

UNITED STATES DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

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NATIONAL ADVISORY COUNCIL ON
INNOVATION AND ENTREPRENEURSHIP (NACIE)

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MEETING

+ + + + +

WEDNESDAY
OCTOBER 5, 2016

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The Advisory Council met in the Department of Commerce Library, 1401 Constitution Avenue, N.W., Washington, D.C., at 1:00 p.m., Michael Burcham, James Clements, and Marie Lynch, Co-Chairs, presiding.

PRESENT

MICHAEL BURCHAM, The Nashville Entrepreneur Center, Co-Chair
JAMES CLEMENTS, Clemson University, Co-Chair
MARIE LYNCH, Skills for Chicagoland's Future, Co-Chair
BRIAN BALASIA, Digerati, Inc.
LOU ANNE BYNUM, Long Beach City College
GREG CANGIALOSI, Betamore
FRED DEDRICK, National Fund for Workforce Solutions
CHRISTINE FURSTOSS, General Electric Company
WILLIAM GENERETT, Urban Innovation21
JULIE GOONEWARDENE, Diaceutics
MARY ANN GUERRA, BioAccel
DAVID KENNEY, Oregon Best
SETHURAMAN PANCHANATHAN, Arizona State University

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ERIC SEVERSON, Gap Inc.
ROHIT SHUKLA, Larta Institute
STEPHEN TANG, University City Science Center
TIFFANY WILSON, Global Center for Medical
Innovation

ALSO PRESENT

PENNY PRITZKER, Secretary of Commerce
JAY WILLIAMS, Assistant Secretary of Commerce
for Economic Development
CRAIG BUERSTATTE, Office of Innovation and
Entrepreneurship
ANDRIA FISANICH, Office of Innovation and
Entrepreneurship
CHAVARRIA HARRIS, Office of Innovation and
Entrepreneurship
JULIE LENZER, Office of Innovation and
Entrepreneurship
ERIC SMITH, Office of Innovation and
Entrepreneurship
ANDREW CHAMBERLAIN, Glassdoor Economic Research
(by telephone)

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P-R-O-C-E-E-D-I-N-G-S

1:01 p.m.

MS. LENZER: So, I want to say, welcome. For those of you who don't know me, I'm Julie Lenzer, I'm the Director of the Office of Innovation and Entrepreneurship. For those of you who do know me, I'm the chief muse.

(Laughter.)

MS. LENZER: And so, I want to welcome you to this, hard to believe, last meeting of our NACIE 2.0. And, frankly, this is bittersweet for me as well because this is also my last meeting as a NACIE facilitator, if you will. No, Rohit, don't look at me like that. No, I have to leave. But, no, it's really, really exciting. As I said, it's bittersweet. And the objective of this meeting is really to come in and celebrate the incredible work that has been done over the last two years and then to pass that on to the next generation NACIE, the NACIE 3.0. And so, I also want to do a welcome to the members of NACIE 3.0 who are here with us as members of the public. They're all here, yay.

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1 (Applause.)

2 MS. LENZER: And just do a general, thank
3 you for your service, to all of you for being here
4 and for giving of your time, talent, and, I guess,
5 it's treasures to get here or to put money into the
6 coffee pot.

7 (Laughter.)

8 MS. LENZER: Or the barbeque place, yes.
9 Sorry about that, \$42 for dinner, but it's D.C.
10 But we have, I think, about 15 members of the new
11 NACIE council in attendance with us as members of
12 the public. And so, one of the things I wanted to
13 point out to the current NACIE members, you're
14 current until tonight, so you're still NACIE
15 members until tonight, this is your last day, is
16 that a lot of the recommendations that you passed
17 along, the lessons that we learned over the last
18 two years about how to effectively put together a
19 council like this, have been heard and already
20 implemented, in fact.

21 So, we've already held an orientation
22 webinar with the new NACIE members, the NACIE 3.0.

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1 We set up a Slack channel where they can get all
2 of their documents. And that's all directly
3 feedback from the current members of the, wish we
4 had done that, kind of thing. And so, we heard you
5 and I just want to thank you again for being forward
6 looking and saying, you know what, this was great,
7 but how can it be better?

8 It's kind of like your children, you
9 want your children to do better than you did. And
10 so, we'll continue to build on that. And indeed,
11 this council was very different from the first
12 NACIE council and it was intentionally so. The
13 first council was fairly strategic, but not
14 necessarily action oriented. This council is
15 definitely been engaged and been action oriented,
16 as we'll all -- and you'll hear, new NACIE members,
17 when we start to talk about the number of
18 initiatives that we undertook.

19 And it felt like that we had a lot going
20 on and we did, and that's the good news. And it's
21 because of the engagement of the members around the
22 table and those who, unfortunately, maybe were not

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1 able to be here, that we were able to really put
2 our hands in a lot of things. And if you think
3 about it, we've touched legislation through the
4 SBIR reauthorization, which folks are going to talk
5 about this afternoon.

6 We've touched the Commerce
7 Department's research, because we provided some
8 feedback to the ESA on their sharing economy
9 report. You've helped to shape our research and
10 grant programs, because we've engaged with the
11 National Academies of Sciences and with the InBIA
12 to do some research around best practices. So,
13 while we might not have a big stack of reports that
14 we can say, look what we did, we actually have
15 something much more important than that. We have
16 action, we have changed things. And so, I just
17 want to, again, just say wow and thank you for all
18 that you've done.

19 So, I think the other stuff that we tend
20 to lose focus on is some of the softer stuff as well,
21 the outreach that you guys have done on behalf of
22 NACIE and on behalf of each other. I've loved

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1 seeing the connections between the members,
2 outside of these meetings. And we're going to talk
3 about the Community Exchanges, how it's actually
4 spreading into our communities. But I think,
5 Steve, you got to ride on the Rise of the Rest bus
6 tour in Philly, along with Amy Stursberg from
7 Blackstone.

8 I know that a couple of you have served
9 as advisors to each other, have come and spoken at
10 each other's events. I mean, that's really
11 powerful. Really powerful. And you've helped us
12 as well to be ambassadors for what we do at the
13 Department of Commerce. You answered the call
14 when we call at the last minute, hey, we need
15 speakers at our EDA National Conference.

16 You've helped us to drive diversity
17 into our Regional Innovation Strategies Program.
18 I don't know if you guys know this, but one of the
19 things that's really important in having
20 stakeholders at the table is that EDA has undergone
21 a lot of changes in the last few years and you've
22 really helped us to reach out to the new customers

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1 of EDA, if you will, through the Regional
2 Innovation Strategies Program. And, while I can't
3 share right now, I will tell you that our upcoming
4 announcements of our RIS awards, I'm really, really
5 excited at the diversity of institutions and focus
6 that we have, and that's a direct result of the
7 people around the table helping us to get the word
8 out.

9 So, we're hoping then that we can build
10 ambassadors of innovation and entrepreneurship and
11 bake that into the next NACIE 3.0 from the start.
12 You guys stumbled into it just accidentally kind
13 of, but we're going to try and be more intentional
14 with it next time. All right. So, enough of my
15 yammering on. I'm going to go through the agenda
16 really quickly.

17 We have in front of you, we're going to
18 hear from each folks, I'm guessing that Marie
19 probably is delayed in a flight, I'm going to guess,
20 from Chicago, so maybe Julie will -- that's what
21 I thought, okay. Yes. So I was going to say, yes,
22 so Julie G., we'll maybe bump that in the agenda

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1 until Marie gets here, if that's okay. Because
2 we're all flexible, we roll with it, right? And
3 that's, actually, that's one of the things I do want
4 to say about you guys, you guys have been incredibly
5 patient with us as we figure out the best way to
6 do this. Even from -- really patient -- well, all
7 right, some of you have been patient.

8 (Laughter.)

9 MS. LENZER: Some of you have been
10 patient, some of you have been a pain. Rohit, yes,
11 I'm looking at you.

12 (Laughter.)

13 MS. LENZER: But as we have -- hopefully
14 you've had a chance to review the executive
15 summaries. And then each member, somebody from
16 the work group is going to talk about that
17 initiative. And the idea is that they're going to
18 talk about the accomplishments and kind of the next
19 steps and what insights we want to pass on to either
20 Commerce or NACIE 3.0. So, as the work group
21 spokesperson is talking about that, anybody else
22 in the work group, if you have something to add --

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1 what am I talking about, you guys aren't shy, I
2 don't have to tell you to speak up.

3 No, but at this -- I want this -- this
4 is a discussion, this is not presentations. These
5 are -- they're going to be going through it, but
6 let's engage in a discussion. We do have, I
7 believe, like an hour and 15 minutes to go through
8 these, so I don't want to rush through them, but
9 I also -- let's focus on what are our
10 accomplishments and then kind of, where do we go
11 from here, if you have any insights or next steps
12 on that. Sound good? Any questions? You guys
13 are so quiet, I'm not used to this.

14 One of the interesting things, I will
15 tell a quick story to the 3.0 folks, one of the
16 things that we realized, I think after the first
17 couple meetings, I think we had them on all day,
18 like a Friday all day, and that was really
19 exhausting. And so, we switched it up and we ended
20 up doing Thursday afternoons and Friday mornings,
21 and that seemed to be a little bit better.

22 And it also, from a -- you think about

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1 innovation, it gave you some incubation time. So,
2 we had some intense conversations and work groups
3 and rolling up our sleeves on Thursday afternoons
4 and then, we had time to incubate it overnight and
5 think about it and then, Friday we came back
6 together as a council to discuss. And I think that
7 was one of the things we didn't design originally,
8 but you guys helped us to come up with the right
9 model, and I think that felt like the right way to
10 do it. So, introvert friendly, as Tiffany says.
11 Yes, that's right. I'm an introvert.

12 (Laughter.)

13 MS. LENZER: Okay. Moving on. What's
14 that? As compared to Oprah?

15 (Laughter.)

16 MS. LENZER: Oprah probably is an
17 introvert, actually. What's that? Fact check?

18 (Laughter.)

19 MS. LENZER: All right, anyway. So,
20 what we'll do then is I'll turn it over to Steve
21 and then he's going to talk, Michael and Tiffany
22 to talk about kind of where we are in the Cap

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1 Continuum. And these actually come off, if you
2 guys just want to lift them off and pass them,
3 that's fine too, and I'll actually pass this so that
4 you're ready to talk, Michael. So, Steve, to Cap
5 Continuum.

6 DR. TANG: Thank you. Thank you, Julie.
7 And I'm going to report out on the SBIR
8 reauthorization and, I think, then Michael and
9 Tiffany will talk about the Capital Continuum.
10 So, first of all, Julie, I echo the fact that this
11 is a bittersweet moment for those of us in 2.0. And
12 those of us that are fortunate to carry on from 2.0
13 to the 3.0, so, Tiffany and Marie and Julie, David,
14 and myself, it's really been an honor, an honor to
15 serve this group together.

16 And I have to say, Julie and Craig and
17 your staff, preparing for this transition has been
18 a monumental task. I think those of us in 2.0
19 appreciate not having that transition, appreciate
20 even more what's going to happen in 3.0. So, my
21 thanks, my appreciation for everything you've
22 done. I'm going to give a brief overview of the

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1 SBIR reauthorization update and then, ask Rohit
2 Shukla, who actually wrote this, I must say, so
3 thank you, Rohit, and David Kenney to comment as
4 well. Many others participated in this.

5 For the benefit of those in 3.0, we
6 originally established a pillar in innovation,
7 which Dr. Jim Clements from Clemson University led,
8 there were several of us involved with that initial
9 effort, and then it began to merge with the effort
10 that Dr. Michael Burcham and his entrepreneurship
11 pillar were working on. So, this is one of the
12 natural consequences. Just a little bit of
13 background for those not familiar with the alphabet
14 soup, and I say that because I have a sister in the
15 State Department and every Thanksgiving I have to
16 say, what was that again, that acronym?

17 So SBIR is Small Business Innovation
18 Research grants. There's another version called
19 Small Business Technology Transfer grants that are
20 also provided. And it's important because this is
21 essentially America's seed fund, as my colleague
22 David Kenney often calls it. It's \$2 billion of

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1 funds to be authorized to be used for promising
2 technology that ultimately benefits some unmet
3 need in the government. And so, these are grants
4 that are typically made to university-based
5 research.

6 They are important for early stage
7 ventures because they are non-dilutive, in other
8 words, the government does not take equity in
9 these. And they typically come in multiple phases
10 of about 12 to 18 months. The initial phase pays
11 about \$150,000 to \$200,000, the second phase can
12 be over \$1 million. And so, these are important
13 starting points for innovation that's particularly
14 born out of federal research itself. It's
15 important that we took on this issue because the
16 SBIR reauthorization must occur in the next fiscal
17 year, 2017.

18 We heard yesterday in a separate
19 briefing on inclusion and capital from Mark Walsh
20 from SBA about the profound need to get this front
21 and center for Congress next year. So, several of
22 us worked very hard to define this and define some

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1 of the shortcomings in SBIR. And then, began to,
2 if you will, market it to educate the folks in
3 Congress about the need. We were successful in
4 bringing it to the Committee level and it was about
5 to be voted out of Committee and then a lot of other
6 distracting things happened up at the Hill that I
7 won't go into. But I think we are well positioned
8 going into this next fiscal year with the new
9 Congress to take this on. So, with that, I'll turn
10 it over to Rohit to talk about some of the
11 particulars.

12 MR. SHUKLA: Well, I was going to say
13 that I have such a gravelly wonderful voice, which
14 I'm now putting on even more, that I didn't think
15 I needed a mic. But thank you, Steve. Obviously,
16 we've been working very closely as part of the sort
17 of Capital Continuum group on this issue, because
18 it is one that I think could easily have some impact
19 in the legislative arena. One thing I need to make
20 sure, if we take this on in 3.0, and I know, Steve,
21 you'll be here and, David, you'll be here to carry
22 it forward, one thing we have to be clear about is

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1 that this a program that resides in at least 11
2 federal agencies.

3 Each of them has their own histories,
4 their own assets, their own mindsets, their own
5 practice. And so, I think it's going to take the
6 kind of effort that you talked about, Steve,
7 starting in Congress the marketing effort to
8 educate these different agencies as well, because
9 I know I've spoken to at least four of them and while
10 they're all very supportive, there are three major
11 issues that are going to drive them.

12 One is the fact that they have
13 internally a personnel issue as to who's going to
14 do this work. If we're going to make these grants
15 commercialization friendly, then somebody has to
16 monitor whether they are in fact reasonable
17 expenditures of public money. Who's going to do
18 that? Now, I know that one of the recommendations
19 we had is to increase the budgets for the agencies
20 internally. So that should take care of it, but
21 we need to be able to show some kind of leadership
22 in being able to help them through that issue.

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1 The second one, and just as big a deal,
2 is the role that the SBA plays with these agencies.
3 It has been somewhat prescriptive in the past, it
4 should be a little bit more inclusive now moving
5 forward, but I think our efforts will be very
6 important in that regard to make sure the SBA
7 doesn't shove this down the throats of the
8 agencies.

