UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

NATIONAL ADVISORY COUNCIL ON INNOVATION AND ENTREPRENEURSHIP

MEETING

FRIDAY
FEBRUARY 2, 2018

The Committee met in Room 72015 of the Hoover Building, United States Department of Commerce headquarters, located at 1401 Constitution Avenue, Northwest, Washington, D.C., at 9:00 a.m., Melissa Bradley, Chair, presiding.

PRESENT

MELISSA BRADLEY, Chair
ESTHER BALDWIN
SCOTT FREDERICK
MAX GOLDFINE, on behalf of Steve Tang
RICHARD JOHNSON
DAVID KENNEY
MIKE NEMETH
ANDREW REAMER, PhD
EMILY REICHERT, PhD, MBA
WHITNEY SMITH (via telephone)
ALSO PRESENT

CRAIG BUERSTATTE, DOCUMENT EDA, Designated Federal Official

KENAN FIKRI, Economic Innovation Group

JENNIFER SHIEH, SBA OII (via telephone)

ERIC SMITH, DOCUMENT EDA

RYAN SMITH, DOCUMENT EDA
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MR. BUERSTATTE: All right, folks, let's get rolling. Good morning, everyone. And good morning to everyone in the room, and then good morning, Whitney in Chicago. Thanks so much for dialing in again this morning. Really appreciate it.

You all know me, Craig Buerstatte. And as the Designated Federal Officer for this Advisory Council, I would like to officially welcome and begin today's day two, February 2nd meeting for the National Advisory Council on Innovation and Entrepreneurship.

Again, we know the drill here. But as a quick reminder, run of show is in front of you. The cadence is pretty similar to what we've done before. We will have a break in the middle of the morning. But feel free to get up and stretch, grab some coffee if you need to. Restrooms are down the hall, that direction next to the water fountain in the corner. Can't miss
The plan of attack is to run through each workgroup from yesterday, entrepreneurship, innovation, and workforce development. I know many of you had an opportunity to contribute to two sessions. So it will be important to get you up to speed on that third one that you might not have participated in.

And once we work through those and hopefully solicit some improvements and better strategies to make the document more cohesive, if you'll look, we've got a kind of final editing collaboration opportunity from 10:15 to 10:30 at which point we may have a guest speaker to address some updates and opportunities with the Investment in Opportunity Act.

That is influx because we did have a cancellation, unfortunately. But we're trying to get a fill-in, and it might be really good, actually. So, we're excited about that.

And maybe pushing to a final vote depending on how we feel about things.
Unfortunately, it is hard to contribute on this for those who are virtually. It is a very, been a very roll-up-your-sleeves process.

So depending on where we're at, we might want to really think hard about if we want to push for a vote today or get maybe a few more weeks for those who are virtual to help us bring this through the red tape, reason being I think it's critical that every member has input on this so when we have a final product, it is truly representative of the body.

And then I think we have a better opportunity to solicit it to our own networks and push it across our friends and colleagues in federal government as well. So, critical that we have that mass of engagement.

But I would say, before I tee it off to Melissa, one thing that I heard a lot yesterday and every single meeting is we talked about entrepreneurship, development, whether it's enabling more entrepreneurs or teaching young kids to follow that career path.
A lot of it comes down to strengths and how to better enable one's strengths. And I'm confident in myself and I'm aware enough to know that my strengths are not in drafting complex policy.

So I have to give it up to Eric for late-night awesome drafting. We would not be here today --

(Applause.)

MR. BUERSTATTE: Absolutely awesome. You all were in the rooms yesterday and felt the dynamic conversation. And it was pretty neat to see what we came to late last night thanks to his work.

So, that's all I have to kick things off. Melissa, some thoughts?

CHAIR BRADLEY: Well, we're a little behind schedule, so I just want to thank everybody. I said to Eric, I read this early this morning, I said I would love to see the notes that precipitated this document because I could only imagine the robust conversation.
So I want to thank everybody. I heard great things about David and your facilitation/leadership. So thank you.

MEMBER KENNEY: Really?

CHAIR BRADLEY: Yes, I did.

MEMBER KENNEY: Is there another David here?

CHAIR BRADLEY: It's you, it's you.

So, I look forward to today and hopefully getting it done. Thank you.

MEMBER KENNEY: Thank you.

MR. BUERSTATTE: Well, do we have, want to pull this up to the document perhaps?

And I know we don't have specific -- actually, before we dive into entrepreneurship, I did hear another, did another member dial in? I know we have Whitney. Do we have another member on the line, yet?

MS. SHIEH: Sorry, it's just me, Jennifer Shieh from SBA.

MR. BUERSTATTE: Awesome, Jennifer.

Thanks so much. So, we'll pull up the draft
document. And we'll start with entrepreneurship. This one I have to say while we didn't really identify a core lead for our group during my session, I will say that Mike Nemeth had came in armed and ready with some thoughtful words to help us organize.

So maybe, Mike, if you want to kind of tee things off for us and talk --

MEMBER NEMETH: Sure.

MR. BUERSTATTE: -- through some of the strategy there on that section?

MEMBER NEMETH: Yes. And I didn't even have a mnemonic device yet for entrepreneurship when we started. But I think the basis before we even dive in to kind of where it ended up with was I know our small group in there just sort of looked at the different stages of entrepreneurship and different places where the federal government could influence and support success.

And so we focused on the sort of beginnings of, you know, encouraging and
inspiring entrepreneurship. And I think that's where we aptly ended the very first one with pursuing the American dream.

I think that was sort of the hallmark of the biggest thing that we thought could make an impact is just getting more people to consider entrepreneurship.

And then smartly design was our certainly focused statement around regulatory issues related to entrepreneurship. And obviously we hope that that can inspire some action to make it easier to begin a business in the US and then also, you know, compete here and globally.

Candidly, we kept trying to insert the funding discussion in there, and it kept getting pushed from our very first one to our next one to the third one. And I think at least it got split up between these two points on private and connected. So the private piece is as much about finding ways to connect private dollars to support things that perhaps were started from
federally supported initiatives.

And then the connected piece is about some of the community aspects that we talked about there at the beginning of NACIE, you know, the ideal that there's a lot to be gained just by simply creating networks of entrepreneurs and connecting them with capital opportunities, with role models, mentors.

So those were the four pieces that we started with. And I know we tried to blitz through them as quickly as possible. And then I believe the last one was the relevant piece is from the follow-on group, is that right, Craig?

MR. BUERSTATTE: Yes.

MEMBER NEMETH: And so I'm not sure if anybody who went into entrepreneurship on the second iteration wants to comment on that one. Obviously, it's something I agree with that, like, the notion that federal support of entrepreneurship can help direct some attention to sectors that otherwise don't receive much interest because of market risk or, you know,
industry cycle development, defense, healthcare,

some of those things.

MR. BUERSTATTE: I'll actually offer
up that this one was tricky. And for me, this
one might be an opportunity for, this seems like
it could use a little bit of work where it's
interesting to hear your interpretation of that
because in facilitating the group, I can say that
that wasn't the main goal.

