equipment to inventing life-saving medical applications. Competition in nanotechnology is global in nature. Other countries, such as Japan and China are making tremendous investments and it's critical that we maintain global leadership."

Looking at it from a City Manager's perspective, think what research can do for a city's operation by developing nano textile materials that protect the policeman that's being shot at or create better automobiles for use in city operations, or enhances our medical facilities. So not only does nano materials and research assist in forming an economic basis for the community, it can also provide worldwide commercialization to help a city like Danville compete in the global economy.

Senate Bill 1908 positions the United States to retain its competitive position with respect to nanotechnology on a global scale. The bill's approach to building a collaborative partnership between private sector, the federal government and major research institutions is exactly what is needed. The creation of 8 Nanoscience to Commercialization Institutes, in my opinion, is right on target. In fact, Danville stands as an example of what this bill could accomplish on a larger scale. In closing, Mr. Chairman, when you get the bill passed I want a Nanoscience to Commercialization Institute for Danville.

Again, thank you Mr. Chairman and Members of the Committee for your time and this opportunity to address you today.