9 And the third, I think, is we really do
10 need to get the small business community itself
11 aligned with the purpose of this particular
12 recommendation. I know that David did a survey
13 which was very, very positive. I think we need to
14 amp up those efforts through people like SSTI,
15 other organizations around the country, the
16 Kentucky folks and what they do in the early stages
17 of commercialization. And I know you have a
18 gentleman here from Kentucky who's had some
19 experience in that.

20 So, I just want to make sure that the
21 next phase of this SBIR reauthorization, SBIR
22 legislation is upon us as Steve said and I think

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1 it's important to have that kind of unification and
2 this group can play a leadership role in bringing
3 those people together. Thank you.

4 MS. LENZER: Thank you.

5 MR. SHUKLA: That's what I mean, NACIE
6 as a group.

7 MS. LENZER: Yes.

8 MR. SHUKLA: Certainly, I'm going to be
9 available as needed, since I'm so precious. And
10 I am unanimous in that, by the way. So, thank you.

11 MS. LENZER: Precious is a good word,
12 because that can be taken a lot of ways.

13 (Laughter.)

14 MR. SHUKLA: Don't I know that,
15 absolutely.

16 DR. TANG: Thank you, Rohit. Let me ask
17 David Kenney if he has anything to add to that.

18 MR. KENNEY: I won't add a lot other than
19 to emphasize two key points. One being the urgency
20 that this get addressed in the next year. It's
21 been treated as sort of a, it would be nice to get
22 it done in 2016 so we don't have to worry about it

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1 getting done in 2017, and I think it's mostly likely
2 now that we've got to get it done in 2017. The
3 other thing that Rohit mentioned is that there are
4 11 different agencies administering the program,
5 which adds a lot of complexity.

6 And over the years, they have changed
7 and modified some of their -- there are parts of
8 it that are sort of mandated to be handled uniformly
9 and others that have adapted quite a bit
10 program-to-program. So, it makes it hard to sort
11 of mandate things in all cases across the different
12 agencies. So, I think there's a certain amount of
13 complexity there.

14 I will just reiterate the importance of
15 this program for many, many small businesses that
16 are trying to commercialize science and
17 engineering technology, things that are coming out
18 of a lab that take years to develop. In that valley
19 of death analogy between sort of traditional R&D
20 funding and private investment, this is a critical
21 program that's providing billions of dollars of
22 support to those companies. And so, it's an

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1 important one for us to continue carrying forward.

2 MS. LENZER: Great. And really quickly
3 before I turn it over to -- who's going to speak
4 first, Michael or Tiffany? Michael? Okay. On
5 the other Cap Continuum. Just really quickly, I
6 forgot to mention #NACIE, that's the only reason
7 you should be able to have your phones out is to
8 tweet.

9 (Laughter.)

10 MS. LENZER: I'm not looking at anybody
11 specifically, but I am. If you're guilty, you know
12 it. But we welcome, especially as you hear
13 different policy opportunities and things that are
14 interesting, to share what's going on with NACIE,
15 #NACIE.

16 CO-CHAIR BURCHAM: So, a large piece of
17 our work had to do with addressing this question
18 of access to capital. And I sent a note out to
19 everyone today just reliving the last two years,
20 because it's easy to forget the conundrum we
21 started with and the order we made out of what
22 seemed like chaos of conversation when we started.

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1 And so, it's come a long way. The early work really
2 framed on our committee is this challenge between
3 when grants, even if they're achieved, run low and
4 where private sector kicks in.

5 And how do we position so that that
6 particular valley, which we coined the valley of
7 death from many others, doesn't end up killing
8 innovation and instead fosters innovation? So, in
9 addition to looking at the funders in both
10 government and universities around these things,
11 we began to study, what would it take for the
12 private sector to reach forward and actually care
13 that that was going on and to get involved in those
14 things?

15 After about nine months of work on that
16 particular area, we decided to hold a convening
17 with various types of funders, government, seed
18 funds, angel, venture, private equity, to have a
19 discussion with entrepreneurs and inventors. And
20 we held our first convening of that in Nashville,
21 just ahead of our March meeting. We've used the
22 output of that then for a series of one-on-one

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1 conversations over this summer with those various
2 groups, because they're each a bit interdependent
3 on the other.

4 They have natural alliances that have
5 already formed with kindred spirits they like to
6 follow-on invest with. So, if the entrepreneur or
7 inventor is lucky enough to find the right angel
8 partner, they often get introduced to a good
9 venture partner and an exceptional equity partner
10 and they have a flow of capital. But,
11 unfortunately, if the inventor or entrepreneur
12 doesn't get placed with the right angel or
13 friends-and-family connection, they have almost no
14 opportunity for follow-on capital.

15 So, the work this summer has really been
16 understanding, what are the drivers that cause
17 these later funds to care beyond their already
18 informal network? Because the informal networks
19 they have formed are very tight, they've had
20 success together, and to even venture outside of
21 that to look at new opportunities has a certain
22 element of risk associated with it. So, the white

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1 paper you got a copy of this morning really
2 summarizes some of their thoughts individually.

3 And then, before we end the year, we'll
4 give a more detailed view of how each of those nodes
5 along the way, from seed to angel to venture to
6 private equity, really could be catalyzed with
7 government funders and universities. And we've
8 taken that on as sort of our key initiative with
9 that. And then, I think Tiffany is going to talk
10 about some of the collateral opportunities that
11 have come out of that discussion, including our
12 discussion yesterday at the White House, right?
13 Okay. Here you go.

14 MS. WILSON: So, earlier this year,
15 Craig Buerstatte and I had the opportunity to
16 participate on a panel at the SSBCI, it stands for
17 the State Small Business Credit Initiative and so,
18 that was as a result of a the Small Business Jobs
19 Act of 2010. And that was \$1.5 billion authorized
20 to distribute across different states, really
21 looking for ways to leverage private lending to
22 help finance small businesses and manufacturing.

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1 That money ran out last month, in September, and
2 there's no future really for that.

3 And so, the discussion was really
4 around bringing all the people who benefitted from
5 that and discuss Lessons Learned, to talk about how
6 do we justify and lobby for an extension, how do
7 we connect the network and all those Lessons
8 Learned from all these different communities and
9 share the data and output of it? So, the goal, I
10 think, was to leverage it ten to one and they were
11 able to get to eight to one as of May, which is
12 pretty great for a government program.

13 There were definitely some Lessons
14 Learned, but I think everybody around the table in
15 that room was pretty impressed with what they'd
16 been able to pull off, both on the venture side and
17 debt side. And so, we're expecting a report to
18 come out at some point this year with those
19 published findings and I think that will add to the
20 discussion for the next NACIE around access to
21 capital of different programs we can put in
22 recommendations, do we extend that or can we get

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1 that reauthorized with the next administration and
2 move forward?

3 And then, yesterday we had a convening
4 at the White House on this access to capital issue
5 that was partly organized by the Office of Science
6 and Technology at the White House and Laura Powers,
7 our former NACIE colleague, who's now doing a
8 fellowship there, and OIE. And it was really to
9 assess what do functioning ecosystems look like for
10 good access to capital, not just for women, but
11 women, minorities, industries, across the board?

12 So, I think we had some good, it was a
13 good first step. We spent the afternoon
14 identifying what's working, what's not working,
15 where are there opportunities. There will be
16 publications and documents circulated from that,
17 which I think can really help enrich our
18 conversation around the Capital Continuum and
19 access to capital moving forward.

20 MS. LENZER: Yes. And so, there will
21 actually be an event, probably, in November that
22 the next NACIE can participate in around -- and it

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1 was really focused on inclusion, not just
2 demographic, but also geographic inclusion in
3 access to capital. So, you'll notice that
4 inclusion word as a common theme probably over the
5 next three days. Yes, it was really good. And so,
6 thank you.

7 So, Michael and Tiffany and then
8 Stephen and Melissa Bradley all attended as part
9 of NACIE. And one of the things that I just want
10 to point out really quickly and then I'll turn it
11 over to Marie and Julie to talk about the Capital
12 Continuum, is that we have been -- oh, that's right,
13 I'm sorry. Yes. We did -- no, I want you to talk
14 about it again.

15 (Laughter.)

16 MS. LENZER: Darn it, I want to hear your
17 take on the Capital Continuum, Marie. It's a
18 continuum, yes. Good lord, coffee, please. Is
19 that we've been intentionally bringing NACIE 2.0
20 and 3.0 to the table with career folks across
21 different agencies as a transition tool. And so,
22 it's not an act of -- it's actually very strategic

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1 why we have this one day from one to the next, so
2 that we can show the value of NACIE across the
3 administration and across the agencies to the
4 career folks.

5 And they're seeing it, and actually
6 NACIE is being written into a number of transition
7 documents. So, that's good. So, who was going to
8 start? Julie, you're going to start? Talk about
9 the -- we're going to go back to the Community
10 Exchange Pilots. I'm not going to make you talk
11 about capital.

12 MS. GOONEWARDENE: Okay. So, thank you
13 for those of you who joined us in Austin. We had
14 a great time.

15 MS. LENZER: David's livestreaming it.
16 (Laughter.)

17 MS. GOONEWARDENE: A thousand copies for
18 my mother, please.

19 (Laughter.)

20 MS. GOONEWARDENE: So, we had great fun
21 and I think we had some really valuable
22 conversation. And when we set this trip up, we

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1 tried to focus on sort of the many aspects of
2 entrepreneurship and how it comes in many different
3 flavors that I think we tend to often focus on the
4 university and science and engineering or
5 technology, and so, we wanted to show
6 entrepreneurship in a different light and some of
7 the unique aspects of Austin.

8 And so, we went to the Capital Factory,
9 which is serving as a national model and President
10 Obama has visited, and we learned about what
11 they're doing. But then we also had a session with
12 folks around entrepreneurship and food and what's
13 happening with food trucks and what that means for
14 communities. And I thought it was really
15 interesting. And then, had an opportunity to go
16 and hear some of the music that Austin is famous
17 for.

18 And the next day, I think it was fun to
19 be at the original stage of Austin City Limits and
20 hear how that started. But I thought we had a very
21 meaningful conversation about the sharing economy
22 and what happened in Austin that caused Austin to

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1 effectively evict Uber and Lyft and what's happened
2 in the aftermath. And the big takeaway for me from
3 that conversation was the real importance of being
4 engaged as a good citizen.

5 Because what really happened there was
6 a lack of understanding about what the sharing
7 economy was, poor writing of what people were
8 voting on, just the English language was not used
9 very well, so people didn't understand if they were
10 voting for or against --

11 MS. LENZER: Wow.

12 MS. GOONEWARDENE: -- the actual
13 initiative --

14 MS. LENZER: That's a little scary.

15 MS. GOONEWARDENE: -- because it was
16 written so poorly. And it also struck me as
17 interesting that one of the things that happened
18 is the city council in Austin had gone to this
19 committee approach, so things weren't heard across
20 the entire group, they were heard in committee.
21 And so, the people who were really driving the bus
22 on this issue, none of them had ever been in a share

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1 ride.

2 MS. LENZER: Wow.

3 MS. GOONEWARDENE: And so, it was just
4 stunning and a great lesson in why it's important
5 to be committed and do your civic duty. And then,
6 the last part of it that I thought was really fun
7 and gave us a different way to look at things, it
8 gave us an opportunity to engage with the 2040 group
9 and that was interesting, but our last session was
10 at the Austin Speed Shop, which was just cool,
11 right, I mean, it's cool to see all those cars and
12 everything.

13 But what was really interesting to me
14 is that the Austin Speed Shop is owned in part by
15 a neurosurgeon that we've invested in his biotech
16 company. And so, I think sometimes we get, I'll
17 speak for myself, blinders on and we tend to put
18 people in buckets. And so, the fact that the same
19 guy could be an entrepreneur with the Austin Speed
20 Shop and a biotech and be a neurosurgeon I think
21 is just a lesson in thinking more broadly. So, for
22 us it was a great experience, we hope people learned

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1 from it, and I think we're having continuing
2 conversations about how we can kind of
3 cross-pollinate these learnings across the
4 different cities. I'll give it to Marie.

5 MS. WILSON: Right. And I don't know if
6 -- so everybody's hopefully had a chance to read
7 the briefing on the Community Exchanges, but this
8 was something that NACIE came up, it was born out
9 of a visit to Nashville that Michael will be
10 probably talking a little bit about when Secretary
11 Pritzker joins us, but it was the idea of, not just
12 NACIE though, how can we take this idea of bringing
13 community leaders to different communities to see
14 what's going on and see how we can exchange
15 resources, ideas, best practices, actually working
16 together.

17 And so, we decided to do two pilots, one
18 in Austin and one in Chicago, and then Marie's going
19 to take a few minutes to talk about what went on
20 in Chicago, but the ultimate objective was, how do
21 we shape this into a recommendation that Commerce
22 can actually implement and institutionalize a

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1 program like this that's just beyond NACIE? So,
2 that's kind of the background of that. So, Marie,
3 do you want to -- we just did Chicago, what, two
4 weeks ago, yes? Three weeks ago, a month ago? I
5 don't know.

6 CO-CHAIR LYNCH: A month ago, I think.

7 MS. WILSON: Time flies.

8 CO-CHAIR LYNCH: Yes, September 15, I
9 think. Yes, just some context setting on that, it
10 certainly was born out of Nashville, and Michael
11 was brilliant to bring us there. But last week I
12 was in Boston at MIT for, our organization is
13 actually a finalist in the Digital Innovation
14 Award, and the CEO of KAYAK was there.

15 And it was really interesting because
16 he was talking about, so relevant for our work here,
17 he was talking about how he had founded KAYAK and
18 wanting to use technology to get people out, and
19 now he has founded a new website that actually
20 brings people back in and it's all about bringing
21 people back into the travel agency world and
22 connecting people.

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1 And what struck me about it was that
2 part of where the Community Exchange came from, if
3 you remember, was we were trying to get our hands
4 on data and best practices and trying to create a
5 playbook, and we got really frustrated with some
6 of the challenges, and we went old school, which
7 was about connecting people together, connecting
8 civic leaders together, and rolling up our sleeves
9 and just going community-by-community together.
10 And that's what it's about, right? That's how you
11 make things happen.

12 And so, at the same time I'm listening
13 to the guy from KAYAK, I was thinking how we had
14 been on our similar journey and that's what this
15 has been about. So, Chicago had the benefit of
16 learning from Nashville and Austin and having also
17 taken time together to say, what's working, what's
18 not. We had a theme about public-private
19 partnerships and everything hung on that.

20 So, whether it was the creation of two
21 entrepreneurial centers in Chicago, one downtown
22 that looks larger than some of the other ones we'd

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1 seen, but similar concept, to one on the south side
2 that came out of the University of Chicago and was
3 really born to really represent some of the
4 minority entrepreneurship in the south side.
5 Whether it was the workforce angle, seeing two
6 different not for profits, one ours, another
7 incredible boot camp, meaningful group that takes
8 some of the hardest to serve and puts them through
9 a year boot camp, and opened eyes on both those
10 organizations who are looking to scale.

11 And then, on the innovation side,
12 spending time at our great Millennium Park in
13 Chicago and talking with the key leaders in
14 public-private partnership which came together to
15 create that. I think one thing that struck me
16 about that trip that I've shared with me folks back
17 in Chicago was, we, in addition to having been on
18 the other side of learning from going to these
19 sites, we took a lot in from having listened to what
20 was the debrief at the end of NACIE.