While we wanted to increase awareness,
and that is maybe one goal here, it's really
about Emily and Rick were driving home the point
of making sure that government dollars and
programs and efforts are going toward the
infrastructure of our future, the energy of our
future, and enabling the small businesses and the
entrepreneurs to participate there.

So we're not, I can't recall who was
saying that, but if we need new roads, I'm sorry,
who was saying this. If we need new roads, let's
not just procure a bunch of concrete, but making
sure that we're investing in the roads of
tomorrow, and it's going to be the entrepreneurs
that are going to drive that.

    MEMBER NEMETH: I see, yes.

    MEMBER BALDWIN: That's almost like a
sixth bullet because I think awareness has come
up as a multiple topic that people don't know
where to get started, don't know where to go,
don't know what the resources are.

    MR. BUERSTATTE: So I think we tackle
that in the first point.

    PARTICIPANT: Accessible. Yes.

    MR. BUERSTATTE: Accessible.

    PARTICIPANT: I think that's fair.

    MEMBER KENNEY: I think maybe just the
word relevant could be swapped out if there's a
way because I think that the idea was really to
use the procurement power of the government to
de-risk new technologies. I think kind of the
nexus of the things that we had a lot of ideas
that were kind of getting crammed in there. But
I think that was kind of the core.

    MEMBER JOHNSON: There's another
reason, and I think it's really important that we use those federal dollars in areas that really help with entrepreneurship. But we're trying to sell something, we're selling our recommendation.

Who are we selling it to? The current administration. The current administration really wants new infrastructure in there. So if you put something in, we could help. We can help. You don't have to do anything, just let us, you know, we'll set it up for you.

So we can get that technology that you're trying to do. That's what I look at it is really. It's something very powerful we could do that they want.

MEMBER FREDERICK: It seems the concept is similar to what we're trying to get at under innovation with catalytic. I mean, is there another way to say catalytic instead of relevant, because isn't that what we're looking to do is make sure that those investments trigger more than just the procurement, you know --

MR. E. SMITH: I mean, to that point
I think we don't have to stay with kind of strict
delineation between innovation, entrepreneurship,
and workforce development. I think one of the
things that I saw putting all this together last
night is that there are common principles across
a lot of these. And so maybe the categories are
not --

PARTICIPANT: Too arbitrary?

MR. E. SMITH: Yes, maybe they're --
yes.

MEMBER KENNEY: Maybe there's some,
like, collaborative and that that get pulled out
that are sort of common to everything. Right?
There's some overarching principles and then some
that are specific to the three categories.

MEMBER REICHERT: I can agree with
that. It sounds like a good idea. It's just
being in the discussion that, I only know two of
the three, so -- and there was a lot of overlap.

MEMBER FREDERICK: It seems like those
concepts of catalytic and strategic from up above
and innovation, they're the same concepts that
really apply to entrepreneurship as well. We
want those federal investments.

And this might have been where we kept
tripping over the whole idea of funding because
it's difficult. It's a tough role for the
government to play. But if it's going to do it,
we want to make sure those investments are
strategic and catalytic. I mean, you don't want
to just keep using the same words, but.

MEMBER JOHNSON: And I will go back
again as the salesperson here. In Trump's
proposed infrastructure expenditures, he included
a significant portion of that in new, innovative
technology ideas. So we should help.

MEMBER KENNEY: Do you know who --
(Simultaneous speaking.)

MR. BUERSTATTE: Where do you guys
want to file this stuff?

MEMBER BALDWIN: I really like the
data-driven, the fact that it's in two of the
three --

MR. BUERSTATTE: Sorry, Esther.
Before we get to data-driven though, I want to talk about the catalytic, strategic, and relevant. There's a lot of interest here it seems, and let's try to make a decision on what belongs where.

MEMBER JOHNSON: I like what Emily had said. You can bring those common concepts out. Bring them out. You say this is what, you know, we believe. There are some big ways you can help, you know, that are common. And I think there's, like, either here are three core principles in there, united across everything. And then there's some secondary ones.

Or here's ten. And then it's ten that cover all of it.

MEMBER JOHNSON: Ten's too many.

MEMBER BALDWIN: It's like a matrix, the three are horizontal across all, and then the three or four, and then each one has their own --

MEMBER JOHNSON: If there's three core though, they'll read that and understand it, then they'll skim it the rest, stop reading --
PARTICIPANT: I agree.

MEMBER JOHNSON: -- and say sounds great, do it.

MEMBER BALDWIN: It's simple.

MEMBER JOHNSON: I like simple.

Right, there's three core ones and then --

MEMBER BALDWIN: KISS. Keep it simple --

MEMBER NEMETH: -- there's some other secondary ones beneath each piece.

(Simultaneous speaking.)

MEMBER FREDERICK: But that might be a way to simplify. I mean, the more I think about it, so many of these things apply to all three. So if we're trying to give a framework, what better way to have a framework that works for all three?

MEMBER NEMETH: Yes, there's certainly the one page rule of, like, if it can't fit on a page that I can look at and say here are three principles, it's too hard.

MEMBER KENNEY: Eight point font. I
mean, there's nothing --

(Simultaneous speaking.)

MEMBER KENNEY: -- one description that doesn't apply to all three. Right?

MEMBER REICHERT: The question is what are we being asked for? Are we being asked for principles on innovation, entrepreneurship, and workforce development? Or are we being asked for guiding principles for all of these topics? Or what do you think is the most useful for the audience that we're seeking to reach here?

MR. E. SMITH: I mean, we have the freedom to decide. I think that there is probably some power in tying them together with the principles and not necessarily dividing these three areas.

But I think that's up to us to decide if we think that it makes more sense to have a set of innovation principles. We can do that.

MEMBER KENNEY: I wonder if we can come up with three to five that were shared, and then not try to come up with separate ones but
really just have a short narrative for each that
sort of describes how those concepts are applied
in each of the -- because the differences to me
are in the how you think about connected in
workforce versus in entrepreneurship with the
idea of being connected or catalytic or
collaborative or whatever is common to all of
them, right, and leveraging the private sector.

But how you leverage the private
sector in workforce is different than innovation.
So maybe you just have a little paragraph that
kind of describes how you would think about
those.

CHAIR BRADLEY: Teasing out the
nuances.

MEMBER KENNEY: Yes.

MEMBER FREDERICK: I mean, is it
effectively just flipping the organizational
constructs of, you know, the one, two, threes
aren't innovation, entrepreneurship, and
workforce development, they're the framework, the
components of the framework. And then the nuance
for all three is just hammered home.

MEMBER KENNEY: That's a good way of thinking about it. And I don't know how, you know, we've got more than five here when you look at, even with the duplicates. So we need to consolidate that down because I agree, it should be short-ish list.

Some of these are, I mean, I think to me it's obvious that sort of the private sector component, leverage needs to be one of them that's really sort of that. And I think some of the bridging or connectedness can be integrated into that idea because the whole point is there are too many gaps between where government funding and private sector funding should connect and they don't.

MEMBER REAMER: I want to throw out, reading through this, see what you think of these four, what's missing or inaccurate. Data driven, strategic, catalytic, and collaborative.

