



# VIEWS & VISIONS

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## Regional Initiatives Can Spur Long-Term Job and Economic Growth

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MATRIC

Gregory S. Babe is chairman of the board of directors of the Mid-Atlantic, Research and Innovation Center (MATRIC) in South Charleston, West Virginia. He is also president and chief executive officer of Liquid X Printed Metals, LLC, a Carnegie Mellon University spin-out, headquartered in Pittsburgh.

In 2012, Mr. Babe retired from his position as president and chief executive officer of Bayer Corporation and Bayer MaterialScience LLC.

Mr. Babe previously served on the American Chemistry Council's (ACC) executive committee and board of directors, and as the executive chair of the ACC's Responsible Care® board committee. He also served on the executive committee of the National Association of Manufacturers (NAM).

He is a trustee of the Claude Worthington Benedum Foundation and serves on West Virginia University Foundation's board of directors and the University of Pittsburgh's Center for Energy advisory council.

Mr. Babe holds a bachelor of science degree in mechanical engineering from West Virginia University and received an honorary doctorate of science from West Virginia University's Benjamin M. Statler College of Engineering and Mineral Resources in 2012.

I recently had the distinct honor of delivering the keynote address at the launch of ChemCeption, a one-of-a-kind technology incubator and accelerator focused on the commercialization of chemistry-based technologies, housed in the West Virginia Regional Technology Park.

ChemCeption is a vitally important vehicle for economic development. Of course, the catalyst for ChemCeption was the 21st century gold rush of natural gas and natural gas liquids under our feet across most of the northwestern West Virginia. The discovery and extraction have ushered in a myriad of meaningful economic developments that have been well documented.

However, it is the exciting news of the Ascent project in Wood County, West Virginia and Royal Dutch Shell's ethane cracker project in Monaca, Pennsylvania, that are the headline-grabbers here in the tri-state region. Three renowned global companies – Odebrecht, Braskem and Shell – will enjoy the bounty of the Marcellus and will ensure that this region benefits from its bounty, long after the drilling crews have moved on. But, it does not end there. In the words of the

great American broadcaster, Paul Harvey, ... "and now for the rest of the story."

There is more to our Marcellus bounty than ethane to feed the crackers. There is also methane, which can be used in many known ways, and importantly, in many yet-to-be discovered or developed ways. And these discoveries and developments, for example, are the domain for ChemCeption and the potential drivers of new job creation.

In Jim Clifton's 2011 book "The Coming Jobs War," the chair and chief executive officer of Gallop proposes, "America needs five percent GDP growth to maintain its leadership of the free world. But, that GDP increase will only come from the formation and growth of small- to medium-sized businesses, not from anywhere else..."

That's why ChemCeption is coming to be. The behemoths, like Shell and Braskem, are critical to our economic ecosystem as investors, employers, exporters, and as customers and suppliers to the small- and medium-sized companies. Start-ups, small- and medium-sized businesses, on the



*Local, state and regional leaders participated in a ribbon cutting ceremony to launch ChemCeption at the West Virginia Regional Technology Park.*

other hand, have been and will continue to be the job creators and growth drivers in the U.S. economy.

Entrepreneurs and innovators are building small businesses, so helping them is a critical success factor in achieving substantial and sustainable GDP growth. These businesses often spur the game-changing innovation that generates the step-change in the development curve and creates entire new markets and the related employment. ChemCeption puts the necessary elements in place to support the entrepreneurs and innovators who will be the engines of our future growth machines.

Clifton further opines that the next breakthrough will come “from the combination of forces within big cities, great universities and powerful local leaders.” Our region is well endowed with great universities: West Virginia University; Marshall University; Carnegie Mellon University and the University of Pittsburgh to the north; Virginia Tech to the south; and many more. Furthermore, our leadership has seized the opportunity and is successfully making good things happen. ChemCeption is just one example of many that I could list.

But what about the “big city?” Charleston is not on the scale of New York, Seattle, San Francisco or Boston. To that point, neighboring Pittsburgh is also not a “big city.” Regional leadership recognizes this and, increasingly, we are addressing the challenge through regional and multi-state approaches. The question that is yet unanswered: can our regional initiatives help to reduce the gap of scale, talent and financial resources that these metropolises enjoy? The Power of 32 initiatives – and others like it – are working to do so.

From my role in the Power of 32, I see active interest in pursuing opportunity across county, state and even national borders. The progress in establishing a site fund is at the top of my list. A robust first closing is expected imminently and the site selection process is underway with top-rated sites in West Virginia and Pennsylvania already reviewed.

Regional workforce development initiatives have flourished and will inject skilled labor into the workforce to meet the evolving demand. Examples of these include the associate degree program in advanced manufacturing/mechatronics at the Community College of Allegheny County (Pennsylvania); the ShaleNet expanded training in petroleum technology, electronics and mechatronics; and the Advanced Training Center in Charleston, West Virginia.

We need to maintain this momentum, if we are going to close the gap and compete with the traditional centers of technology start-ups. This expanded regional approach gives us a better shot at combining the forces that Clifton claims are critical to spawn the start-ups and small businesses that are vital for sustainable, long-term job and economic growth.

The announced cracker projects are a blessing in this region, but the story does not end there. ChemCeption and other regional incubators and accelerators are our launching pads for the next generation of game-changing technology; the job creators after the crackers are constructed and operating; the means of insuring that the beneficial effects of the Marcellus Shale gas find in West Virginia outlive this generation and the one to follow.

Now, you know the rest of the story. 

## The Power of 32

During a series of 156 community conversations in each of the Power of 32 counties (*see map below*), participants contributed their perspectives on the strengths, challenges, and future of the region.

From more than 15,000 comments, over 18 months, a general consensus emerged: a region with a shared industrial heritage could become an effective player in the global economy, with a high quality of life.

At the end of the process, 14 projects were identified. Each met three criteria: to address a challenge common across the entire region; to provide a strategy for implementation that amplified progress beyond a state-by-state approach; and to have an entity or group committed to leading each initiative.

### Economy

- Create a regional early stage fund of funds.
- Create better sites for business growth in the region.

### Education

- Create a regional STEAM network.
- Match career education programs to jobs.

### Environment

- Promote sustainable use and conservation of the region's water.
- Implement a regional air quality improvement strategy.
- Create a shale initiative.

### Government

- Encourage cooperation among regional federal elected officials, initially to continue support for the National Energy Technology Lab.
- Develop an online learning site where elected officials can share best practices.

### People & Community

- Create a strategic plan to develop an integrated trail system incorporating economic development.

### Transportation & Infrastructure

- Maximize use of alternative fuels.
- Increase commerce through improved freight transportation.
- Create a real-time traveler information system.
- Maximize success at competing for funding.