21 And it was interesting to hear comments
22 from the NACIE members about things like -- I don't

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1 normally get a chance to look at workforce
2 development and that's one of the three areas and
3 coming here actually got me out of my comfort zone
4 to actually see it and see how it connects. Things
5 like social innovation is something that's really
6 unique to Chicago, the level of corporate
7 engagement really stimulates me to realize what we
8 can do.

9 Things like JPMorgan Chase actually
10 hosted a lunch and had commented that every single
11 organization that was in that room, they were
12 funding and bringing us all together in one space.
13 And the importance of the foundation presence to
14 be able to lift up the work. So, it was incredibly
15 meaningful, I think, what it -- we'll talk a little
16 bit later when Secretary Pritzker is here about
17 next steps, but I will say, moving forward, I think
18 those of us that really dug in and participated in
19 that really saw the value of it, the civic
20 engagement involved in that, and see it as a really
21 critical part and an earlier part we want to
22 incorporate into NACIE 3.0.

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1 MS. LENZER: Awesome. Yes, go ahead.

2 CO-CHAIR BURCHAM: I thought I would
3 give you a follow-up, because it takes sometimes
4 four months, a year, for you to say, did that
5 matter? And I think, I'd like to share with you
6 something that was very powerful for us in
7 Nashville, that I'm sure Julie and Marie are going
8 to have stories to tell in the future as well. And
9 I've got stories about all, but for brevity, I'll
10 just talk about Thistle Farms for a minute. The
11 morning we were there, several of you offered help.

12 Tiffany offered a way that we could
13 rethink about packaging and branding. And because
14 of those conversations, there's a whole new line
15 of branding that comes out in February for a whole
16 new look that puts it in much higher end places.
17 We've already had interest from two significant
18 hotel changes for their products to be in hotel
19 rooms. That would never have happened had we not
20 had those starting conversations.

21 Brian raised an issue, because he had
22 an assembly, light manufacturing piece of

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1 automation tool, and unfortunately, we had nowhere
2 to put it because we're all working out of that
3 little room, if you recall. That led to a really
4 big discussion about opportunity and so, they've
5 secured a warehouse space next door to actually
6 start doing light manufacturing. Through Greg,
7 we've reconstituted formulas and scents and
8 they're starting a men's line.

9 And they've just signed a national
10 account with Whole Foods and this month they're
11 making 80,000 candles for Whole Foods. All of that
12 came out of you all spending an hour and just
13 offering opportunity. And it's just remarkable
14 what it's done for those women. So, thank you all
15 very much.

16 (Applause.)

17 CO-CHAIR LYNCH: Can I say one more
18 thing, one more piece? Thank you. I was saving
19 it for later, but I think it's relevant for this
20 group, the results piece is really critical, right?
21 Meeting to meet is nice, but what happens with it?
22 And thank you for sharing that, Michael. I wanted

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1 to share, it's only been four weeks, but one of the
2 things we learned along the way was that it was
3 important for NACIE members to invite key civic
4 leaders from their community to come to these
5 meetings so that those connections could happen
6 more quickly.

7 And, Tiffany, your name's going to come
8 up a lot, I think, all day, but Tiffany brought a
9 representative from the Atlanta Chamber of
10 Commerce and we have actually -- our organization
11 is expanding and because of that visit, we've
12 already had a follow-up, I had a follow-up meeting
13 with them on Monday. We are talking about the
14 possibility of bringing the organization to
15 Atlanta. And this has been greatly expedited
16 because of you bringing the Chamber folks. So,
17 these are the kind of things, if we get the right
18 people at the table, we can really accelerate this
19 work for the NACIE 3.0.

20 MS. LENZER: Excellent. Craig, did you
21 --

22 MR. BUERSTATTE: Yes. Real quick

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1 update on this from a policy front. EDA has been
2 working hard on doing something meaningful with
3 these exchanges were, how can we celebrate this
4 practice outside of just NACIE? It's clearly been
5 a valuable engagement. So, we've compared this
6 exchange, similar to the America's Competitiveness
7 Exchange, which I know Panch and Mary Ann have
8 participated out in the Southwest.

9 And the America's Competitiveness
10 Exchange is managed by the Organization of American
11 States, the State Department, International Trade
12 Administration, and many other players that bring
13 in ministerial leaders from across the Western
14 Hemisphere to engage in trade, innovation, and
15 business discussions connecting national leaders,
16 immersing them inside a specific region. And
17 it'll usually swing through five to seven cities,
18 seven to ten days apiece, and really engage,
19 similar to what's just been discussed.

20 But what we've realized thanks to these
21 discussions is, how can we capitalize on that
22 practice, but at a more place-based approach? So,

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1 a local, regional approach. And we've been
2 talking with OAS, the Organization of American
3 States, State Department, and ITA, I'm happy to
4 report that EDA is close to finalizing a memorandum
5 of agreement where NACIE will be on the steering
6 committee for regionally focused events to connect
7 innovation and entrepreneurship place-based
8 leaders in this type of exchange. And we're
9 targeting the first event for Fall 2017. So, thank
10 you to 2.0 --

11 MS. LENZER: And that's in Texas,
12 correct?

13 MR. BUERSTATTE: So, the ACE, the next
14 ACE is in Texas --

15 MS. LENZER: Oh, that's the next ACE,
16 that's right.

17 MR. BUERSTATTE: -- and that's in April.
18 So ACE 7 will be in April 2017. Again, that is the
19 Western Hemisphere, you're talking ministerial
20 trade leaders, but we want to focus more on the
21 local leader level and we're targeting something
22 right now for Fall 2017, funded and supported by

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1 OAS, State Department, ITA, and many others.
2 Really big deal. Thanks for the awesome work.

3 MS. LENZER: Awesome. Thanks, Craig,
4 for that update. All right. Anything else? So
5 that's Community Exchange Pilots. Good? I think
6 Julie's next. Yes. Because next on the list is
7 the Innovation Measurements and Encyclopedia.

8 MS. GOONEWARDENE: Sure. So --

9 MS. LENZER: Move that closer, you have
10 to --

11 MS. GOONEWARDENE: Okay.

12 MS. LENZER: -- kind of have it close.

13 MS. GOONEWARDENE: Right there?

14 MS. LENZER: Yes, perfect.

15 MS. GOONEWARDENE: Okay. So, when --
16 Julie's opening comments, she sort of had some
17 central themes of collaboration, sort of asking the
18 question, what could be done at the national level
19 and what could be done that was actionable, were
20 kind of the things that this group focused on. And
21 I just think this creation of an innovation
22 encyclopedia really hits on all of those in a really

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1 important way. So, it was our pleasure and
2 privilege to work with folks from Clemson on this.
3 I would comment that Jim's fellow, Sean, and, I
4 think, Carlos enjoyed each other and did great
5 work. Is Sean here?

6 MS. LENZER: Sean's here somewhere.

7 MS. GOONEWARDENE: I've been -- I keep
8 --

9 MS. LENZER: He's hiding in the back.

10 MS. GOONEWARDENE: So, shout out to
11 Sean, thank you.

12 MS. LENZER: He's tweeting.

13 MS. GOONEWARDENE: I was --

14 MS. LENZER: He's back there tweeting.

15 (Laughter.)

16 MS. GOONEWARDENE: Sean, the reason I've
17 been -- oh, there you are. I've been leaning back,
18 like, looking for you everywhere. Okay. And so,
19 this was born out of the conversations that it's
20 very hard to understand from a metric or
21 data-driven way what's happening with innovation,
22 that there's a lack of common definition, but that

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1 there's merit in having these different measures
2 and it would be very helpful if people understood
3 sort of the focus, orientation, genesis of those
4 different measures.

5 And that there is an opportunity to
6 create an encyclopedia of innovation that gives
7 local communities an ability to see very quickly
8 what's happening and pick those metrics that are
9 helpful to them and gives a common definition and
10 understanding. And so, there seems to be appetite
11 for that to continue on. I believe, certainly UT
12 Systems certainly interested in continuing to
13 support this effort. And if there are creative
14 ways to partner with our colleagues at Clemson, we
15 would welcome that. And, Jim, do you have any
16 other comments?

17 MS. LENZER: I think we have the people
18 here that could make that happen, I'm just
19 thinking.

20 CO-CHAIR CLEMENTS: I think there's
21 definitely an interest in continuing. I think
22 Sean and Carlos and you and others did a lot of hard

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1 work on that, but there's a lot of potential. And
2 hopefully NACIE 3.0 will run with this. But it's
3 hard to, if you're not measuring something, to tell
4 if you're really making progress.

5 MS. GOONEWARDENE: Right.

6 CO-CHAIR CLEMENTS: So, there's so many
7 different measures, we have to define which ones
8 are out there, come up with ones that really work
9 for a community or a region, and then, use it to
10 measure progress. So, I like the project, I think
11 you guys did a great job.

12 MS. LENZER: And just to share the
13 international nature of what we're doing here, we
14 talked about this when -- I was in China in May of
15 this year for the G20 and the Innovation Action Plan
16 and OECD, I don't even know what that stands for,
17 I've been in the government too long, all I talk
18 is in three letter --

19 (Laughter.)

20 MS. LENZER: -- it's a four letter
21 acronym, Organization, I don't even know, Economic
22 Development, whatever, OECD. They are a national

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1 or an international organization that does a lot
2 around standards and kind of defining innovation
3 and everything and they were very interested in
4 this encyclopedia. They would love, ultimately,
5 to get one standard suite of innovation measures
6 so that we can all compare and contrast
7 apples-to-apples, but knowing that that's not as
8 easy to get to, actually having a compendium of
9 innovation measures, they were really fascinated
10 by that and there may be an opportunity that they
11 would host that on their innovation policy portal
12 that they have.

13 So, not only are we affecting national,
14 but international standards and things. So, way
15 to go, guys. All right. I think we're having
16 problems with the phone. Craig, you're not having
17 problems here, but anybody who's dialing in is not
18 able to hear us. So, I think we need to wait for
19 Andrew then, the Glassdoor update. Yes.

20 So, we're going to have to skip the
21 Labor Market Data Modernization, we have Andrew
22 Chamberlain from Glassdoor was going to share that

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1 with us, but without him hearing us calling him on
2 the phone as we get our phone issues worked through,
3 we're going to jump ahead then to Eric Severson on
4 the Free Agent Talent and Systems: the 1099
5 Economy.

6 MR. SEVERSON: Thank you, Julie. And
7 I'd also like to thank really all of the Council
8 who participated in one way or another in this
9 discussion, but in particular the members of the
10 working group: Lou Ann Bynum, Robert Hohman, Marie
11 Lynch, Steve Case, Bill Generett, Kelly Grier, and
12 Laura Powers.

13 And I think, as I was getting ready to
14 leave to come here yesterday, it was impressed upon
15 me the wisdom of us deciding to focus on this as
16 I was waiting for my Uber at my house and on TV was
17 an ad I'd already seen about a hundred times from
18 Airbnb that was not actually an ad targeted at
19 selling services, it was targeted at California to
20 convince voters to vote in favor of Airbnb on local
21 ballot initiatives. And, as I walked out the door,
22 my best friend Keith, who's a San Francisco

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1 firefighter, was coming in with his bag to stay at
2 my house for a week so he could rent his house out
3 on Airbnb and make extra money.

4 (Laughter.)

5 MR. SEVERSON: So, I think also as I
6 listened to the vice-presidential debate last
7 night, there was again a really clear focus on two
8 issues that were central to our discussion of this
9 freelance economy to date. One, the issue of
10 income inequality and the impact on the workforce.
11 And then, secondly, the issue of the
12 competitiveness of the U.S. economy, particularly
13 in emerging innovative technologies. So, how this
14 issue first arose was that it wasn't actually part
15 of our original agenda.

16 About six months into our term as NACIE,
17 we met in D.C. on a snow day, government snow day,
18 at Revolution, LLC, which is a business owned by
19 Steve Case, the founder of AOL, who was NACIE 1.0.
20 And Steve joined us for that -- and 2.0. And he
21 joined us for that discussion and encouraged us to
22 deviate from the course we were on and consider

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1 including this issue in our research and work. As
2 the working team looked into it, what we recognized
3 is that there was a really significant opportunity
4 here for the Commerce Department -- do I need to
5 stop, Julie?

6 MS. LENZER: Do I hear something on the
7 phone? Okay, hi. Any idea why it's cutting out?
8 Let me mute it and then unmute it. I hear -- okay.
9 Okay, sorry. If you don't mind the alien speaking
10 --

11 (Laughter.)

12 MR. SEVERSON: Okay, I'll keep going.

13 MS. LENZER: Yes.

14 MR. SEVERSON: Okay. So, as we dug into
15 this issue, what we discovered was something
16 surprising to the NACIE working group, which was
17 that there was no credible undisputed source of
18 data on this subject. There was no organization
19 in the U.S. Government or elsewhere that could
20 actually define what we meant by the free agent
21 economy, the sharing economy, the 1099 economy, nor
22 could they define its size, its scope, its impact,

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1 et cetera.

2 So, what we were observing was an issue
3 where issues of great importance to the economies
4 of states and localities across the country were
5 being decided through either lawsuits or at the
6 ballot box, as Julie alluded to, based often on very
7 conflicting information, inaccurate information,
8 et cetera. So, what NACIE said is, we think that
9 there are several things that we think that we can
10 help with here. And we proposed then to Commerce
11 that it undertake three actions.

12 First and foremost, to produce a report
13 that would definitively define, describe, quantify
14 this phenomenon that we were calling the free agent
15 economy and define it's associated taxonomy of
16 terminology. In other words, to establish for the
17 record a taxonomy to be used by everyone to both
18 describe this phenomenon, to be able to name it and
19 to compare it, not only within the United States,
20 but to its growth in other countries.

21 Then secondly, to analyze that data for
22 trends, patterns, or potential implications for

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1 U.S. Commerce and Labor generally. So, for
2 example, to answer such questions as, how fast is
3 this market growing? What are the demographic and
4 economic profiles of the entrepreneurs, the
5 business people, and the other participants in
6 this? How do they compare to those of other
7 countries? What impact so far has this phenomenon
8 had on the U.S. economy, on the U.S. society, and
9 on its competitiveness with other countries?

10 And then, thirdly, we were proposing
11 that Commerce identify potential legislative,
12 regulatory, or policy actions that could have the
13 potential to drive greater competitiveness in this
14 portion of the U.S. economy by optimizing the
15 benefits of this economy and minimizing the
16 deficits. So, what we managed to accomplish was,
17 number one, which was first and foremost the most
18 important part, which was to establish a report
19 codifying what this is.

20 And what ended up resulting from the
21 Economics and Statistics Administration, the
22 Office of the Chief Economist, was a 40 page report

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1 called Digital Matching Firms: a New Definition in
2 the "Sharing Economy" Space. So, something
3 original actually happened, which is that the ESA
4 defined a new term and a new taxonomy around this
5 subject that didn't exist previously, called
6 digital matching firms, which it differentiated
7 and distinguished from many of the other terms
8 being thrown around like sharing economy, 1099
9 employee, contingent worker, et cetera, and began
10 to define how large this was using the credibility
11 of government statistical methods and the
12 credibility of the Commerce Department to
13 establish this. And this was published in June of
14 2016, it's ESA Issue Brief 01-16, as a matter of
15 fact.