MR. BUERSTATTE: That was kind of fast.
MEMBER REAMER: Data driven.

MR. BUERSTATTE: Yes.

MEMBER REAMER: Strategic, catalytic, and collaborative. And a couple of these can have a couple ways to think about it. So you can think about in catalytic as one, having people aware of their opportunities, leveraging private dollars with public dollars, influencing, it kind of works from being catalytic with the Department of Transportation in terms of how it does procurement around infrastructure.

But I agree, I think it would be better to keep the list short, you know, rather than have ten principles. Have three, four, five, and then --

MEMBER REICHERT: But we would put these bullets here underneath those main categories?

MEMBER REAMER: Well, I think the idea would be to, and to David's point, to start with a broad articulation of the four principles, and then under each category you dive, you take
collaborative or catalytic and you explain how it's relevant to entrepreneurship or innovation.

MEMBER NEMETH: I just, I mean, to me what at first I was kind of struggling to figure that out. But the part that was relevant to me was just look at the different definitions on connected. And it's like connected under innovation is talking about connecting that public sector, you know, the university resources, things like that.

And then obviously connected in the entrepreneurial section, we were talking about something completely different about connecting entrepreneurship networks. So that's, I'm in support of the idea, just like having a here's the four main principles and then varying --

(Simultaneous speaking.)

MEMBER FREDERICK: You can show how they apply in these three contexts.

MEMBER KENNEY: So I'm curious about your list. And data driven and strategic to me, if it's strategic it should be, you should select
your strategic things using data, right. So I'm wondering if you could combine those because strategic to me is kind of a duh. I mean, every initiative should be strategic in some way.

MEMBER REICHERT: But I think that the discussion we had yesterday in -- let me see, what group was that -- innovation, was about how there's really a lack of a master strategic plan for areas that we should be investing in.

So maybe competitiveness is the overlay there rather than data? I mean, it is data driven to be strategic, but there needs to be an emphasis on being strategic.

MEMBER FREDERICK: I don't mind the emphasis on strategic. I think your point, tell me if I'm wrong, you're just saying that they can be collapsed.

MEMBER KENNEY: I think so.

MEMBER FREDERICK: So in strategic, as you flesh it out you say be data driven.

(Simultaneous speaking.)

MEMBER FREDERICK: Because you need
something --

MEMBER REICHERT: I think you need strategic as the --

(Simultaneous speaking.)

MEMBER FREDERICK: I like strategic better than data driven. I just think it's a little bit more all-encompassing.

MEMBER JOHNSON: So, somebody threw out the word competitive. That's a word I hear in administration.

PARTICIPANT: Yes, me too.

MEMBER JOHNSON: Talking about global competitiveness, I hear that word all the time. I'm not sure we know how to do that. And so if there was an opportunity here to fold that in.

MEMBER KENNEY: So I get your point, Emily, that the explanation of there isn't enough strategic thinking and there should be more. And this framework itself is intended to provide some of that.

What I'm thinking is if you were looking at proposals in a solicitation and you're
trying to evaluate them or the solicitation itself and evaluating whether it fit this framework, would it be easy to compare is this strategic, or is there another, does it address competitiveness.

I'm just wondering if there's a way to capture that thought because I agree. But to me it's the same. It should be strategic feels too generic or something.

MEMBER FREDERICK: I'm looking at all these different, because I think we have some wonderful content here. But I would bet, and maybe we're over-simplifying it. If we just went strategic, catalytic, and collaborative, I think it's pretty easy to fit each of these into those three.

And when you talk about strategic, to pick up Emily's point is we make all these federal investments, but there doesn't seem to be anybody kind of looking broadly. You know, what new technologies are out there, where do we need to make sure we win.
You know, we got, I probably took us into the weeds on things like quantum computing and things like that where it just could be of massive strategic importance. So I think we can capture that.

And under-strategic, you can also talk about how it needs to be data driven and how it applies slightly different. You know, there's nuance for innovation, entrepreneurship. But I mean, hey, if we want to get a simple framework, strategic, catalytic, and collaborative.

I bet we can give them an organization construct with that. I mean, is that too simple?

MEMBER JOHNSON: No, I like it.

MEMBER BALDWIN: You can do all of that without being data driven.

MEMBER KENNEY: And I think if there's enough elaboration under strategic, it could feel less generic to me.

MEMBER FREDERICK: But we elaborate that it should be data driven.

MEMBER KENNEY: Right, yes. Exactly.
MEMBER FREDERICK: And we could bring that --

(Simultaneous speaking.)

MEMBER FREDERICK: -- points about, you know, robust data collection. So I think we can get some nuance in there.

MEMBER REAMER: Yes. And I want to emphasize, or I want to point out that two different approaches but two complimentary approaches to data driven. One is data that influences policy and design and implementation of programs.

But the second is the availability of data and information in the market so people can make better decisions. And that's a strategic use of data. So back to that 16 year old in high school, has the data and information she needs to figure out what to do after she graduates high school.

MEMBER SMITH: I would add accurate to that because in industry, we use data that is 99 percent accurate because that one percent means
somebody's airplane falls to the ground or
somebody gets the wrong medication or whatever.

So I don't think just in the data that
I've used that it's maybe 60, maybe 30 percent
accurate in determining, you know, what jobs
there are in the future, what current jobs there
are open. We just don't have that data. It's
just not accurate.

MEMBER REAMER: So if we can, you
know, if you're comfortable folding that under
strategic, that's fine for me.

MEMBER FREDERICK: I think it could
be, you know, as you flush out the nuance and
explain what you mean, to your point that
strategic is a little overused and vague. But if
you can talk about the data driven and investment
and data accuracy.

MEMBER REAMER: Those are good points.
And is data driven, I know every administration
has phrases and words they like, and I've heard
things like evidence based and science based
aren't as popular now. Is data driven --
MEMBER REICHERT: I feel like at least that concept was reflected in a lot of what we read as the re-reading. I don't know, I can't remember that phrase being used.

MR. E. SMITH: Yes, evidence based policy I think is still --

MEMBER REAMER: Is that still good?

Okay.

MR. E. SMITH: Yes, evidence based policy making is a big bi-partisan, one of the few things.

MEMBER KENNEY: All right, great.

MEMBER REAMER: Melissa, can you speak up for the transcript?

CHAIR BRADLEY: No.

(Laughter.)

MR. E. SMITH: Crosstalk. One thing that I wanted to bring up that I don't necessarily hear in those three categories is the, like, people-centric aspect of this.

And I think one thing that, you know, this administration's particularly concerned with
is how technology and the changing economy has
affected people. And I just maybe we can work
that in there. Maybe it needs to be another
category, but I wanted to throw that out there.

           MEMBER NEMETH: I was just thinking
about as we put in, like again, whether it's
collaborative which ones in the entrepreneurial
section we say roll into that.

           And I think the accessible piece where
it's like hey, frankly we got to find a way to
end one of them with opportunity to pursue the
American dream because that was a powerful,
sharpful end to one of them. And I see that
fitting into the group four collaborative or
aligned.

