Summary

Testimony of
J. Michael Bowman,
Chairman and President
Delaware Technology Park Incorporated;
Association of University Research Parks Incoming President

Before the
Senate Committee on Commerce, Science and Transportation

Regarding:
Senate Bill 1373

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Room 253
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Good afternoon Senator Pryor, Senator Carper, and members of the Committee. I'm Mike Bowman, incoming President of the Association of University Research Parks (AURP). My day job is Chairman and President of the Delaware Technology Park. I deeply appreciate the opportunity to offer testimony today on behalf of AURP, which as you may know, fosters the development of science and research parks to enable innovation, commercialization and economic competitiveness.

AURP strongly supports S. 1373, known as the Building Stronger America Act, and I will explain why. The principal components of this bill are twofold:

1) It supports planning grants for new science parks or projects within existing ones.
2) It guarantees loans for credible new, expanded or retrofitted building projects

My message has three components:

-What are science parks today?

-What have they accomplished?

-What is essential to keep the United States globally competitive?

As the bill states, science parks are quite different than conventional business parks. Science parks are focused on creating communities of innovation. University, government and the private sector come together in science parks as knowledge partners to connect ideas, talent and funding.

Science parks are recognized as the hub of an entrepreneurial ecosystem, and for cutting edge research. The characteristics of the occupants are interdisciplinary skills, interinstitutional partnerships, collaborative and competitive cultures.

Science parks do not pick winners and losers in either technologies or companies – the best thrive. The size and shape of parks vary widely – from 2-acre urban high rises in New York City to a 7,000-acre suburban work, live, play campus at Research Triangle Park. The common requirement of science parks is that they are near talent with rich intellectual property. This includes faculty, graduate students, interns, academic and corporate spin-outs and global partnerships.

Growth of science parks is accelerating – it is now 30% per year - and many of the older parks are undergoing renewal. The rush of new technology such as translational biomedical research, nanotechnology and renewable energy is driving infrastructure change.

Today, there are nearly 200 parks in North America and nearly 400 elsewhere in the world. The Battelle Technology Partnership Practice, in cooperation with AURP, will soon release a comprehensive report on characteristics and trends of research parks. This report estimates that science parks account for more than 300,000 direct, high-paying science and technology jobs, along with another 450,000 indirect jobs, for a total of 750,000 jobs created in North America.

There are many science park examples in the written testimony. The fact sheet you have shows the parks in the states of the Members of the Committee.

My last point is that, while science parks differ in many ways, there is a unifying need for capital to build infrastructure if the U.S. is to remain a global economic leader. Most other nations either subsidize or completely fund infrastructure investments.

China considers science parks central to its university-based research effort carried through to commercialization. They have 50 parks up already, with plans for 30 more by 2010. India has had a Science and Technology Entrepreneurs Park Program

since 1984. The result is a flurry of parks, most notably in information technology. Singapore is focused on a biomedical city called "Biopolis", which has already attracted one billion dollars in U.S. investment.

Since most U.S. science parks are designed to be non-profit, they break even, at best, from operations. Thus, they have no investment capacity. They embrace higher-risk innovation, earlier-stage companies and non-profit research organizations, a tenant mix that has not been attractive for conventional financing, without guarantees. Furthermore, construction and borrowing costs have dramatically increased in recent years.

Authorization of this bill and appropriation of the requested funds would enable science parks to sustain our innovation edge so critical to the U.S. economy. In many ways, this bill is a logical companion to the "America Competes Act" – the stimulation of research and science education. It offers a solution to the "where" for science and technology to move towards the market.

I am pleased to take any questions you might have.