16 So, I think fundamentally what this
17 helped to solve is it defined this portion of the
18 economy, which includes businesses we know and we
19 already mentioned like Uber, Airbnb, others, it's
20 those that use information technology via
21 web-based platforms to facilitate peer-to-peer
22 transactions and they rely on user-based rating

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1 systems for two-way ratings of the consumer and the
2 provider, and, three, they offer the workers who
3 participate flexible scheduling and, four, that if
4 tools and assets are necessary, that the workers
5 provide these tools rather than the firms.

6 So, given that definition, the ESA was
7 able to catalog all of the known existing digital
8 matching firms in the United States in an appendix
9 of the document so that there's a starting point
10 to define what this is. It could not perfectly
11 quantify the exact size economically, because most
12 of these companies are private, but it began to
13 estimate that.

14 So, I think what NACIE has felt is that
15 this is a really good first start, a really good
16 example of how NACIE, through the diversity of its
17 experiences and membership, can bring issues into
18 the Commerce space that have not been examined
19 that, through the members' own experience and
20 intuition, know are important unsolved issues, and
21 be able to help guide Commerce to some really
22 tangible and valuable outcomes.

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1 What I would also lastly say is, while
2 of course it's up to NACIE 3.0 to decide where it
3 wants to focus, should it choose to focus on
4 continuing this work, there's a very strong
5 foundation built and the framing of this, the
6 second and third questions are still available to
7 be answered. There are still many questions to go
8 about what to do with the data that we've discovered
9 about this part of the economy and how public policy
10 might be affected in a positive way to grow the
11 economy.

12 MS. LENZER: Great. I'm going to take
13 just a pause right now, because we need to hang up
14 the phone and dial back in, so I didn't want to do
15 it in the middle of everything and interrupt. But
16 let me try to get the phone situation handled.

17 MR. BUERSTATTE: Julie, while you're
18 doing that, let me just point out two things. And,
19 Eric, thanks so much for sharing that. That is a
20 great update and what's interesting about that, I
21 think, and for folks observing, for our 3.0
22 members, I think that's a great example of one of

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1 many tool sets that NACIE has and how they have
2 helped us government folks be better at what we do
3 and have served the American people.

4 So, Eric and that work group helped us
5 shape our research on the sharing economy and, as
6 he said, it was the first government report for
7 Commerce on the 1099 sharing economy. So, it
8 helped us put a stake in the ground on this really
9 important issue and so, shaping our research.
10 Marie, Julie, and Michael led the effort with the
11 Community Exchange where we quite literally rolled
12 up our sleeves and engaged communities, taking
13 action.

14 So, NACIE as a council shared best
15 practices and convened other leaders and took
16 action to create new opportunities. So, research,
17 action, and then now on the legislative side and,
18 as Mr. Tang so well articulated earlier, on the
19 exciting opportunity with the reauthorization of
20 the SBIR program. So, legislative action,
21 physical action at the community level, and
22 research, three unique ways that NACIE operated

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1 over the last two years.

2 Just wanted to point that out and we'll
3 hear a little bit more, but I think it's
4 advantageous for us to think about all the
5 different tools we have and all the lessons we've
6 learned and what works and what doesn't.

7 (Whereupon, the above-entitled matter
8 went off the record at 1:56 p.m. and resumed at 1:58
9 p.m.)

10 MS. LENZER: Sorry for that commercial
11 interruption for Reliable Technology. While we
12 are waiting for Andrew Chamberlain to get back on
13 the phone, Fred, are you ready to --

14 MR. DEDRICK: Yes.

15 MS. LENZER: All right. So one of the
16 topics that we started to discuss in our last
17 meeting was around entrepreneurship. I think we
18 called it apprenticeships at that time, but it has
19 intentionally changed names now to
20 entrepreneurship fellowships and so I am going to
21 turn it over to Fred to talk a little bit about that.

22 MR. DEDRICK: Thanks, Julie. There

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1 will be a short meeting after this meeting is over
2 to collect capital interest in developing new
3 conference call technologies.

4 (Laughter.)

5 MS. LENZER: Spoken like a true
6 entrepreneur.

7 MR. DEDRICK: Let me just say I have
8 learned an enormous amount by coming from the
9 workforce development side and not from the EDA
10 side, the e-Commerce side, the entrepreneurial
11 side, so I wanted to just thank everyone for
12 expanding NACIE to include workforce development.

13 It's been a great ride and inspired by
14 NACIE the National Fund has now created itself as
15 an independent organization as of October 1st, so
16 we are --

17 (Applause.)

18 MR. DEDRICK: We have an office here
19 now in Washington so we will soon be part of the
20 Beltway crowd.

21 I just wanted to say that one of the
22 things that was really positive from my experience

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1 as part of NACIE was to understand how important
2 it is to have an entrepreneurial and innovation
3 mindset.

4 This came gradually from meeting and
5 talking to all of you. It came especially strong
6 when we went to Nashville, but it has developed over
7 a period of the two years and it occurred to me,
8 because we work in 32 communities around the
9 country, in so many of those communities we think
10 we are going good work.

11 There is still an incredibly difficult
12 to reach core of young people, mostly of color, who
13 are never exposed to the great things that I was
14 exposed to in this 2-year participation on NACIE.

15 It occurred to me that the generosity
16 of you all and the community could really be an
17 incredible catalyst for reaching out to that
18 community and including them in these exciting
19 possibilities, not so much that they would become
20 entrepreneurs themselves, that's a heavy lift, but
21 possibly, but more so because of the attitudes that
22 they could develop by working alongside people that

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1 you are inspired by, that you inspire, that invest
2 in you.

3 And so the idea of creating a fellowship
4 for young adult entrepreneurs is based upon all
5 those thoughts that we could combine the
6 opportunity to reach into communities that don't
7 get the opportunity to participate in
8 entrepreneurship, that we could help diversify
9 industries that are predominately white and male,
10 that we could also create people who would become
11 ambassadors for technology and innovation and
12 entrepreneurship.

13 And so the idea is really quite simple,
14 it is that we would reach out to companies, it
15 doesn't have to be a technology company, but a
16 company that thinks of itself as an entrepreneurial
17 environment, it could be in any industry at all,
18 but sees itself as having that kind of mindset, and
19 they would sponsor fellows that would be
20 recommended to them by, you know, a network of
21 community-based organizations who hopefully would
22 be supported in their search and identification and

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1 assessment of those young people with
2 philanthropic support or community support.

3 The idea would be not to request any
4 kind of government funding, that this would be a
5 purely private sector effort that would identify
6 young people of possible, of talent and interest
7 and commitment, and that they would serve with the
8 company for a year.

9 In that year they would receive a lot
10 of support as, you know, in mentorship. They would
11 circulate throughout the company so it wouldn't be
12 limited to one particular vision of the company.

13 They would have wraparound services
14 provided by a CBO or by, you know, another
15 organization that could recognize the fact that
16 people putting into a very new environment
17 sometimes need to have some ways to adjust, and the
18 idea would be that this idea could be expanded to
19 impact, you know, maybe a thousand young people in
20 the next few years.

21 Unfortunately this idea that I brought
22 to the Workforce Development Committee, and I want

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1 to thank the members of the Workforce Development
2 Committee who assisted in a wonderful
3 brainstorming session that we had in June that
4 helped to, you know, basically pivot the approach
5 from an apprenticeship to a fellowship, that this
6 came a little late in the 2-year program and so what
7 we have now is a situation where this idea still
8 needs an enormous amount of work.

9 So I have a small amount of cash
10 available for any of the NACIE 3.0 who agree to sign
11 on as the leadership of this group of this
12 particular initiative, but we hope that 3.0 will
13 think about this and consider it.

14 In the write-up of the Executive
15 Summary there is a group of recommendations,
16 basically it's to continue to investigate models
17 where this already is going on and we have listed
18 a few to reach out to companies and non-profit
19 organizations that could be interested in being the
20 sponsor, to have conversations with organizations
21 that work with young adults in urban communities
22 to see what their interest might be, and basically

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1 to add more details and structure to the proposal,
2 and, finally, to think about whether they might an
3 overall corporate sponsor that would be interested
4 in creating a pilot program that could test this
5 idea in the next couple of years.

6 So, again, thank you. Julie, thank you
7 to your staff. Thank you to NACIE 2.0 for helping
8 me become almost an expert in Capital Continuum.

9 MS. LENZER: I want to point out you did
10 use the word pivot.

11 MR. DEDRICK: I did use the word pivot.

12 MS. LENZER: Yes. I just want to point
13 that out there, Fred.

14 MR. DEDRICK: That's right, and we are
15 incorporated in Delaware.

16 (Laughter.)

17 MS. LENZER: So, you know, just so you
18 understand when the first, when we first brought
19 workforce, this was the first year that we, the
20 National Advisory Council for Innovation and
21 Entrepreneurship, Secretary Pritzker is very
22 passionate about skills and workforce and when she

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1 was traveling across the country in her early days
2 she heard from almost every company that she went
3 to that they were having trouble getting access to
4 the right skilled folks, and so that was part, that
5 was the impetus for including workforce in here.

6 And, frankly, in the beginning it was
7 we weren't quite sure what to do with it, it was
8 a little bit of a rough start, you know, as with
9 anything new.

10 But what we quickly realized is that
11 rough doesn't mean bad, rough is good, you know,
12 it was creative conflict and it was how can we add
13 value to each other because these are crucial
14 topics for entrepreneurs and for businesses.

15 And so you all on the new council owe
16 them a lot because we all, you know, see that bump
17 on Fred's forehead was, you know, from --

18 MR. DEDRICK: It's actually this big.

19 MS. LENZER: No, I mean -- and Marie
20 and, you know, for everybody's patience and really
21 commitment because we knew there was something
22 here, it just took us awhile to figure out how to

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1 get to it and now that it is here I couldn't imagine
2 removing it because it is such a -- he has an --
3 oh, he has an iPad, too.

4 (Off microphone comments.)

5 MS. LENZER: All right, I am going to
6 try and dial in and be the first one with the leader
7 code. Hold on. Hashtag -- Fred, what did you do?
8 Here.

9 (Off microphone comments.)

10 MS. LENZER: All right, so I am going
11 to guess, I am just right now texting Andrew
12 Chamberlain because he probably said why did you
13 just hang up on me. Hold on a second, I can't talk
14 and type at the same time. There we go.

15 Thank you. Did we have some folks just
16 join us again on the phone? Who do we have on the
17 phone?

18 (Off microphone comment.)

19 MS. LENZER: No, that's okay, we all
20 dropped off. So is Andrew on the phone, Andrew
21 Chamberlain?

22 DR. CHAMBERLAIN: I am, I can hear.

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1 MS. LENZER: Excellent. This is why
2 it takes entrepreneurial persistence to work in the
3 federal government, because things never work out
4 the way they are supposed to.

5 All right. Well, so, Andrew, perfect
6 timing. We are now to -- We have the phone back
7 and I am going to introduce you.

8 So Andrew is with Glassdoor and you all
9 should have received the briefing of the project
10 that should have taken six months that has taken
11 two years, and Andrew is going to talk a little bit
12 about their experience and they made some
13 recommendations from the workgroup that we passed
14 on for consideration to NACIE 3.0. So, Andrew,
15 over to you.

16 DR. CHAMBERLAIN: Okay, great, thank
17 you all. I'll try to keep this brief, I know you
18 have a lot to cover today. So just to remind you
19 guys Glassdoor's project for NACIE 2.0 was under
20 the umbrella of modernizing labor market data.

21 So our idea was to build a pilot project
22 to try to anonymously link realtime unemployment

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1 insurance data from a State partner up with
2 realtime job postings, both from Glassdoor and
3 maybe other sources, to try to create a kind of
4 supply and demand dashboard to get a realtime
5 measure for policymakers of where are the
6 unemployed workers, what kinds of jobs they are
7 looking for, and then in the economy what kind of
8 jobs are available and how can we match them up
9 geographically and maybe in terms of skills.

10 So to make this work we had to try to
11 find a State partner with digitized unemployment
12 insurance data that we could pull in and with our
13 data science team connect it with realtime job
14 postings.

15 So that was our project, and we started
16 this back in I guess it was December of 2014 and
17 our first attempt was to work with the State of
18 Virginia and then a second attempt was to work with
19 the State of New Jersey.

20 We ran into a few stumbling blocks along
21 the way, most of which had to do with getting legal
22 agreements signed so that it felt like privacy was

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1 protected and that the data were being used
2 appropriately.

3 And then secondly we had trouble
4 identifying the right people inside State
5 government agencies who really had both the know
6 how to get us the data we needed and the authority
7 to do so.

8 So after various back and forths with
9 both of those potential State partners we were
10 never able to finish the project and so I wrote a
11 memo summarizing our experience there, which
12 hopefully will be shared with anyone who is
13 interested in that.

14 MS. LENZER: Yes, it will be shared
15 with everybody.

16 DR. CHAMBERLAIN: Okay, great, so I
17 won't walk you through the details. But I would
18 like to do is in the memo that I wrote up we tried
19 to draw up some lessons that we thought would be
20 helpful for next time around for future versions
21 of NACIE what we think could have made this project
22 feasible, all right.

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1 So there are really four of them, so
2 I'll quickly go through those. Number one was we
3 really feel like the federal government has to take
4 the lead on data sharing initiatives like this.

5 Instead of having private sector
6 partners reach out individually to States one by
7 one and try to crack open datasets like
8 unemployment insurance data we feel like it would
9 have been much more efficient if there was a central
10 federal initiative to try to standardize and
11 compile data from the States that way a private
12 sector partner would just be dealing with a federal
13 agency instead of potentially 50 States. So that
14 was one suggestion we had.

15 The second suggestion we had was doing
16 some education to State agencies. Many agencies,
17 despite their best intentions, are wary of
18 innovative efforts that go beyond their core
19 missions. They might view them as risky without
20 a lot of benefit.

21 And so I believe that doing some basic
22 education with State workforce development

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1 agencies and those who have access to really
2 excellent State labor market data just explain to
3 them the benefits of opening data up, that it can
4 be done while still protecting privacy and that
5 there are benefits that you get, I think that would
6 really help.

7 All right, so number three would be
8 providing standard legal agreements. So one of
9 the big stumbling blocks we ran into was because
10 the two States that we had reached out to had never
11 done this before we had to craft custom legal
12 agreements.

13 And so there was a lot of uncertainty
14 about who would own the data, what constitutes
15 retained data, what are the definitions of things,
16 what constitutes personally identifying
17 information, and so on, and so it became a complex
18 negotiation between our legal team and State legal
19 counsel.

20 So I think if the Commerce Department
21 or someone else in a federal agency could produce
22 a template legal document that resolves these

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1 issues I think that would smooth it over next time
2 around.

3 Okay, and then the last lesson we drew
4 is that it would be helpful to get the incentives
5 right among State agencies that have access to
6 data.