           MEMBER KENNEY: Yes, I think you could
do both collaborative and catalytic. You could
really focus on relationships and humans in the
collaborative piece. And in catalytic you could
focus on, you know, helping to because of the
changes and the impacts, the negative impacts
that have been on concurred on communities and
people, this program should help launch people forward. To be very people-centric.

MEMBER REAMER: Eric, when you're speaking about people, is the notion of inclusive, is that --

MR. E. SMITH: Yes.

MEMBER REAMER: So I'm wondering if the word collaborative, one option is we could swap it out for connected? I mean, collect includes collaborative, might be a little broader.

MEMBER FREDERICK: I wasn't in the discussion on kind of the human-centric stuff. What are we trying, I mean, I understand the importance of it, but there's a lot of nuance and angles that could go. What are we trying to pick up? Who was most passionate on that?

MEMBER REAMER: Well, I think one of the thoughts was there's a lot of things that the federal government does where they put out a database somewhere where you are then, it's assumed that you're going to go find that
database of information and be able to actually use it.

And really more often, the way you learn about things is word of mouth, it's human to human. There needs to be a person that facilitates these things. There needs to be a mentor that helps to find --

MEMBER FREDERICK: So, Laurie, you want a UX perspective as opposed to -- I was wondering if we were going down the path of technological impact on communities and individuals because that's a whole other --

MEMBER KENNEY: Yes, I think there's different things. One, the intermediary role --

MEMBER REICHERT: His point was don't just put a database out on the internet and assume your job is done in terms of connecting, because that never works.

MEMBER FREDERICK: That I think to, I think it was Andrew's point or something, is easy. I think the fold-under that connected and collaborative are.
MEMBER KENNEY: I think you're right, the connected is broader. But I often associate
the word connected with connected to the
internet.

MEMBER REICHERT: Internet, yes.

MEMBER KENNEY: Right? It's sort of
like always on, always connected kind of thing.

MEMBER REICHERT: Yes. I think
collaborative might be better.

MEMBER FREDERICK: All right, fine.

MEMBER REAMER: And I just don't want
to miss the people point about inclusiveness.

MEMBER KENNEY: Right, because there's
a bunch of different people things. One is the
human role of making the connections, and then
there's another idea about inclusiveness and
disadvantaged communities being impacted and
needing attention in these policies.

And I think there's, you know,
probably some other angles as well because I
think the technological impact on communities in
general.
MEMBER BALDWIN: I like that it says human. I mean, you can't misinterpret that, whether it's connected or collaborative, it's human. And if you just take out foster innovation, you could be fostering innovation, entrepreneurship, and workforce development just in that one statement.

So I think there's an opportunity to look at some of these and say these apply to all of them. And it may not be three, it may be four or five, but it still allows you to collapse down to one page. But human, you can't misinterpret that.

And data driven, I mean, data comes first and then your strategy, and then, you know, all of the things that flow from that if it's accurate. And I see this administration as being very data driven, that we don't see it but it's happening.

You know, the data analytics teams that put the president in power, we didn't hear very much about it, but it was definitely
happening.

CHAIR BRADLEY: So, I want to respect the fact that I wasn't here yesterday. But when I read this this morning, two things came to mind. One is what is unique about this in the context of the United States, and how would this not be relevant in the UK or Australia or somewhere else.

And two, I certainly was struck by, what's a good word, generic and simplistic come to mind, but that's not fair. But I would say, no let me finish. But around the uniqueness of who we are as Americans.

And I don't, it's always awkward for me as a person of color to say we have to talk about inclusion, but the reality is that, you know, I deem the government to be an equalizer, and we're not equal.

And so it's not just, it's women. Nothing personal, but look at the VC numbers, right, the fact that we're celebrating 0.05 percent is absolutely absurd to me in terms of
growth. I think we're clear and that we've seen this mismatch between what happened in urban environment and rural or whatever dichotomy you want to provide.

So I just think I like what we have and I get simplicity, but, like, what makes this us?

MEMBER JOHNSON: So, I have two comments from our discussion yesterday. First, the US is lagging, not leading, in the effort toward making the things that you're talking about is can we catch up. So it's not a good position.

The second thing is when you talk about the government being a great equalizer, what I've seen in my life started when I was, you know, zero, I saw the community I grew up in, everybody, any idea anyone had was encouraged to be developed because that's what everybody else was doing in that community.

Great things happened. So to me, when we talk about accessible and entrepreneurship,
it's going there. That's really important to me personally.

CHAIR BRADLEY: Sure.

MEMBER JOHNSON: The problem, so you're talking about our government being data driven. They're data driven but in very simplistic ways. And if the ROI is 15 years out, they're not going to like it. So that actually is I think an issue, a barrier we're going to have to overcome to do the things that are important to me.

MEMBER KENNEY: So, Melissa, do you have thoughts about how to --

CHAIR BRADLEY: I want to be respectful because I wasn't here. And so I mean, I think I don't know because I think the counter is what's simple. And I'm also being mindful what does the administration care about. Right?

But when I think about Rise of the Rest, right, that completely emerged because there was a belief that things only happen on the coast. Well, that is, like, smack-dab where
we're trying to go. Right? Equalizing and
bringing equity to how private capital flows.

So, I don't. I mean, I think I've
been holding off to just see what's the framework
because I think it could be one or two words just
added if it's this or if it's a broader thing.
But I do worry, which is odd as a professor,
right, they were oversimplifying without, to your
point, being aggressive in terms of what --
because I do think there's a strong sense of
urgency for this administration.

So I would maybe recouch it and say is
this aggressive enough to catch up. I mean,
Esther, every time we meet, reminds us of how far
we're lagging.

And again, I say that as a complete
person who read this at 6:00 a.m. this morning to
say okay, I think it's great. I just think does
it accomplish everything that we talk about or
have we, are we oversimplifying that it's
relatively generic and a university can put this
out as opposed to this particular body.
MEMBER REAMER: I would like to add something.

CHAIR BRADLEY: And it could be rhetorical. I don't know that it warrants change.

MEMBER REAMER: But if I could add something --

MEMBER KENNEY: I think it's worth change probably.

MEMBER REAMER: Which is going back to what the purpose of this exercise is, I'm feeling for me the real purpose of the exercise is relationship building. It's to build a relationship with politicals in this building so they can start have some trust in us and can start talking to us, and that we come up with more specific things that they're interested in listening to.

So this, to me, they are our audience. And clearly this has to fly externally, people have to look at it. And Coffin has to look at it and say this makes sense. But I don't feel like
this is, like, the final word.

The real aim here, Craig and Eric set this thing up for us because in order for us to have a more robust conversation with people in the fifth floor. And so my aim is to produce something that they will go okay, this is good. We can work with this and we can talk with you.

CHAIR BRADLEY: And I think mostly this is good, and I think having been in these buildings, it will get narrowed down even more. And so if it gets narrowed down, I don't think we lose anything. I just put that out there, those two points out there.

MEMBER REAMER: Okay.

