



Competing in a Global

Those attending the National Lieutenant Governors Association annual meeting in July focused on technology and education as ways to compete in a global economy.

By Julia Nienaber Hurst

Technological advances and international trade are expected to have a major impact on states' futures.

"As we move through the first years of the 21st century, Washington State is rapidly becoming more integrated with the world community," said Washington Lt. Gov. Brad Owen.

"The future of our young people, our communities, our economy and our way of life rests largely on our vision for the future. So we must work hard to protect our future by doing well in the present moment ... while securing our place in the vibrant and growing international trade market."

Speakers at the annual meeting of the National Lieutenant Governors Association (NLGA) in July stressed that state officials planning for success in the future should be aware of tools to improve international trade, advances in technology and the need for students to be educated in science, technology and mathematics. Twenty-three of the nation's lieutenant governors attended the meeting.

International Trade

Exports fuel the U.S. economy, according to Tom McGinty, acting deputy director general of the U.S. Foreign and Commercial Service. "More than 20 percent of the goods produced in the U.S. are exported, and more than 200,000 small businesses are involved in international trade," he said. "In the

U.S. manufacturing sector alone, more than one in every five jobs is supported by exports."

The Commercial Service has 1,700 trade specialists in more than 250 offices in the U.S. and 80 foreign countries. The service offers everything from export counseling and customized market research to pre-arranged overseas business appointments, trade events and more. It provides low-cost, quick credit checks and due-diligence reports on foreign buyers and distributors.

"In 2005, the service facilitated nearly 12,500 export successes worth billions of dollars," said McGinty. Fees are charged for various services, but some states reimburse companies for the work.

The potential for exporting to the U.S. economy and jobs is tremendous. Ninety-five percent of the world's consumers live outside the U.S. Small and medium-sized business account for 97 percent of U.S. exporters, but about two-thirds of them currently sell to only one foreign market, according to McGinty. The world continues to become more global and markets can expand.

Advancing Technology

Advancing technology is one element rapidly driving globalization, according to Microsoft General Counsel Brad Smith.

"There is more computing power in today's telephone than was in Apollo to the moon 37 years ago," said Smith.

He predicts technology development will occur around four factors in the next 10 years. These include more powerful computers in more places and the continued growth of connectivity. Smith said inter-connectivity will grow as an issue. He said

al Economy

Lieutenant governors discuss future based on technology, international trade

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the industry will see software as a service, making all devices “talk” to each other easily.

The industry itself will change, he noted. “This industry is young. Microsoft is only 35 years old,” Smith said.

Smith said Microsoft realized in the 1990s that it was developing items which created new legislative and regulatory issues.

“The technology can be used for good and bad, creating policy issues such as fraud and cyber-stalking,” he said. He noted that the company will promote broad consumer privacy protection at the federal level, then look to the states for enforcement, in the coming months and years.

He stressed that research- and development-based industries must be protected under intellectual property law, which must be properly enforced.

“These industries will go and locate to areas where creators reap rewards, not pirates,” said Smith.

This is an issue which may come to the forefront in the next few years in a variety of creative industries, including technology, pharmaceutical, arts and process development.

Electronic Health Care

Smith said the industry has been slow to apply new technologies to education and health care.

Dr. David Brailer, the first presidential appointee to coordinate national health care technology efforts, said action in the states would likely propel national advancements in applying technology to health care.

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State International Trade

North Dakota

In March 2005, the U.S. Foreign and Commercial Service opened an office in Fargo, N.D. For more than 24 months, the service worked with the governor’s office on four trade missions led by the lieutenant governor and chairs of the board of the North Dakota Trade Office. Missions to Japan, Taiwan, Australia and Russia brought millions of dollars in new business contracts to more than a dozen rural companies. Members of the Trade Office are reimbursed for using Commercial Service programs.

California

The Commercial Service facilitated more than 1,900 export transactions in 2005, including assistance to a small company, Certified Worldwide, which would have had difficulty entering the export market without help. It now market vitamins and food supplements in four countries.

Connecticut

In 2003, then-Lt. Gov. Jodi Rell, signed a partnership agreement which reimburses qualified small and mid-sized companies up to 50 percent of the Commercial Service fees. Today, Gov. Jodi Rell touts the 315 firms with new successful exports under the program, which saved the state money by allowing it to close its own overseas offices.

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Specifically, he said a federal commission working to set national standards for electronic medical records is looking to adopt as many as 35 requirements, rather than the possible hundreds of requirements. He noted the goal is to generate interest in and use of affordable technology, but to do it in a way which guarantees current and future inter-connectivity. He encouraged states to set up commissions and to begin to look at standards to generate adoption of this technology.

Kansas Lt. Gov. John Moore noted that use of electronic medical records and identification cards could save potentially hundreds of thousands of dollars in the health care system. He said the number of insurance claims rejected for lack of proper identifying information could be nearly eliminated. Many feel electronic medical records would also reduce errors in the medical system.

STEM Education

Nearly every speaker at the conference noted that U.S. students must make gains in science, technology, engineering and

mathematics (STEM) education to compete effectively in a global market.

Cindy Dietz, chair of the Iowa Math and Science Coalition, said slightly more than half the states have or are developing a coalition of business, education and government leaders to promote gains in STEM education. Yet, representatives from industries ranging from aerospace and health care to technology and retail agree that American students and workers must improve their science and math skills to compute in the continually globalized world.

—Julia Nienaber Hurst is executive director of the National Lieutenant Governors Association.

Visit www.nassmc.org/locations.html to see if your state has a STEM coalition and find contact information on same.

Visit www.export.gov/eacl/index.asp or call 1-800-USA-TRAD(E).

NLGA Annual Meeting Attendees

Those attending the National Lieutenant Governors Association annual meeting were Delaware Lt. Gov. John Carney, front left, Arizona Secretary of State Jan Brewer, Lt. Govs. Jane Norton of Colorado, Catherine Baker Knoll of Pennsylvania, James ‘Duke’ Aiona of Hawaii and Aito Sunia of American Samoa; Lt. Govs. Barbara Lawton of Wisconsin, middle row left, Bill Bolling of Virginia, Rick Sheehy of Nebraska, John Cherry of Michigan, Carol Molnau of Minnesota, and Jack Dalrymple of North Dakota; Lt. Govs. John Moore of Kansas, back row left, Gary Herbert of Utah, Brad Owen of Washington, Pat Quinn of Illinois, Peter Kinder of Missouri, Dennis Daugaard of South Dakota, and John Bohlinger of Montana.