7 So many State agencies like they might
8 have built in kind of reward systems that encourage
9 employees to do these types of private
10 sector/public sector collaborations.

11 It's not part of their measured
12 performance, pay and advancement is not determined
13 based on it, and so because there aren't these
14 concrete incentives it ends up being at the bottom
15 of people's work lists and just ends up getting
16 delayed in favor of things that are a part of
17 people's core job functions.

18 So those were really the four lessons
19 that we had as takeaways and I will turn it back
20 over to you and I am happy to answer any questions
21 anyone has.

22 MS. LENZER: Yes, I just have a real

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1 quick question, Andrew, on where you are in the
2 process? Last we talked probably about four or six
3 weeks ago you were finalizing the agreement with
4 New Jersey.

5 Has that been finalized and is there a
6 possibility that we'll actually -- you guys are
7 moving forward on it?

8 DR. CHAMBERLAIN: There definitely is
9 a possibility that we will still move forward with
10 New Jersey. We still have not finalized the legal
11 agreement, but I think once that hurdle is overcome
12 I am hopeful we will still be able to do a project
13 with them even later this year or early next year.

14 MS. LENZER: I am just going to say wow.

15 CO-CHAIR LYNCH: Can I?

16 MS. LENZER: Yes, go ahead. Marie has
17 a question.

18 CO-CHAIR LYNCH: Andrew, thank you so
19 much and, you know, thanks for all you did. Being
20 somewhat familiar with data agreements there was
21 a couple of things that struck me, and I so
22 appreciate what you wrote up.

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1 So, yes, one was in our experience of
2 doing data agreements I think one of the biggest
3 challenges here is probably that Glassdoor is a
4 private sector organization trying to get access.

5 And so as a not-for-profit we had, for
6 example we have data sharing agreements with the
7 State on unemployment and whenever we have had
8 private sector partners who have even done an
9 evaluation on us the data agreements always have
10 to come through us as a not-for-profit to a
11 government partner to the unemployment office.

12 And so I think one of the additional
13 suggestions I would make for the future of this
14 thing, or for any work that is done where we need
15 data sharing, is that it's almost not fair to put
16 a private sector organization in the driver's seat
17 of trying to get it because it's going to gum it
18 up a lot longer.

19 Second is there was something you said
20 early on that I want to put an exclamation point
21 on also for the future, which is I actually think
22 that one of the biggest challenges with what you

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1 all hit up against is when you talked about
2 identifying the right person who had the right
3 authority.

4 Often times because of, you know, with
5 this kind of data legal is often used as an excuse
6 because people are afraid and so you have to have
7 somebody who really is a champion who just won't
8 take no, and I think that's another learning on
9 this.

10 I think you were trying to go after that
11 when you talked about the federal side, but it's
12 identifying somebody for any of our projects in the
13 future that there is an internal governmental
14 champion because without that these things will
15 just take years and end up where it began.

16 MS. LENZER: Which we did have, but,
17 yes, within the Department of Commerce ESA.

18 CO-CHAIR LYNCH: No, I meant at the
19 State.

20 MS. LENZER: You meant at that State,
21 all right.

22 CO-CHAIR LYNCH: Yes, I meant at the

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1 State. I think he is on the, I am trying to say
2 he is on the right track on that and I think that's
3 a good learning for us.

4 MR. SHUKLA: So one way of dealing with
5 this, and to Marie's point also, is that the NGA,
6 the National Governors Association, actually does
7 have an effort on data streamlining between the
8 States and I think it's worthwhile aligning this
9 particular project with them.

10 One of the problems that they have run
11 into is the sort of disparate numbers of people in
12 each State that "own" data, and so trying to
13 streamline them within the States itself becomes
14 an issue, particularly with large, complex States
15 like California and New York, et cetera.

16 But NGA is trying to do that and they
17 are doing that quite well, so if this effort were
18 aligned with them in some fashion at least you could
19 get some momentum from the States themselves.

20 MS. LENZER: Fred?

21 MR. DEDRICK: Yes, I just want to
22 second what Marie said about the importance of it

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1 being a non-profit organization that receives the
2 data, that has been our experience as well.

3 We did finally get data from Ohio and
4 Wisconsin, but it took us three years to get the
5 data from Wisconsin and we never got them from
6 Pennsylvania, where I had been the person who hired
7 the woman who was in charge of the data, so --

8 (Laughter.)

9 MR. DEDRICK: That was pretty
10 embarrassing.

11 The other thing is is that major
12 research organizations get this data all the time.
13 MDRC has no trouble --

14 MS. LENZER: Who is MDRC?

15 MR. DEDRICK: Manpower Demonstration
16 Research Corporation, but it never uses that name,
17 MDRC out of New York, yes.

18 This organization, it does a lot of
19 random assignment kind of work, and the other thing
20 is we were funded for six years by the Social
21 Innovation Fund, which is part of the Corporation
22 for National and Community Service, and they

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1 require, you know, agreements and impact
2 evaluation and they I believe have learned a lot
3 about how to get this data from -- and some States
4 you'll never get it from it.

5 Literally, the question goes right up
6 to the governor, but I think those are a couple of
7 leads that might be useful.

8 MS. LENZER: Right.

9 MR. SHUKLA: That's why NGA --

10 MS. LENZER: What was that, Rohit?
11 Oh, why NGA might be, yes. I mean I think, and this
12 is something that I know when you are going to brief
13 Secretary Pritzker about this in about an hour,
14 this is something that at the Department we have
15 been really focused on, in opening data and how it
16 can drive entrepreneurship.

17 I mean the census data, the number of
18 businesses that -- the NOAA data, the weather data,
19 you know, entrepreneurs have been spawned from
20 data.

21 And so I think it's a really interesting
22 topic, especially as it relates to the workforce,

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1 you know, but probably other areas within that is
2 how can we, you know, how can we apply innovative
3 and entrepreneurial activities to this to be able
4 to drive better outcomes, because at the end of the
5 day we are not helping our, we're trying to help
6 our businesses be more successful and have access
7 to the -- We are trying to help them hire the right
8 people.

9 I mean why would a State -- We are trying
10 to help them reduce their unemployment, but it's
11 a message that's, you know, and one thing that I
12 have learned in 2-1/2 with the government sometimes
13 some of these old ideals just get really entrenched
14 and ingrained and you are right I think it is a fear
15 kind of thing like oh, they're going to use against
16 me or they're going to highlight that I am doing
17 something wrong or that we, you know.

18 MR. DEDRICK: Now the real fear is
19 about social security numbers, that's what it's all
20 about. These are social security numbers --

21 MS. LENZER: Right.

22 MR. DEDRICK: -- and if you allow them

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1 to be distributed in a large file with any kind of
2 connection to a name, if there is any kind of a
3 problem that's where the governor always --

4 MS. LENZER: If becomes an OPM
5 nightmare.

6 MR. DEDRICK: Yes, exactly.

7 MS. LENZER: Office of Personnel
8 Management, which all of our data got hacked into
9 and, yes, unfortunately. Thankfully I haven't
10 seen anybody open credit cards in my name yet that
11 I know of.

12 MR. DEDRICK: Oh, this one's not good?

13 MS. LENZER: No, I mean that one is not
14 good, Fred, you've got to throw it away.

15 (Laughter.)

16 MS. LENZER: But, you know, Andrew, any
17 other kind of like closing or final thoughts on
18 that?

19 DR. CHAMBERLAIN: The only final
20 thought I would say is that although we were not
21 able to get this project done in time I still am
22 hopeful we will be able to do this at some point

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1 and I think if labor market data like this were ever
2 made available like the way NOAA weather data has
3 been made available I am still quite hopeful that
4 these initiatives hold out great promise and I
5 think we can do amazing things with it.

6 We just need to keep pushing and I am
7 glad that you guys are there moving the ball forward
8 on this and I am glad that we got a chance to try
9 to help out this time around.

10 MS. LENZER: Spoken like a true
11 entrepreneurial innovator, you know, just keep
12 pushing it. We think it's going to -- You know,
13 there is the optimism, talk about mindset there,
14 Fred, right, the optimistic let's keep pushing till
15 we get it done because there is real impact here
16 and that's what the focus is.

17 I mean that's what it is about. It's
18 about how do we drive better outcomes. Any other
19 thoughts or questions on that one? No. I mean
20 the interesting thing is that was like the first
21 initiative that we identified and honestly I think
22 -- I mean I am a data geek here and I'm thinking,

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1 oh, six months, it will take us six months.

2 We just kept scratching our head that
3 it has taken two years and we still are not there.
4 So, you know, it's just one of the -- But hopefully
5 as you said, Andrew, we can keep pushing it forward
6 and eventually -- and it might be a really
7 interesting topic then for NACIE 3.0.

8 I hope you guys will take a look at that
9 and really consider because I think there is some
10 real -- Christine is shaking her head. You know,
11 GE Workforce, I know there are some issues there.
12 Any other thoughts?

13 All right. Right now we have --
14 Perfect timing, he arrives with an entrance.
15 Assistant Secretary Jay Williams is here to join
16 us, my boss, so be nice. Don't tell him what I told
17 you about him. No, I'm just kidding.

18 Jay, thank you so much, come on in. So,
19 Jay, just wanted to let you know, you've met the
20 NACIE members around the table, we also have our
21 new NACIE members.

22 I asked Jay to kind of hang around at

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1 the break, we're going to do a break shortly after
2 this, so that he can have a chance to meet you guys.

3 We wanted Jay to come in and share a few
4 thoughts about what you guys have done and how it
5 has been helpful for EDA.

6 ASST. SEC. WILLIAMS: Well, thanks,
7 Julie, and good to see all of the current NACIE
8 members and looking forward to meeting the new
9 NACIE members.

10 I know that you are going to be giving
11 your final brief to Secretary Pritzker, but I just
12 wanted to certainly express both personally and
13 professionally how profoundly grateful we are for
14 the work that you have done.

15 It has been invaluable to us here at the
16 Department of Commerce and specifically at the
17 Economic Development Administration. You all are
18 leaders in your respective organizations, and you
19 all know this, that a leader is often made or broken
20 by the team that they surround themselves with.

21 And to the extent that you all have
22 contributed in many, many ways, you have helped to

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1 identify barriers that exist in terms of
2 entrepreneurship and access to capital.

3 You have helped us to identify best
4 practices that exist and how we can help create
5 better environments, and I have said time and time
6 again that jobs in this economy aren't created by
7 government officials, elected officials, or
8 politicians.

9 When we are at our best we are creating
10 an environment that helps to facilitate
11 individuals being willing to put capital at risk,
12 their time and their talent at risk, that's how jobs
13 are created.

14 So sometimes that means government
15 policy, sometimes the President has said that means
16 getting out of the way, so to the extent that we
17 can do either of those we are better informed when
18 we have individuals such as yourselves
19 contributing to making us better policymakers,
20 making us better practitioners, and, again, the
21 team has made many, many comments on how we are
22 better.

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1 We are strengthened because of your
2 contributions, your input. You have pushed us,
3 you have not allowed us to remain comfortable in,
4 you know, some of the times our mindset, and that's
5 really important that we have that level of
6 collaboration.

7 So I wish you all the best and it is
8 bittersweet as we wrap up the final months of this
9 Administration to just -- I've read about so many
10 of you, in fact I was telling -- Where is she? Oh,
11 no, she's doing a White House internship now.

12 MS. LENZER: Oh, Laura Powers.

13 ASST. SEC. WILLIAMS: Laura Powers.

14 MS. LENZER: Yes, she got booted off
15 the council when she went over to the White House.

16 ASST. SEC. WILLIAMS: I was on a plane,
17 you know, probably two or three weeks before the
18 convening of the first NACIE and I was reading an
19 article on -- and then it was like at the next
20 meeting I was sitting right next to her and I felt
21 like a little kid.

22 (Laughter.)

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1 ASST. SEC. WILLIAMS: Like, you know,
2 I had met this celebrity. I was like I just read
3 about you on a plane, and she sort of smiled, and
4 like, you know, is this guy okay.

5 (Laughter.)

6 ASST. SEC. WILLIAMS: But, really,
7 that's how exciting it was, the level, the caliber
8 of individuals that we have in this room.

9 So I am, again, exceptionally grateful.
10 EDA is better off, the Department of Commerce is
11 better off, the Administration is better off.

12 The legacy of this Administration with
13 respect to its contributions in this economy making
14 sure that, again, we can facilitate an innovative
15 economy that we can unleash the talent that exists
16 in so many communities, diverse communities,
17 communities that are often overlooked or written
18 off, you all have made a very strong case and it
19 is going to be a lasting legacy.

20 And for the new members coming in, thank
21 you for answering that call to service. Again,
22 you've got full-time careers, many of you have

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1 families, you have other interests that you want
2 to pursue, other things you enjoy doing, and the
3 fact that you are devoting a significant amount of
4 your time, your talent, your energy, and resources
5 is something that we won't take for granted and I
6 am sure you will have that same opportunity.

7 You will demonstrate it just simply by
8 showing up to the meetings and doing the
9 collaboration offsite, but I will go very quickly
10 and conclude with earlier this year when the NACIE
11 convening was supposed to occur and the entire City
12 of Washington was shut down because of one of the
13 legitimate snowstorms, and I'm from Ohio so the
14 snowstorms here, to me, I sort of scoff at when they
15 shut the government down for two or three inches
16 of snow, but this was a legitimate snow event and
17 NACIE was scheduled to meet and because the
18 government was shut down Steve Case opened up his
19 facility and the NACIE members dutifully showed up
20 and there was a lot of energy and collaboration and
21 we were able to come, and that was the level of
22 passion and commitment that you all have

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1 demonstrated and I know with no uncertainty that
2 that will be the same of the NACIE 3.0 members.

3 So, again, thank you very much. We
4 have really enjoyed this. Julie and her team have
5 done a phenomenal job.

6 For the first time since OIE was formed
7 we have now got a full complement of full-time staff
8 so even as the political transition takes place the
9 fact that the career folks are going to be here and
10 they are first caliber, first class.

11 You all know that, the entire team, so
12 thank you very much, and I look forward to the time
13 that we have left together.

14 MS. LENZER: Thank you very much, Jay.

15 (Applause.)

16 MS. LENZER: And I just want to say
17 without EDA's support, without Jay's support for
18 my team, for OIE, and for you guys, I mean this would
19 have been a lot more difficult.

20 As Jay mentioned prior to my arrival
21 2-1/2 years ago there were no career staff in OIE
22 and, in fact, the office had been empty for an

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1 entire year.

2 So EDA had the foresight to allocate two
3 full-time equivalents to the office. I took that
4 as four, so like, you know, I said I'll see your
5 two and raise you two, so now we have four.

6 But, no, part of that is based on what
7 we were able to achieve together and when they
8 started to see the value of this type of a group
9 it's like we need a bigger boat, and we still need
10 a bigger boat, but, you know, we got to work on that.

11 But, you know, hats off to Jay who
12 understands firsthand from his experience as Mayor
13 in Youngstown, Ohio, the importance of innovation
14 and entrepreneurship as a driver of economic
15 development.