CHAIR BRADLEY: But I can live with this. Right, I mean, since I have to put my name on it, I can live with this. I'm okay with it.

MEMBER KENNEY: Could strategic include, right, I mean, part of the strategic focus may be specifically around inclusion.

CHAIR BRADLEY: Right. And I won't say, I think inclusion is probably not the word
that I would choose for this particular group.

MEMBER KENNEY: Sure.

CHAIR BRADLEY: But I think --

(Simultaneous speaking.)

MEMBER BALDWIN: I think it's belief.

We said yesterday people have to believe.

CHAIR BRADLEY: That makes me nervous.

The faith-based --

MEMBER BALDWIN: And you have to believe that you can, you have to believe that it's possible. And then you will begin. If you believe, you begin, and then you become.

MEMBER FREDERICK: Strategic, catalytic, and connected? I can make arguments that we could have some nuance there about that Rise of the Rest concept that I think would resonate well with our audience. I mean, they very much, I mean, you look at the coasts, not to criticize but --

(Simultaneous speaking.)

CHAIR BRADLEY: I mean, to me it could be I think inclusion could be inherent in total
distribution or equitable access across geography

--

(Simultaneous speaking.)

MEMBER KENNEY: To all those that have been left behind, right?

CHAIR BRADLEY: I'm not going to go that far. I might make the point distribution across geography and community. I mean, I'm trying to build relationships upstairs. I don't know, they don't want to hear inclusion. I think that has its own connotations that --

(Simultaneous speaking.)

MEMBER FREDERICK: I mean, it's increase competitive business formation and growth in all communities. I mean, there's little just things that we can --

(Simultaneous speaking.)

CHAIR BRADLEY: Yes, I don't think it's major.

MEMBER KENNEY: Yes, I understand --

(Simultaneous speaking.)

MEMBER FREDERICK: -- just to get that
concept, which I think is a really important one.

CHAIR BRADLEY: I guess I use --

MEMBER FREDERICK: You know, we talk about --

(Simultaneous speaking.)

CHAIR BRADLEY: -- we're spending the money and --

(Simultaneous speaking.)

MEMBER FREDERICK: -- increasing effectiveness and capital efficiency of public dollars. Part of that concept could be a better geographic distribution. From all of my meetings, I mean, I get hit on that as everybody wants to know, you know, why does 70 percent -- we're an international firm and 70 percent of our dollars land, you know, one tank of gas from Menlo Park. That's pretty crazy.

(Off microphone comments.)

MR. BUERSTATTE: I'm being quiet intentionally.

MEMBER FREDERICK: You are. Why are you being so quiet? What else do you want to
talk about?

(Off microphone comments.)

MR. BUERSTATTE: We started off with entrepreneurship. And then we got down a windy road, which is important though. And let me offer up one thought. Would it help to better evaluate the innovation portion right now? We seem to be focused on how to frame.

We kind of skipped ahead a little bit I think. Or do we want to, we're on a roll and continue going down that path? I mention that because I personally wasn't in the innovation or the workforce group, and that might help us better identify the right way to roll these up into is it catalytic, is it collaborative. What do we mean.

MEMBER SMITH: I think that would be helpful.

MR. BUERSTATTE: However you want to work through it. I'm really throwing it out there.

MEMBER SMITH: Just to clear, yes, for
more context.

MEMBER REAMER: It sounds like we had consensus regarding this notion of having three or four overarching words that covered three categories. Are we still --

MEMBER SMITH: But what are those? You know, I'm not sure where you're --

(Simultaneous speaking.)

MEMBER FREDERICK: I like that. Strategic, catalytic, and either collaborative or connected. To me if what we're trying to do is a framework that somebody can apply, that's easier than -- these are all great thoughts.

But from somebody who reads, you know, a gazillion business, I mean, your eyes glaze a little bit. But then within each of those three, I think we can show the nuance of how it would improve innovation, how it would improve entrepreneurship and workforce development.

So it's I think the words that Eric wrote are great and it's almost just a cut and paste reorganize. And then a collapsing of some
of the text so that we're not saying the same
thing like --

MEMBER BALDWIN: So to follow up on
what Craig suggested and to look at innovation,
the most powerful one in there for me was again
data driven because people have the misconception
that innovation is about creativity and about
this abstract thing.

And it's very much a science and a
discipline that you can measure. And if you
can't measure it, you can't manage it. And I can
be collaborative and catalytic and strategic
without being data driven. It happens all the
time.

MEMBER FREDERICK: No, I think that's
a good point. And I think Andrew has written
some great stuff on the importance of data
collection. I mean, that's part of the problem I
think we're facing is there isn't good data,
accurate data.

So I think these are all points we can
make to kind of subtly encourage, you know, the
recognition of its value. And you know, again, I
always want to push too far into policy. But you
could somehow encourage the recognition of value
and the idea that the government could play a
role in collection data hygiene.

MEMBER REAMER: I think for the
purpose of simplicity, I would suggest that if we
identify these three overarching notions, one of
them being strategic, we just assert that part of
being strategic is being data driven. And then
as we get into innovation on commission and so
forth and we talk about what it means to be
strategic, we talk about what it means to be data
driven.

MEMBER SMITH: But I don't want us to
lose the human piece of it either. I mean, it's
not inclusive, or it's not inclusion. But it is
we do have to pay attention to, you know, the
workforce in a socioeconomic fashion because from
my perspective we just, we really need everybody
in the workforce, not just the people that are
going to be successful no matter what. We need
to reach down into --

MEMBER FREDERICK: I agree. And that's why I was at, because I wasn't in that discussion. You know, what are we getting at with the human, because there are the UI/UX elements that are really important. You can't just --

MEMBER REAMER: What is UI/UX?

MEMBER FREDERICK: User interface/user engagement. Kind of that whole idea of the government can't just say there's some crazy URL that has all the data go Med Cat (phonetic). You know, you got a perfect example is Apple makes it really easy on you.

But I'm hearing two very different things on the human side. There's also the whole socioeconomic. I mean, a lot of these investments and new technologies coming are going to have dramatic impact, disparate impact on different socioeconomic classes.

And I have no idea if we want to get into anything like that. You know, should the
government consider that in its framework?

MEMBER BALDWIN: I like what Eric wrote --

(Simultaneous speaking.)

MEMBER FREDERICK: I think if Joe were here, he would say they really should. A majority of US states, the number one job is truck driver.

MEMBER NEMETH: But that skill set's going to change. So if we go to autonomous vehicles, you're going to have to have truck drivers who can program.

MEMBER FREDERICK: But that's, I mean, is it worth bringing that up as another guiding principle that you need to be aware of that because there will be, how we address autonomous, I mean, I just don't know.

(Simultaneous speaking.)

MEMBER KENNEY: What data would lead you there if you were data driven?

MEMBER REAMER: And I would suggest that it might overly complexify -- on Sue's point
around, I feel like again we can take the word connectedness and just assert that it includes making sure everyone can participate. It's connectedness on the human side as well as on the organizational side.

MEMBER REICHERT: I thought we were doing collaborative rather than connectedness.

MEMBER REAMER: Well, I had proposed both.

(Simultaneous speaking.)

MEMBER REAMER: Whatever people want. I was proposing connected because I feel it's a little broader, and so it's more easy to include the human.

MEMBER BALDWIN: If you're connected, then you collaborate.

MEMBER REICHERT: Yes. But if connected is the buzzword, then it sounds like it's the internet.

MEMBER REAMER: Well, you could just describe --

MEMBER REICHERT: Because of what
David said.

MEMBER NEMETH: I agree with that.

And that's why I think accessible is a word we should use. It addresses Melissa's point of covering the idea of what's unique about this in the sense of making it accessible to all citizens as opposed to anywhere else.

MEMBER REICHERT: Okay. So then what if we pull accessible out of collaborative and accessible is its own principle.

MEMBER NEMETH: Accessible is its own --

(Simultaneous speaking.)

MEMBER NEMETH: -- is the big principle. And then there's all sorts of other pieces that can support it. But from a word standpoint, I think accessible rises to the prominent piece.

MEMBER BALDWIN: Accessible really has become the brand of the disabled and --

MEMBER NEMETH: I guess I don't --

MEMBER BALDWIN: Similar to inclusive
has become a brand for --

MEMBER REAMER: I think we have an opportunity to define the words the way we want to define them. For me, accessible is perfectly fine.

MEMBER JOHNSON: It's better than connected.

MR. E. SMITH: Sorry, so I'm clear, are we proposing replacing collaborative with accessible?

MEMBER REICHERT: No. We're proposing having --

MR. E. SMITH: It's additional, right?

MEMBER REICHERT: -- a fourth principle.

MR. E. SMITH: Okay.

MEMBER REAMER: Strategic, catalytic, collaborative, accessible.

MR. E. SMITH: We needed to get a vowel in there?

(Simultaneous speaking.)

MEMBER NEMETH: Accessible was my ploy
to finish my acronym. But if we're going to have
a fourth one, now it's all thrown off. But it's
good, I'll wait. I don't want to -- honestly, my
opinion is that the meat of it is in the
paragraph that follows the word, and those words
can be quite interchangeable to an extent, yes.

MEMBER FREDERICK: I just walked into
a very quiet room. What just happened?

MEMBER REICHERT: We were talking
about you.

MEMBER REAMER: Are people comfortable
with those four concepts as the overarching
framework for everything else? Strategic,
catalytic, collaborative, and accessible?

MEMBER JOHNSON: That approach will
make for an argument that will be more easily
understood and sold. It will.

MEMBER REAMER: Mike, do you want to
then try to apply those concepts to
entrepreneurship and kind of tease that?

MR. GOLDFINE: Backing up for a
second, accessible, is that a word that fits with
the administration and the way they talk about communities that have been left behind? I just want to make sure.

MEMBER JOHNSON: That's a great question.

MR. GOLDFINE: I mean, I think there's an opportunity to kind of talk in the language the administration does in addition to what we probably would have used the words with inclusion and access in the same way. I just want to make sure it's in a framework that the administration usually --

MEMBER JOHNSON: That's what it means to me and in my work. And that's why, I mean, that was the one thing. It had to be in there for me.

MEMBER REAMER: And I think the word accessible, whatever word we choose, it's going to be followed by a couple sentences. And you can use those to help just to make clear what you mean about people who have been buffeted by global competitive forces.
MEMBER JOHNSON: And I might suggest refraining from using Rise of the Rest because that's very elitist. If you're going to use a phrase like that have it the rise of the rest of the rest. I'm done.

MEMBER REAMER: Is the Rise of the Rest that Steve case --

MEMBER REICHERT: Yes it is.

(Simultaneous speaking.)

CHAIR BRADLEY: I just use it as a proxy of what was a slightly more mainstream way to talk about those who have been overlooked and underserved.

MEMBER REAMER: Right. But wasn't Steve Case the chair of this group --

CHAIR BRADLEY: He was.

MEMBER REAMER: -- under the Obama administration?

CHAIR BRADLEY: He was.

MR. BUERSTATTE: So let me propose something. We are lucky to have a surprise guest, and that is Kenan Fikri with the Economic
Innovation Group to present some thoughts on the
Investment in Opportunity Act recently passed.

And we are a little bit ahead of
schedule, but this might give us a little more
time to hear from Kenan and also give Eric a
little more time to synthesize some of this.

And then we'll get it back in paper
form to you and we can have a second kind of
final iteration. Any thoughts or questions
there, or any final ideas you want Eric to know
before he goes to hack away on this?

(No audible response.)

MR. BUERSTATTE: Eric, do you have any
words or questions for them?

MR. E. SMITH: I've got lots of raw
material to work with.

(Laughter.)

MR. BUERSTATTE: Well yes, surprise
guest. Kenan, thanks so much for coming.

MR. FIKRI: Yes, absolutely. I just
have to apologize for being in casual Friday
mode. But I didn't want to turn down the
opportunity to --

MR. BUERSTATTE: He literally got the message two hours ago. So Kenan leads research and policy for the economic innovation group who had a large role in the development of this act. I won't say more other than really thank you so much for coming.

MR. FIKRI: Absolutely.

MR. BUERSTATTE: Would love to hear a little bit about your work, how it came about, and maybe most importantly I know Treasury has a leave right now. I believe you've been in conversation with them and helping strategize the implementation.

And so you know a little bit about the advisory team here, and perhaps some ways that we might be able to help think through this opportunity, especially from commerce's role.

So, thanks.

MR. FIKRI: Yes, okay. Yes, absolutely. So, thanks for the opportunity to come. I was really excited to see the
opportunity zones program on the agenda because I think and we think that it could be one of the most important economic development programs to come down the pike in a long time.

There also haven't been that many new ones to come down the pike in a long time. But the segue from left behind communities is perfect because that idea was kind of the, or solving that problem was the genesis of the Opportunity Zones program.

So it was EIG is relatively young, it's a three year old organization now. It started, it's a creature of the recovery for sure, and more specifically of the economic recovery.

And if you know there have been, as we all know, large tracts of the country that have not benefitted from economic growth of the past five years, but we would actually say going back ten, fifteen years that the 2000s actually tapered over.

We've had kind of a slow and steady
erosion of a lot of local economies. So the Investing in Opportunity Act was meant to kind of match, or deal with the paradox that we're a capital abundant country with a lot of capital scarce communities and, you know, would be entrepreneurs in places that are starved of resources to build, rebuild their economies.

So the idea was that investors would be able to roll over capital gains that are on the stock market today into funds that invest in businesses in distressed communities, new or expanding businesses in distressed communities.

For putting their money to work in those places, the program gives them three benefits. The first one is a tax deferral. So you don't have to pay any taxes on the capital gains that you roll over into the new program.

The second one is a reduction in that tax bill that will be due by 2026, and the legislation by 15 percent if you hold your new opportunity fund investment for seven years or longer. So those are two modest incentives.
And then the big one and the one that we think ties this, or will make this attractive to folks who are active in the entrepreneurship investing space is that after ten years, any capital gains that you get on the new business or whatever you invested in via the opportunity fund would accrue tax free.