16 And for those of you who are in economic
17 development you know that this is not the way it's
18 been done for the last 50 years, it's something new
19 and different, and change is hard.

20 He has been a great advocate. He is out
21 speaking in these communities of, you know,
22 traditional economic developers and making the

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1 point that innovation and entrepreneurship is not,
2 you know, it's a tool that everybody should be
3 considering how does it fit into your community,
4 and in Youngstown that's the only way that you were
5 able to kind of turn things around there.

6 And so he is kind of a walking
7 advertisement for the types of things that we are
8 trying to drive and what he was able to do in
9 Youngstown, and so we are really appreciative of
10 his leadership and, yes, it's bittersweet, isn't
11 it.

12 ASST. SEC. WILLIAMS: Thank you.

13 MS. LENZER: Yes, so, thank you. So as
14 I said I have asked him to stay so he can kind of
15 have a chance, but we have right now as part of our
16 FACA police the opportunity to open up for comment
17 from members of the public.

18 I don't believe we had anybody register
19 ahead of time to provide comments. No, but I will
20 see if there is anybody on the phone, anybody in
21 the room that would like to address NACIE as a
22 member of the public, anyone is welcome to?

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1 Okay, I'll take that as no. So right
2 now what we are going to do is we are going to take
3 about a 15-minute break, restrooms are outside, and
4 then when we come back we'll do a little bit of --
5 Everybody is going to have a chance to talk, those
6 of you who haven't been able to, that haven't said
7 anything yet, I am going to call on you.

8 So we'll come back and then Secretary
9 Pritzker will be joining us around 3:20, so let's
10 be back here about 2:55 p.m. Thank you.

11 (Whereupon, the above-entitled matter
12 went off the record at 2:30 p.m. and resumed at 2:55
13 p.m.)

14 MS. LENZER: The Secretary's time is
15 going to be pretty fast, as you guys all know. She
16 comes in, we have a schedule, and she gets out, so
17 they're going to be testing some things with the
18 photos.

19 But so one of things I wanted to -- as
20 we're wrapping up here, as Jay mentioned, a lot of
21 what you guys have done, you know, may not be
22 tangible, but I hope you know that you have made

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1 a difference. You know, we didn't talk about some
2 of the tech hire and career accelerator stuff, but
3 those reports and that work that you did is being
4 used by the Commerce Department to kind of rethink
5 and think about where do we need to go next, and
6 as I mentioned earlier, included in the transition
7 documents, and so that is why we have been so
8 strategic about bringing the new NACIE in, so that
9 it can be something that is going to bridge the
10 administration and help carry us into the next
11 administration.

12 And we're going to be looking for
13 low-hanging fruit so that we can get some early wins
14 so that when the next administration, the next
15 Secretary of Commerce comes in, they will have some
16 things under their belt that they can say, hey look,
17 look at the value of this council, look at the last
18 council, but here in the first 100 days, we're
19 really going to be focusing on how can we do
20 something meaningful in the first 100 days?

21 So no pressure, NACIE 3.0, but the
22 pressure is on. So, you know, it has been -- like

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1 I said, it has been a tool for transition. Really
2 quickly, I am going to talk about what is going to
3 happen next because I think after the Secretary
4 gets here and we do our photographs, yeah, getting
5 you guys back together after what I just saw is
6 going to be close to impossible, but that is a good
7 thing.

8 So Secretary Pritzker is going to join
9 us, and then the three co-chairs are actually going
10 to give her a briefing about the -- kind of the
11 outcome, what we just talked about, they're going
12 to provide a briefing to her. She may ask some
13 questions. I can't control that. But then she is
14 going to provide some remarks, and immediately
15 after her remarks, we're going to have an
16 opportunity -- so NACIE 2.0, you guys are going to
17 be able to get a one-on-one picture taken with the
18 Secretary as you come up, and then NACIE 3.0,
19 immediately following that, then we're going to do
20 a group picture of you guys with the Secretary since
21 this is likely your only meeting with Secretary
22 Pritzker.

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1 So just, if you could, stick around, and
2 we'll need to move that quickly because her team
3 will be moving us quickly. So leading up to that,
4 is there anything else that we wanted to -- also,
5 I would like to say NACIE 3.0, please keep your name
6 tags. Those are going to be your name tags through
7 the rest of the three days, so don't lose those.
8 Tomorrow morning, reporting at 8:30 a.m. at the
9 White House, the State Place and 17th Street, make
10 sure you have your ID with you.

11 The round tables will start at 9 a.m.,
12 and -- and then, let's see, yes, and then after
13 this, we will continue a little bit of networking,
14 and then we will all walk over to -- to our brick
15 and mortar, which is a couple blocks away, right
16 around the corner. So any questions about kind of
17 where we go from here?

18 All right. While we are waiting for
19 Secretary Pritzker to join us, I want to ask, I am
20 going to put all the NACIE 2.0 members on the spot.
21 I want you to share with us briefly, Rohit, I mean
22 - just kidding.

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1 (Laughter.)

2 MR. SHUKLA: I mean, part of my status
3 is being precious, I guess.

4 (Laughter.)

5 MS. LENZER: Precious and -- precious
6 and brief, please. Reflect on your biggest
7 takeaway, so part of this is for your -- your, you
8 know, co-councilmembers, right, so that you can
9 share with them what your biggest takeaway is, but
10 then also to share it with NACIE 3.0, and then
11 really the thing that you are most proud of in your
12 experience over the last two years, so be thinking
13 about that, and I will model this for you, and this
14 is what "brief" looks like.

15 My biggest takeaway was the value of --
16 of service for experienced folks that are -- that
17 are operating in -- as stakeholders to come in and
18 provide insight and advice because it's really easy
19 in this building to lose track of that.

20 The thing I'm most proud of, it is
21 really hard to choose because I think the thing I
22 am most proud of is what is going to happen years

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1 after we all leave here and this office, this --
2 this administration, this group is going to
3 continue to do amazing things, so I think what we've
4 really done is set the groundwork. We have really
5 set a strong foundation for future impact. I mean,
6 I am really proud of everything we've done, but I
7 think we're just getting started. So how is that
8 for brief?

9 All right. Okay if I go around rather
10 than we wait, and we'll just pass the microphones
11 around? The first one was biggest takeaway, and
12 thing you're most proud of.

13 MR. CANGIALOSI: The biggest takeaway
14 was for me just, again, the -- watching the power
15 of connected thinking come together through such
16 a unique group of individuals, and the amount of
17 work -- and I think you summarized it real well,
18 I'm not being brief already, I know -- is that, you
19 know, this group is really action-oriented, and
20 that's also what I am really proud of, knowing that
21 the seeds, much like yours, have been planted and
22 are already germinating, and that we've -- you

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1 know, your experience 3.0 is going to be
2 incredible, and due to a lot of hard work of not
3 only the staff, but also this group around this
4 table, so we hope you take it and -- and carry it
5 on.

6 MS. BYNUM: My biggest takeaway is
7 number one, the relationships that I have made with
8 everybody at the table. I really appreciate that.

9 It is also the different mindset that
10 I have been -- I have -- I have been able to develop
11 by hearing about what you all do and what we're
12 doing, and I have taken that back to my own
13 community, and I think we'll end up making some
14 changes because of that, certainly from what we do
15 from an educational standpoint and an economic
16 development standpoint.

17 I am most proud of the work that
18 everybody has done and some of the stuff that was
19 identified this morning. I think it is really
20 important, it is really valuable, and the
21 transition is amazing too, so good work on that,
22 everybody.

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1 MR. BALASIA: I think the biggest
2 takeaway for me is just the -- the depth of
3 knowledge and the passion that -- that I see in
4 everybody else around the table. It is
5 impressive, kind of covering a wide range of -- of
6 areas of expertise.

7 And I think that the thing that I am most
8 proud of is that I think we -- we created -- we spent
9 a lot of time creating a framework to be able to
10 optimize those talents and kind of passions for the
11 next -- next group and -- and beyond.

12 CO-CHAIR BURCHAM: I think my biggest
13 takeaway has been the opportunity to connect with
14 so many of you, even outside these meetings, for
15 work, and that has been extremely rewarding, both
16 in my personal life and my professional life.

17 Secondly, I would say that the -- the
18 power of the group when we really started focusing
19 on what could we do to help a community or a
20 situation became so crystal clear, and I do hope
21 NACIE 3.0 continues that.

22 CO-CHAIR CLEMENTS: I am proud of the

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1 fact that this group was very action-oriented and
2 really wanted to accomplish things that would make
3 a difference, and I think this group did make a
4 difference, and I am really looking forward to the
5 continued relationships that have been built that
6 I think will continue to grow and allow us to have
7 even greater impact.

8 CO-CHAIR LYNCH: My biggest takeaway
9 is that it's a good thing sometimes to pause in the
10 middle when you feel like things aren't going right
11 and have an honest and courageous conversation
12 together as a council about how to change course,
13 as we did. I thought that was a great moment for
14 all of us.

15 I am most proud of the community
16 exchange pilots and the fact that we rolled up our
17 sleeves and started to work together to really
18 learn and accelerate best practices.

19 MR. SHUKLA: The biggest takeaway was
20 the hot chicken from Nashville. I am just kidding.

21 (Laughter.)

22 MR. SHUKLA: Frankly, the -- yeah,

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1 really. The biggest takeaway I think was the sort
2 of amplification of my own insights based on
3 experiences and insights of others, and being able
4 to take those and apply those back in what I do in
5 innovation entrepreneurship across the country I
6 think was really informed a lot by the perspectives
7 I gained here from the various people around the
8 table, specifically on things like workforce
9 development, which I had no real connection with
10 before, and I really appreciate all the insights
11 that I have received.

12 I think -- okay, so obviously, what I'm
13 very proud of is the work that we did with a number
14 of people here on the Capital Continuum issue on
15 the SBIR issue, which is very very -- I think is
16 going to yield a tremendous amount of benefit for
17 the next NACIE 3.0 in terms of the groundwork being
18 set, and moving forward, how that is taken forward
19 I think is going to be a template for the future.

20 MR. DEDRICK: I think my biggest
21 takeaway is seeing how important it is to integrate
22 talent and innovation in entrepreneurship, that

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1 they are so integrated, and they need to be -- they
2 need to stay together closely and inform each
3 other, and that was just -- and that happened over
4 the two-year period, and so that was really
5 exciting to see.

6 A thing I am most proud of is the way
7 this group responded to the interest that a number
8 of us had in extending opportunities to individuals
9 that have not had the opportunities that we have,
10 and it was such a welcoming response that it was
11 just really exciting to see that, and hopefully,
12 that will continue in NACIE 3.0.

13 MR. SEVERSON: I think the biggest
14 takeaway for me was that diversity really was
15 proven out to be the -- the mother of invention
16 here, and I know I really valued getting to know
17 each one of you here. I probably have never worked
18 with such a diverse group of people with respect
19 to perspective and industry geography and
20 ethnicity, and it was fascinating to watch how
21 creatively we could solve a problem coming at it
22 from so many different angles.

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1 And then I think what I am most proud
2 of is that we took action, and I know Julie, you
3 have something -- you have an aphorism on your iPad
4 I was looking at, and I can't remember exactly how
5 it goes, but it says what?

6 MS. GOONEWARDENE: Well done is better
7 than well said.

8 MR. SEVERSON: Well done is better than
9 well said, and I think that -- yeah. So we got
10 stuff done. I think it was a job well done, and
11 the usability and concreteness of the work product
12 we leave behind I am really proud of.

13 MS. GUERRA: So first of all, I think
14 the biggest takeaway is how we're all facing these
15 similar challenges, and that we're all in this
16 together, and we all have to try to make a
17 difference together, so that was -- sometimes, you
18 -- you feel like you're fighting the battle by
19 yourself, and having that as the -- the foundation
20 for what we brought to the table and what we're
21 taking away from the table is really important
22 because you really open your mind to listening and

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1 saying, you know, oh, how does workforce
2 development impact what I'm doing? So I think that
3 that is so important, is understanding we're all
4 looking at the same problem from a different
5 perspective, but all those perspectives are
6 critical.

7 What I'm most proud of I think is
8 getting to know everybody, and with that same
9 foundation platform of appreciating all of the
10 attributes that people bring to the table, how to
11 potentially leverage those attributes and to help
12 me do my job better. We are lucky enough to have
13 a couple grants that we got, and through those
14 grants and through my knowledge here, I actually
15 wove a lot of the problems that were identified,
16 the Capital Continuum problems, in trying to create
17 an early-stage fund, trying to through our i6
18 Challenge Grant really address the issue of
19 workforce development and training the next breed
20 of entrepreneurs, so that knowledge that I gained
21 here really made us able to execute on what we were
22 doing in a much more profound and impactful way,

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1 so I thank you all for that, and I'm really excited
2 that I have the opportunity to work with you all
3 for two years.

4 MR. GENERETT: Great. For me, what I
5 learned was that government works, that government
6 works. And I've always known that, but -- but to
7 see it and to then go out and tell people about it,
8 because I mean the cynicism that we have, I mean,
9 you know, whether it's the direct work, and I've
10 been able to take stuff that I've learned from all
11 you guys -- and I mean, I work on the ground, and
12 I mean, I have raised a lot of money.

13 I mean, we're doing realtime stuff
14 because of what I have learned from -- from many
15 of you, but my biggest takeaway was -- well, what
16 I'm most proud of was that inclusion was not put
17 in a box, that box that nobody wants to really deal
18 with, and it was actually driven throughout the
19 whole -- all the work.

20 MS. FURSTOSS: So we always think of
21 innovation as something that creates a new product
22 or service, but I learned really that bringing

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1 together people with such diverse experiences and
2 backgrounds and representing different areas all
3 looking at the same problem and having the passion
4 to solve the same objective, that causes
5 innovation. So innovation really comes about, how
6 do you rise above what is done today and do
7 something different?

8 And that's what I am really proud of,
9 is that this team got to the heart of what are some
10 of the more critical issues around workforce and
11 innovation and entrepreneurship, and while
12 everything could not get done, I think that a lot
13 of the groundwork to be able to say this is what
14 we need to focus on, this is what's going to make
15 a difference, this is how we start to measure it,
16 is really there, so everyone should be really
17 proud, and I thank you for not only being on NACIE
18 2.0, but also becoming my friends. Thank you.

19 MS. WILSON: So my biggest takeaway was
20 living outside your comfort zone on a consistent
21 basis is where the growth, learning, and progress
22 comes, and not just personally and professionally,

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1 but I think as a team, we all really pushed
2 ourselves to -- to stay outside that, and I think
3 great growth came from that.

4 I think, you know, what I am most proud
5 of is every time we got together and I left on the
6 plane back to Atlanta, it was like I had a shot of
7 adrenaline and just like so many ideas and
8 inspirations to be able to, hey, I could take that
9 back to my community and have an impact, so really
10 being -- following through on that, and I've been
11 able to do some things and start building some
12 things in Atlanta to, you know, impact Capital
13 Continuum and inclusion that I'm looking forward
14 to kind of carrying forward, so thanks to all of
15 you for that.