So it could be a huge upside if, you know, you're in Akron, Ohio, if there's an opportunity zone near the University of Akron, startups coming out of the University locate there, and then anyone who invests in them, if they succeed, there's a huge potential upside that they're also patient and keep their capital with that company for ten years.

So that's the model. The tax policy gets pretty arcane pretty quickly. I've learned a lot in the crash course since this passed, and we've been getting more and more questions --

MEMBER FREDERICK: So this has been passed?

MR. FIKRI: It has been passed. It
was part of the Tax Reform Act. It was a bi-
partisan bill --

MEMBER FREDERICK: Capital gains just
from public investments?

MR. FIKRI: Capital gains from, well
so any private investor. So it could be
corporations or individuals can roll their money
over into these funds and then get to work
investing in distressed communities.

MEMBER FREDERICK: But into the funds.
You can't go into companies directly?

MR. FIKRI: Correct. Correct. So
everything, so I guess I'll get to the fund
portion of this next. So, funds are going to be,
just like any venture fund or angel fund, they
need to be incorporated, certified by as I think
a community development financial agency, or
entity, sorry.

So the CDFI fund process,
certification process should be relatively
straightforward though just to ensure legitimacy.
And then those funds can accept money from
investors, except capital gains.

And then they should be professionally managed to make investment decisions. The idea there is that, so say you're an investor based in New York but you have ties or whatever to maybe rural Missouri. You would love to be able to put some of your money into a fund that helps the region that you care about grow and diversify.

But you live in New York, all your business ties are in New York. You don't actually know what the opportunities in southwest Missouri are. So a professionally managed fund that perhaps the local EBO set up, or a local bank in Missouri set up, could accept money from that investor.

And then they would make the local investments because they have the local knowledge. But all investments have to be made through the fund model. They can't be made directly.

We envision that all sorts of entities will be interested in standing up funds. So from
an individual philanthropist or wealthy investors
to, you know, Steve Case's Rise up the Rest fund
could perhaps be certified as an opportunity fund
if they just wanted to tie their investments to
particular geographies in the cities in which
they choose to invest, or CDFIs. We think that
some local EBOs or local public sector entities
may want to stand up funds as well.

They can be national in scope or they
could be local. Their mission can vary. And
Treasury has a lot of rules and regulations to
write on the details of those funds.

MEMBER FREDERICK: If they're national
in scope, do they need to have an office and
employees in the region?

MR. FIKRI: No, the fund does not have
to. So the fund, the only criteria that the
legislation sets out for funds is that 90 percent
of their assets are held in opportunity zones,
either businesses located in zones, partnerships
located in zones, or tangible properties in
zones.
MEMBER JOHNSON: So those opportunity zones are defined already?

MR. FIKRI: Those are, that is the -- no, they’re not defined yet. Yes, they are in the process of being defined. So the legislation called for, gave governors 90 days from enactment, which was end of December, to designate 25 percent of their low-income census tracks as opportunity zones. And then Treasury will certify up to --

MR. R. SMITH: Up to 25 percent.

MR. FIKRI: Correct. The rationale behind just 25 percent is that other programs criticism, or one of the barriers to being resoundingly successful that other programs have faced is that capital has been relatively, or investments have been kind of spread out maybe too far across the map.

They haven’t been able to concentrate capital in a way that is truly catalytic and transformative for a community. So I think New Markets Tax Credit, for example, a successful
program that has moved a lot of capital, but
often it manifests itself in one isolated
building in a tract that doesn't, it's good for
the community but it doesn't meet the catalytic
bar.

MEMBER JOHNSON: Twenty five percent
based on population?

MR. FIKRI: No, just based on straight
number. So if you have --

MR. R. SMITH: It's 25 percent of the
census tracts. So --

MR. FIKRI: Low income census tracts.

MR. R. SMITH: -- any low income
census tracts up to 25 percent can be designated
as opportunity zones. But that process is what's
in the works right now.

MEMBER FREDERICK: Can I ask a naive
question? How broad is a census tract? Like,
take North Carolina. Is Durham or are we talking
subparts of Durham?

MR. FIKRI: Yes, subparts. So Durham
would probably, well I have no idea how many.
MEMBER FREDERICK: So it's looking really granular?

MR. FIKRI: It's going to get very granular.

MR. R. SMITH: In places with high population, it gets very granular. In places with low population, they can be expansive.

(Off microphone comments.)

MEMBER BALDWIN: Does it allow foreign investors --

(Simultaneously speaking)

PARTICIPANT: -- would have like how many times --

PARTICIPANT: A tract is never --

MR. FIKRI: It doesn't allow a foreign investor.

PARTICIPANT: I'm just trying to --

MR. FIKRI: I don't know.

(Simultaneously speaking)

MR. FIKRI: Because, there is nothing that prevents that. Yes. But that may be something that Treasury decides to write.
So, there is no -- so, thinking of EB-5, which is a much more, under at least partially aligned program, that gets investments into funds that make particular investments kind of in exchange for a visa.

I think the investors aren't getting that much accept a strong incentive to make sure that their investment increases in value down the road.

So, there is no subsidy here, there is no tax credit. There is a deferral and then a slight reduction in your tax bill and then the forgone revenue off of the opportunity fund investment if it accrues in value.

So that's one way this program was able to get into the tax reform bill, is that it's relatively cheap. NMTC is an expensive program because you're putting public dollars to projects that are being realized.

This one, Treasury has made mostly whole down the road. And then there is some forgone revenue after that. But that's very
difficult to --

MEMBER BALDWIN: Does it exclude EB-5 investors?

MR. FIKRI: It does not, I don't think it excludes EB-5 investors but there is no tie to leadership or anything.

MEMBER REAMER: The average population of a census tract is 4,000 people.

MEMBER BALDWIN: Yes.

MEMBER SMITH: This is Whitney from JP Morgan Chase. I'm sorry, I don't know if you know there are people on the phone listening to you guys.

(Laughter)

MEMBER SMITH: I have one comment to this reference. Just on the census. It includes adjacent census tracts to low-income communities so, I am based in Chicago and some of the wealthier census tracts like Lincoln Park are included on the list. So there is a lot of advocacy happening right now with governors on checking the, picking the right 25
percent that are both in the spirit of what this is supposed to be accomplishing but also are ready for market investment. That's my comment.

But the question is, if the Governors pick the 25 percent census tracts now, will they stand for ten years or could they be revised over time? That's one question I have.

And then the second is about administration of the program. So I understand it's at Treasury. I heard secondhand it's at IRS, because of the tax credit.

MR. FIKRI: Yes.

MEMBER SMITH: But could the CDFI fund play a role and will there be some kind of allocation in the same way there is with new market tax credits? I think the answer to that is no, but --

MR. FIKRI: Yes, all good questions. So, I'll start with the comment first.

Yes, so the Legislation did say that there are, so, five percent of the 25 percent. So if you have a hundred census tracts that are
low-income in the state, 25 of those will be eligible and then five percent of 25.