16 DR. PANCHANATHAN: Thank you. Very
17 briefly, the biggest takeaways and what I'm most
18 proud of are the same: PIP, people, ideas, and
19 products. I think the people that we got together
20 here, I mean, just an amazing group that, you know,
21 they all worked together. There was not -- you
22 know, while we may have difference of opinions, but

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1 at the end of the day, we actually converge them
2 and take those great ideas that people have into
3 products that really I think is going to make a huge
4 difference.

5 So people, ideas, and products are the
6 things that are the biggest takeaways, and also the
7 thing that I'm most proud of.

8 DR. TANG: I have to agree with
9 everything that has been said so far, and I would
10 -- I would say that the one takeaway is that this
11 is hard. What we do is hard: innovation
12 entrepreneurship, workforce development. It's
13 great to have a community, knowing that there are
14 other people out there doing hard work, and doing
15 great work as well.

16 But the thing that baffles me about what
17 we do is innovation entrepreneurship is the
18 lifeblood of growth in this economy, and it is
19 vastly underrepresented and underappreciated
20 across the country, so we still have a lot more work
21 to do here.

22 So I am just proud to be a part of this

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1 community of folks that are making it happen every
2 day, and it lands locally in Nashville and in Austin
3 and Chicago and elsewhere, so I'm proud to be here.

4 MR. KENNEY: So I would agree with
5 Steve that it is hard, and, you know, especially
6 when you're looking at what government can do, you
7 are specifically looking where the market has
8 failed in some way and so, you know, it is
9 especially hard I think just because we're filling
10 gaps that have been identified.

11 For me, one of the key takeaways is that
12 as I look around the work that the members here do,
13 there are so many solutions that have already been
14 found and are working at a small scale, and there
15 is a huge opportunity to scale things just by
16 borrowing and stealing and -- and scaling existing
17 ideas, and I think both the community exchanges as
18 well as just the -- the networking amongst the
19 members here really made that evident for me.

20 Personally, in terms of what I'm proud
21 of, the work we did around SBIR and STTR was
22 something I invested a lot of my own time in, and

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1 it was -- while short, our list of recommendations
2 I think are right on the money and have an
3 opportunity to dramatically improve the
4 commercialization output of that -- of those
5 programs.

6 MS. GOONEWARDENE: So I'll be very
7 brief. My greatest takeaway about this group was
8 just the generosity of spirit. I mean, people were
9 so generous with their time, both in this room and
10 then certainly to UT System and to me personally.
11 Anybody I asked to do anything basically did it.

12 And the thing I am proudest of is really
13 two things: the work that Sean Williams and Carlos
14 Kemeny did I am incredibly proud of, and then the
15 other thing is that -- I am proud of is that this
16 group sort of rose above personal agendas. Nobody
17 seemed to be in this room trying to win a point.
18 They were all trying to advance the cause for the
19 betterment of the country, and that was really
20 pretty great. So that is -- .

21 MS. LENZER: And so there is one --
22 there's a couple more things. I also want to

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1 recognize as she is sitting here, because she got
2 away from the White House but has her laptop and
3 her phone working on, so she has been fully
4 indoctrinated in the government, Laura Powers, who
5 was a NACIE member up and until she was appointed
6 for a six-month term at the Office of Science and
7 Technology Policy at the White House, so I just
8 wanted to recognize Laura and say thank you for your
9 service.

10 (Applause.)

11 MS. LENZER: And I would also like to
12 take a chance, take an opportunity, would my OIE
13 team please come up? Yes, I am sorry, Eric and
14 Chavarria and Andria, I just want you to give them
15 a hand because herding cats, as this is, could never
16 have been done without these groups. So somebody
17 looked at me and said you have four people on your
18 staff? Yeah, this is it. This is the extent of
19 OIE team.

20 And oh, by the way, one of the big
21 lessons learned is never launch a grant program at
22 the same time you launch two NACIE groups. But

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1 thank you. We could not have done it without you
2 guys. Thank you.

3 (Applause.)

4 MS. LENZER: And I'm excited to say --
5 I mean, I think I shared this last time, that part
6 of my fight has always been I'm an entrepreneur,
7 I build things, and I build them way bigger than
8 me and sustainable, and -- and so getting Craig into
9 a position of being the Deputy Director, now he can
10 be Acting Director until -- until a new Director
11 is appointed, Political Director, but -- but EDA
12 is really -- and Commerce is really lucky to have
13 these folks here to -- to continue this.

14 And I am just warning you, they are
15 going to push you guys to focus on, you know, how
16 can we get something tangible, actionable, and
17 these folks know that that is something that
18 Secretary Pritzker is incredibly direct about.
19 Give me something that we can -- you know, that we
20 can hang our hat on. Give us something -- we don't
21 need to do 15 things if we can do three -- you know,
22 15 kind of mediocre things if we can do three things

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1 really impactful, and so when we did our briefing
2 with her, actually, the other day, prior to this,
3 it was actually one of the smoothest briefings I've
4 been involved in because she was just -- she
5 understood it, she -- you know, she looked at it
6 and was very pleased.

7 And so we are looking forward. I am
8 assuming that she is coming down soon? Okay. Any
9 other final words before -- Craig, was there
10 something? Oh, you want to --

11 MR. BUERSTATTE: Yeah, just real
12 quick, thanks Julie for the recognition, but while
13 OIE gets recognized, I would be remiss if we didn't
14 recognize all the staff that you offered up to us.
15 I know at times you probably were cursing us for
16 the late emails and the tasks and the papers that
17 we needed written, and I know all the people behind
18 the scenes that helped make that happen, so please
19 go home and thank your admins, your support staff,
20 and all the folks that helped us working alongside
21 with you.

22 I think my biggest takeaway was how

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1 humbling it was to have American citizens committed
2 to come into D.C. every quarter and help us
3 government folks be better at what we do, so thank
4 you, thanks to your staff. It's awesome.

5 (Applause.)

6 MS. LENZER: It has been -- you know,
7 I have shared this with you guys before, but I have
8 done a lot of facilitation in my career, CEOs. You
9 guys were the hardest out of everything.

10 And that's a good thing, right, because
11 if it's easy, anybody could do it, but just trying
12 to bring together, as you said, the power of the
13 diversity, but that is also a challenge. It's a
14 little bit of a challenge because we all came with
15 our own perspectives, our own -- there's a few
16 opinions around the table, just a few, but it --
17 but there was never -- I never felt that there was
18 any time that anybody was disrespectful, or, you
19 know, was not listening, you know, or, you know,
20 really hesitant to share their experience.

21 I think one of the things that you guys
22 identified as NACIE 3.0 was that we need to make

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1 sure we get sharing our experience and what we've
2 done earlier, and so we have actually baked that
3 into our -- you know, for 3.0, how they are going
4 to operate so that we can bring that to bear in the
5 -- in the conversations sooner, and then getting
6 to the team building sooner, so NACIE 3.0, you will
7 -- you will -- one of the things that we did to them,
8 they survived, and they came back the next quarter,
9 which was amazing, is that we put them all in a room
10 on the first meeting. We had one full-day meeting,
11 we gave them like two hours to come up with some
12 key initiatives that they were then going to
13 present to the Secretary of Commerce two hours
14 later.

15 It was a little bit of a pressure
16 cooker, and yeah, they're all looking around the
17 room going yeah, we -- and -- but I am impressed
18 you came back after that because it was not easy
19 to do that, and it was -- we were given -- we gave
20 them very little guard rails I think. Yeah? And
21 there's a few problems that we need to solve, but
22 we survived, and we came up with a lot of good

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1 outcomes.

2 So as we're waiting, does anybody else
3 have any other comments they would like to make or
4 closing thoughts? Use a microphone because nobody
5 can hear you.

6 MR. SHUKLA: I just wanted to piggyback
7 on what Steve was saying about, you know, making
8 sure that we maintain the kind of intelligence in
9 the network that we've built here because we can
10 all go off and do our own thing, and pretty soon,
11 this becomes a distant memory.

12 So I -- I don't know what effort is being
13 planned. I know this came up in the community
14 exchange program in -- in Chicago for an alumni kind
15 of effort, you know, beyond this
16 -- beyond individual groups that we can keep the
17 sort of central repository of information insights
18 and work moving forward a lot.

19 MS. LENZER: And I think that is one of
20 the things, so, you know, unfortunately, it's not
21 part of our staff that we can staff that, but I know
22 that it is something that you guys are interested

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1 in, and I am hoping that we'll be able to -- you
2 know, I don't know that we can facilitate it per
3 se, but certainly, if we can, you know, provide the
4 tools or whatever, the list, I mean, you guys all
5 have each other's emails and everything.

6 I think Jay is back. Jay can come back
7 in. Or unless you want to -- actually, if you can,
8 yeah, wait for the Secretary, she will be here any
9 minute. I saw her security detail. That usually
10 means that she is on her way. Microphone please.
11 Sorry.

12 MS. GUERRA: If we can keep the alumni
13 dialogue going, you know, we don't have to have
14 meetings or whatever, but just the dialogue, you
15 do need to get out to the community, you do need
16 sometimes the community to step in and help
17 leverage things on the Hill, other places, and
18 there's ways that we can help now that we intimately
19 know what is trying to be done, and I think that
20 that is an asset for this, you know, NACIE 3.0 is
21 how can we be your arms and legs to help you get
22 more done? And then just for ourselves, obviously

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1 to just keep the dialogue and leverage the
2 communications and relationships we have
3 established.

4 MS. LENZER: And I'm really hoping that
5 those who have elected a second term of service --
6 I'll be nice -- will help us to bridge that gap,
7 right, that they can help to bridge between 2.0 and
8 3.0 so that, you know, you guys can kind of bring
9 that back to the alumni. We even talked at one
10 point about hosting NACIE meetings, 3.0 meetings,
11 in the towns of the 2.0 members, and the 2.0 members
12 could host you and also could do an alumni thing.

13 PARTICIPANT: That's a great idea.

14 MS. LENZER: Yeah, I think that's what
15 you guys had talked about, so hopefully you guys,
16 you know, Steve, you can help to bridge that as we
17 have the new one, and we actually -- maybe we can
18 put you on a Slack channel like we have for the 3.0.

19 MS. GUERRA: Hey Julie, and just for
20 everybody, I am starting a fund if you guys want
21 to join to buy coffee and donuts for the new
22 members, so if you will all volunteer to, you know,

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1 throw in \$50, we will start a fund so that they can
2 buy coffee for 3.0 members.

3 MS. LENZER: You guys will laugh, but
4 we actually -- we can't provide coffee, so for the
5 first meeting, we knew there was no way that we
6 could have these people sitting around for an
7 entire day uncaffeinated, so we actually went out
8 and bought coffee on our own money, but it is --
9 but it is important. You know, that is part of that
10 service thing is trying to make sure that you guys
11 have the resources that you need to be productive,
12 so -- what's that?

13 DR. TANG: Crowd fund the 3.0 --

14 MS. GUERRA: Yeah, exactly. I am
15 serious, though.

16 MS. LENZER: So this is -- so NACIE was
17 established as part of the Obama administration,
18 so there has been no administration transition.
19 The good news is that it is legislatively -- it is
20 -- it is in legislation that this organization
21 exists.

22 Now, to the extent that the Secretary

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1 of Commerce chooses to use it or not, we can't
2 control that, but it is an advisory committee for
3 the Secretary of Commerce, and so the incoming
4 Secretary will be briefed on the role of NACIE, what
5 NACIE has done, and again, that is why we are
6 focused on the first 100 days of how can we show
7 early wins so that we can show and present the new
8 Secretary with here is a very valuable resource
9 that you need to leverage and here's the kinds of
10 things that they can do, and I am sure they will
11 have their own agenda.

12 They will have -- you know, hopefully
13 they will carry on some of what we've already
14 started, and there is a big effort underway to try
15 and do that, you know, but it will be an interesting
16 -- it will be an interesting experience because it
17 is never -- as you said, I don't think that there
18 has been a transition of FACAs. I think usually,
19 they end and begin again with a new administration,
20 so we're trying something new and out of the box.
21 We're disrupting government.

22 I think when they brought me in, they

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1 knew that government was going to be disruptive in
2 some way or another. All right.

3 MR. BUERSTATTE: Just a quick plug on
4 the transition. Later tonight, we will have a
5 reception over at Brick and Mortar. Some of our
6 awesome career colleagues from SBA, Treasury -- and
7 here is Secretary Pritzker.

8 MS. LENZER: All right, yes, so I hope
9 you all join us tonight.

10 Well, I would like now, please join me
11 in welcoming Secretary Penny Pritzker. She is the
12 chair of this committee, and thank you for joining
13 us.

14 (Applause.)

15 MS. LENZER: All right. Thank you
16 very much for joining us, Secretary Pritzker.

17 And now I would like to ask the
18 co-chairs right here in front of you, Jim Clements
19 is going to start us off. They are going to give
20 you a little bit of a briefing about what we have
21 accomplished over the last two years. Thank you.

22 CO-CHAIR CLEMENTS: Well, good

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1 afternoon.

2 SEC. PRITZKER: Good afternoon.

3 CO-CHAIR CLEMENTS: Good to see you
4 again.

5 SEC. PRITZKER: It's great to be here.
6 Thanks.

7 CO-CHAIR CLEMENTS: Well, I think all
8 of us want to thank you for your leadership and your
9 guidance throughout this process. At the very
10 first meeting, you challenged us to focus on items
11 that could be implemented and that could make a real
12 difference, and we had the opportunity to work with
13 amazing colleagues from around the country. You
14 just missed a standing ovation for Julie and her
15 team, for the great job that they did. Yes, they
16 did a great job.

17 Well, we focused really on two things.
18 One is related to SBIR, and the other was related
19 to measuring innovation. I'm going to ask Stephen
20 first to talk about SBIR.

21 DR. TANG: Thank you, Jim. Madam
22 Secretary, it has been an honor to serve NACIE 2.0.

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1 I look forward to serving NACIE 3.0 as well.

2 Part of what we did in terms of defining
3 the needs for better legislation for the Small
4 Business Innovation Research grants and the Small
5 Business Technology Transfer grants, which, as you
6 know, has been billed as America's seed fund, over
7 \$2 billion a year of funding goes to promising
8 technology that typically originates from
9 federally funded research to fill an unmet need for
10 the government.

11 The reach of this program is over 11
12 agencies, including the Department of Commerce,
13 but not limited to Commerce, and it has been the
14 -- the nexus I think for some of the great
15 inventions and commercializations that have come
16 onto the market.

17 What we determined is that there are
18 needs within that program to more specifically,
19 intentionally target commercialization of
20 technology, and that is what we have proposed.
21 Through the auspices of NACIE members, we were able
22 to get a bill into markup into committee in

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1 Congress. It did not move beyond that, but we
2 believe it needs to move beyond that in 2017 for
3 the full reauthorization of SBIR.

4 So this is a key effort that was led by
5 Dr. Clements in the Innovation Team, joined with
6 Dr. Burcham in the Entrepreneurship Team. It has
7 been a real pleasure to see that come as far as it
8 has, and we look forward to doing more as a legacy.

9 And the other thing I would say just
10 beyond SBIR is the integration of your work at
11 commerce with what you have done with Labor
12 Secretary Perez, including workforce development
13 and what we do for innovation entrepreneur, has
14 been stalwart leadership and something I think that
15 is reflected in the other things we've done at
16 NACIE, so thank you.

17 SEC. PRITZKER: Can I ask a question?
18 It is my understanding -- when does the bill -- the
19 renewal of SBIR is when? Two thousand --

20 DR. TANG: '17.

21 SEC. PRITZKER: '17. So there is
22 still -- I think the expectation is it would get

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1 taken up next year, but my impression is what you
2 did was you really influenced the language in the
3 bill for the Senate. I believe it was a Senate bill.

4 DR. TANG: Yes.

5 SEC. PRITZKER: Okay. Terrific.

6 CO-CHAIR CLEMENTS: Other than the state
7 we worked in, the good news is he is back in NACIE
8 3.0 as a co-chair, so he continues.

9 And Madam Secretary, the second piece
10 that we really pushed on was really measuring
11 innovation, and the view is if you don't measure
12 it, you can't really tell if you are making
13 progress, so we really tried to tackle that. Julie
14 played a lead role in that. The other Julie, yeah.

15 (Laughter.)

16 MS. GOONEWARDENE: Thank you,
17 Secretary Pritzker. As Dr. Clements said, this
18 was born out of the recognition that measurement
19 is important, that the United States does not have
20 a uniform measure for innovation. There was a lot
21 of discussion about how we get there, and what the
22 team concluded through the work of Dr. Sean

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1 Williams from Clemson and Dr. Carlos Kemeny from
2 UT System were really the people who drove this
3 effort, was that we needed an encyclopedia of
4 innovation for the country, and that there is value
5 at this time as we move towards having a uniform
6 measure of gathering up the measures that we do
7 have, defining them, making them available to
8 different communities so that they can access those
9 measures and report on those measures that are most
10 meaningful to their communities.

11 It is a recommendation of this group
12 that the NACIE 3.0 continue this. I think both
13 Clemson and UT System remain interested in
14 supporting Commerce in this effort. If there is
15 a creative way to partner, we would welcome that
16 opportunity.

17 CO-CHAIR CLEMENTS: And I think the
18 last thing that we would want to put out there, and
19 this is really as a group as a whole, it's something
20 we were very passionate about from the very first
21 meeting, is a more inclusive network for innovation
22 entrepreneur.

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1 We really think that for this country
2 to be successful in the future, you really need all
3 hands on deck. I mean, you've got to open it up
4 to more individuals so they can get into venture
5 capital and entrepreneurial activities and the
6 innovation network. That is a common theme that
7 was heard across this group, and I think that is
8 something we all feel very strongly about, and we
9 challenged NACIE 3.0 to continue that.

10 CO-CHAIR BURCHAM: Good afternoon,
11 Madam Secretary. I am going to speak on behalf of
12 the Entrepreneurship Work Group. We all
13 appreciate this opportunity to be part of NACIE and
14 to do something really great for our country.

15 We began our journey focusing on four
16 key thoughts: being more inclusive in
17 entrepreneurship, leveling the playing field of
18 opportunity; the next generation of incubation,
19 how to learn best practices of what really helps
20 ideas become real businesses rather than
21 PowerPoints; fostering innovation by partnering
22 larger companies with young innovative startups;

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1 and then improving access to capital.

2 A few of the things I will highlight
3 that a large group of folks around this table led,
4 and that is first in the Community Playbook.
5 Through the work of this council and our desire to
6 improve community ecosystems, EDA has funded two
7 research projects to study best practices in
8 entrepreneurship and community development in
9 partnership with the National Academy of Sciences
10 and InBIA, which we believe the outcome of that work
11 will prove very fruitful learnings for NACIE 3.0
12 to really further the work in community development
13 all over our country.

14 Secondly is I had the opportunity with
15 co-chair with Tiffany here besides you and a group
16 of us working on the Capital Continuum. The work
17 included engagement with the Treasury Department,
18 participation in an SSBCI panel. We held a Capital
19 Continuum convening in Nashville, and we invited
20 seed angel venture, private equity, government
21 funders, university transfer offices, and
22 entrepreneurs and researchers together to talk

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1 about what happens after initial grant funding to
2 get companies so that the private capital markets
3 are interested.

4 We published a white paper of that work
5 that the council has and move forward into NACIE
6 3.0 of all those learnings, and we've spent the
7 summer meeting with seed angel and equity groups
8 to really understand their criteria. Yesterday,
9 we had the opportunity at the White House to work
10 with -- on an idea of catalyzing early stage
11 investment with the White House Office of Science
12 and Technology, and OIE led that, an awesome
13 colleague of ours here.

14 And through that work, we think there
15 is an opportunity really to get uber-focused on how
16 private equity and -- and venture equity funders
17 really can reach forward into this earlier stage
18 investing if they can lay out their criteria of what
19 they are looking for for investment, and we think
20 there is a fruitful opportunity there for NACIE
21 3.0.

22 And I'd say the final thing that I'd

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1 like to highlight is the community exchanges. It
2 actually began as a let's meet somewhere else idea,
3 to be honest with you --

4 (Laughter.)

5 MR. KENNEY: -- but often, good
6 innovation starts with a simple notion like that.
7 I lobbied hard to have the group come to Nashville,
8 and then Julie hosted a group in Austin, and Marie
9 hosted a group in Chicago.

10 These exchanges provided really
11 valuable insight for all of us, but it did something
12 more powerful. It gave us a laboratory to offer
13 help to one another and lift up a community with
14 real problems rather than being so theoretical.

15 EDA is now looking at how to put these
16 community exchanges into a process that could be
17 amplified, sort of like America's Competitiveness
18 is done today. So we're excited about that.

19 And I'd say finally, on behalf of all
20 of our colleagues here at the table, we look forward
21 to being part of NACIE alumni, and also the
22 opportunity to look at the work over the years that

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1 will happen out of our work and what NACIE 3.0 does,
2 so thank you on behalf of all my friends around the
3 table for this opportunity.

4 CO-CHAIR LYNCH: Hi. So first, I want
5 to say thank you for including workforce in NACIE,
6 even though there is no "W" in the NACIE. We found
7 our way, and it became a really important part and
8 I think was really illuminating for folks.

9 So a couple things I am going to
10 highlight: one would be the community exchange. I
11 just want to put an exclamation point on it because
12 it was executed and went from pilot to execution;
13 also, the sharing economy, which was -- has laid
14 a framework; and also finally the labor market data
15 modernization, which, while not successful, also
16 provided a set of lessons learned for NACIE 3.0 to
17 take up.

18 So let's start with the exclamation
19 point, where Michael left off. Community exchange
20 is -- is something that I think we're all incredibly
21 proud of because it allowed us to immerse ourselves
22 in exchanging ideas in a way that I think taught

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1 us that we can scale if we bring the human element
2 together.

3 One of the things the council really
4 talked about a lot in the first year was about
5 wanting more data, wanting to share best practices,
6 and at the end of the day, any technology that
7 exists, you pull it away, it's about people pulling
8 something off together, and I think the community
9 exchanges really have shown that.

10 Tangibly, both in Nashville and in
11 Chicago, whether Thistle Farms, a not-for-profit
12 which deals with some of the hardest to serve
13 through a boot camp, or Skills for Chicagoland's
14 Future, both of those actually have had abilities
15 to scale and created -- have created new
16 relationships that have impacted both of those
17 organizations dramatically related to this.

18 Additionally, we were also able to
19 tackle issues like minority entrepreneurship and
20 shared economy at those -- at those cities
21 together. Moving ahead, we're -- we're asking
22 that it be incorporated into 3.0 for NACIE so that

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1 more civic leaders beyond those just in 3.0, but
2 civic leaders in all these cities can continue to
3 be involved.

4 On the sharing economy, absolutely, you
5 know, the time was right for recognizing that
6 somebody needed to be what I call Switzerland.
7 Eric was really the lead on this of recognizing that
8 when you pull the data on the sharing economy, that
9 there is a lot of viewpoints on it, but they are
10 either protecting the worker or the business, and
11 NACIE really had this opportunity to come in the
12 middle and just try to take a very objective view,
13 and -- and Eric really led that.

14 And so with that research, the
15 recommendations which have come is about more data
16 collection and analysis, and NACIE 3.0 can continue
17 to take and then continue to identify legislative
18 and policy actions that are objective reforms so
19 that at the end of the day, our workforce is served
20 and our businesses are served, and I think again
21 that Switzerland perspective of NACIE is what makes
22 NACIE so unique in continuing to tackle this issue.

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1 Finally, Glassdoor, you know, we had
2 the CEO of Glassdoor, Robert, on this council, and
3 wow, did they do an incredible effort of something
4 I think you would have been really proud of if they
5 could have pulled it off, which was putting
6 together a supply and demand dashboard using
7 government data, unemployment data on one side, and
8 then all the private sector data that, you know,
9 Glassdoor has on the other side.

10 Unfortunately, due to legal -- getting
11 legal access to the state unemployment data and
12 having some trouble identifying state champions
13 who could kind of push through that for them, they
14 were unable to achieve it, but Glassdoor has left
15 the door open for NACIE 3.0 to pick this up, and
16 I think if we can find the right state champions
17 for this database, that would be so beneficial to
18 both business and the government can continue to
19 happen, and so that is something that 3.0 will have
20 to decide whether they want to continue that. And
21 thank you.

22 SEC. PRITZKER: Well first of all -- I

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1 will hold this, it will be easier than talking into
2 this, but first of all, I just want to say thank
3 you very much for all the hard work that has gone
4 into the outcomes of NACIE 2.0, and I know that we
5 were quite pointed at the beginning about being
6 focused on outcomes and what could we get done, and
7 I think what you've done is two things.

8 First of all, there is a lot to show for
9 your efforts, but there is also, you've laid a great
10 foundation for the next NACIE, so I thank you all
11 for that.

12 You know, it takes a lot of dedication
13 to do this, and I know you are volunteering your
14 time and -- and in many instances your
15 organizations, and we really, really appreciate
16 that. I know you even met in Steve Case's office
17 in the middle of a snowstorm when the government
18 -- maybe there was an inch of snow on the ground,
19 and --

20 (Laughter.)

21 SEC. PRITZKER: -- and the federal
22 government shut down, so -- but thank you very much

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1 for your persistence and your commitment in that
2 -- in that effort.

3 I think that there's so much to be
4 learned from the work that you've done. You know,
5 you have had a big impact, as you said, on the SBIR
6 legislation. I think that is something that will
7 definitely get taken forward. It has enormous
8 import to taking ideas from lab to market, and we
9 must stay vigilant, and NACIE 3.0, I encourage
10 those of you who are continuing on to really
11 continue with that effort.

12 The exchanges that you did, it is really
13 exciting to hear about how productive they were on
14 so many levels, and I think you are right when you
15 say we can look at all the data, but at some point,
16 you have to also sort of spend time with the people
17 and the problems to actually really feel the
18 challenges and understand the scope and nature of
19 solving them.

20 The -- you know, I look at the Glassdoor
21 experiment as just that. It was very productive,
22 actually, because it underscores something really

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1 obvious that -- which is we need to figure out how
2 to make more government data more available, and
3 this just -- the frustrations and the challenges
4 only underscore that problem.

5 We at the Department of Commerce, just
6 as a sidebar, you know, we have been really focused
7 on making more of our data available, and I have
8 to tell you, it is not easy, right? We have tens
9 of thousands of data sets that are in what I call
10 analogue version, and we actually had to create a
11 whole new Commerce Data Service and bring together
12 data scientists and data analysts so that we could
13 begin to develop projects, and we're both teaching
14 our own people how to become data analysts, but
15 we're also -- we're also taking on cross-agency
16 projects, and it is not so easy, and so the -- the
17 experience that you had with Glassdoor I think is
18 actually really important because it helps us learn
19 where are those challenges, and I think that -- I
20 hope you will carry on the open data efforts because
21 I think there is a lot of fruit that can be born
22 from that effort even though this first effort was

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1 -- maybe didn't produce what we had all hoped.

2 I would say to the five members who are
3 returning, we are grateful for your continued
4 service, so thank you very much. It is -- it is
5 very important. To those of you who are leaving
6 us, you're never really gone from the Department
7 of Commerce. You are part of our extended family.
8 As you said, having an alumni group of NACIE is
9 really an extension of the Department of Commerce,
10 and never forget the import of the work that you've
11 done to date, and I hope that if the experience was
12 positive, you'll volunteer for something else
13 because we're only as successful as our ability to
14 leverage ourselves with the expertise of folks like
15 yourselves.

16 We can't have it all here. We can't
17 know it all, and -- and we really, at the
18 department, in order to have the kind of scope and
19 reach and impact, really has to partner with the
20 private sector, so I thank you very much for that.
21 It is extraordinarily valued, not just by me, but
22 our entire organization.

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1 I -- I think that the handoff that you
2 are doing is really important, the here's what we
3 feel we have gotten done, here is where things need
4 to go forward, and I really appreciate the
5 thoughtful way that you all have done that. It is
6 very important.

7 For those of you who are continuing
8 forward, there are a couple things. I think this
9 notion of inclusiveness is really important:
10 diversity, how do we develop more talent pipelines
11 in -- in less expected places, how do we help
12 minority-owned businesses secure funding because
13 that's also a great source of developing diverse
14 talent.

15 And then I also think the second thing
16 is think about -- the Department of Homeland
17 Security has proposed the International
18 Entrepreneurship Rule, which is a rule that would
19 allow foreign-born entrepreneurs to stay here in
20 the United States for a period maybe up to five
21 years, and I would hope that you all would think
22 about how do we maximize the value of that program,

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1 and how do we promote that as an initiative?

2 So those are two things that would
3 benefit from your insight and your expertise, and
4 we look forward to new issues as you think about
5 how to impact the agenda of our department and the
6 next political -- the next administration and the
7 next political leadership here of the department.
8 But I hope you leave today knowing you've had an
9 immeasurable impact. You confronted issues, real
10 issues that are being faced in our communities, and
11 you have helped our country be more competitive
12 through your work, and you have been invaluable
13 advisors to our entire team, and so I thank you all
14 very much for everything that you have done and look
15 forward to the next group's work.

16 And I also want to thank our staff. You
17 know, without Julie, without Jay, without the
18 entire Commerce team which is surrounding us, you
19 know, this work is not -- it doesn't just happen,
20 and so I -- I really -- I hope, like you, I hope
21 folks in this room know how grateful I am for the
22 support that we get from the Commerce team. So I

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1 will just end by saying thank you, and I think we
2 get to do some photos or something.

3 (Laughter.)

4 MS. LENZER: Yes, absolutely.

5 CO-CHAIR CLEMENTS: And Penny, if I can
6 just add, I do want to say you do have a great team,
7 and we're -- we're thankful for the opportunity to
8 work with them, and I think that team has a great
9 leader, and I think all of us here would say thank
10 you for your service to this country, for your
11 vision. This is a job you didn't have to take, but
12 you did because you wanted to make a difference,
13 and I think we would all say you've made a
14 difference, so thank you.

15 SEC. PRITZKER: Thank you. That means
16 the world to me.

17 (Applause.)

18 (Whereupon, the above-entitled matter
19 went off the record at 3:46 p.m.)
20
21
22

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