Which is, what, yes, not many could be non-low-income census tracts that are adjacent to an eligible low-income tract. Provided that the non-low-income tract doesn't have a median family income more than 125 percent. So, the adjacent low-income tract.

So, it's meant to provide some real-world flexibility for building economically meaningful zones. But it's not meant to include the clearly rapidly already gentrified zone next to, with a much higher median income. But, yes, that is an important provision in the bill and one that I think Governors are aware.

MEMBER FREDERICK: Is D.C. treated as a state for this purpose?

MR. FIKRI: D.C. is treated as a state, yes. And then, so CDFI funds will likely have roles in certifying the low-income census tracts that are nominated by Governors since they administer a lot of that for NMTC and others.
Likely in certifying the funds themselves.

And someone will have to audit the funds. The Legislation calls for that to happen twice yearly, to make sure that they maintain an investment mix that still qualifies. So that they maintain 90 percent of their assets in opportunity zones.

And I don't know yet where that will fall. That could be CDFI fund I think, but that's TBD.

IRS, yes, I believe that IRS, we've also heard that IRS has people tasked to figuring out how this is going to work and write the rules, but I don't know exactly what portion of the legislation they're looking at now.

And, Andrew.

MEMBER REAMER: Can you say a bit about the political process that got this bill through? How EIG developed it, found sponsors and collaborated.

MR. FIKRI: Yes, absolutely. So, very early on, so we got some, I guess dumb luck, by
finding the right co-sponsors very early on.

So Tim Scott, Republican from South Carolina Senator, and then Cory Booker from New Jersey, were the two lead offices who helped in the genesis of the idea. Which also was, the idea was originally formed by a White Paper that was co-authored by Kevin Hassett and Jared Bernstein.

So kind of unusual bedfellows looking to see where past place based economic development programs and incentives fell short and then what something that really tried to see the next generation of businesses and employers for regions might look like. So, that's some of the genesis.

And then on the House side it was sponsored by Pat Tiberi, who is also a huge champion of the New Markets Tax Credit from the Republican side. And then Ron Kind, Democrat from Wisconsin.

And very quickly. Got a pretty good uptake. We had a hundred bipartisan co-sponsors
by the end of it.

But then once it became clear that this might be rolled into tax reform, Tim Scott did a great job of taking the lead and then making sure that the President was aware of it. That it addressed his campaign promises and concerns and a lot of what he had been talking about. And to make sure that it was able to survive through that process.

MEMBER FREDERICK: How, I don't mean to get too into the weeds, but --

MR. FIKRI: Sure.

MEMBER FREDERICK: -- funds only raise it set cycles. How do you correlate a capital gain to map to that?

Or can you just kind of grab whatever capital gain you want?

MR. FIKRI: Yes, so one -- the idea, as originally drafted said that we almost need a stimulus for distressed areas of the country now. So it had a date certain by which you needed to enter the funds in order to benefit from the
incentives and offers.

But some of those numbers, I mean, to be honest, like weren't actually well updated through the process as the delay so now it looks like money has to be in almost by the end of 2018 to actually benefit for, I'm sorry, 2019, to benefit for the, as Craig said, become due by 2026.

So Treasury might write rules that shift the goalposts a little or create, make it easier for folks to enter funds on a rolling basis. But that's yet to be determined.

But, the original intent was that it would get a lot of capital quickly. Hopefully before the next market crash.

MEMBER FREDERICK: Because it's tough for the funds. The funds can't take role in commitments.

MR. FIKRI: That's right.

MEMBER FREDERICK: Because otherwise your, you know, the cross basis in each of the investments is a mess.
MR. FIKRI: Yes.

MEMBER FREDERICK: I mean, they can, but it's just --

CHAIR BRADLEY: Plus that legislation -- is not for venture capital funds, they would be more like CDFIs, capital loans, some of your non-profit loan funds who typically serve those areas.

MEMBER FREDERICK: Got it.

MR. FIKRI: Yes.

CHAIR BRADLEY: And the assumption was D.C. is not typically in those areas so it's more a community financial institution, et cetera. It doesn't mean you can't, but that's why it's picked that way.

MEMBER KENNEY: Is there a restriction on the geographic scope of the funds that they need to be focused on a specific data or they could cover --

MR. FIKRI: They can cover, yes, they can cover --

MEMBER KENNEY: -- a specific region
or --

MR. FIKRI: Yes. Yes, we expect that some will be region based, but others may be national. I mean, JP Morgan, if it decides it wants to offer funds to its clients, could offer national, funds international scope or invest in Detroit funds that it co-sponsors as well. It could be any.

MEMBER REAMER: For the census tracts, the eligible census tracts, I'm assuming it's the American Community Survey data, five year averages.

So latest five year average is from 2012 to 2016.

MR. FIKRI: Yes.

MEMBER REAMER: Is there kind of a reset periodically? Because those numbers will be updated.

MR. FIKRI: Yes, those numbers will be updated. So, we don't -- so, right now what CDFI fund has posted for its eligibility criteria is the 2011 to 2015. We don't know yet whether it
will be that one or the 2012 to 2016 that
Treasury refers to in its guidance to Governors.

But once a zone is designated, it
lasts for ten years. For the duration of the
program.

So if Congress decides to renew the
program, then those dates may change and updates
may change after that. But for now, I believe
that was the question I forgot to answer. Yes,
the zones will, designations will stick for ten
years.

So right now, governors are coming up
with their 25 percent low-income census tracts
that will be opportunity zones.

A role for, not necessarily for this
group but maybe for those of you who are based
outside of D.C., is to work with your local
economic development organizations. Make sure
that they are in communication with the
governor's office and making sure that the
governor select zones that align with their
strategic plans, zones that may be, you know,
governors have broad flexibilities, so I'm sure there are some governors out there who will say like, hey, I want to dedicate all these to mega-projects and we don't have a lot of entrepreneurs so why put it next to my university.

Hopefully governors don't say that, but you only have 25 percent of the zones to work with it, it's a scarce number. And to some extent, where those are located will dictate the type of investments that you're likely to get.

So I think that the incentive is most attractive to folks who may want to invest in new companies, but there is clearly a large real estate industry that's setup around, a developer industry, setup around using incentives such as this. And they may advocate for a lot of their desired places to be included as well.

Which is good to get investment in regardless. We take an agnostic review, but governors need to be aware that how these take shape on the ground will --

MEMBER FREDERICK: The website looks
very real estate driven.

MR. FIKRI: Is that our website?
MEMBER FREDERICK: CDFI fund.
MR. FIKRI: Oh, CDFI fund.
MEMBER REAMER: Yes, that's not the same.

MEMBER REICHERT: So, sorry, it can be used for real estate and --
MR. FIKRI: It can be used for --
MEMBER REICHERT: -- investing companies?
MR. FIKRI: Yes. So funds can invest in three things.
They can invest in originally issued stock. So that could be a new company that incorporates or a company that's expanding and issuing new shares and is based in an opportunity zone.
Second is partnership interests that meet the same criteria.
And then the third is tangible property that is used by a business in a zone.
So that could be anything from a manufacturing, shared manufacturing space where companies rent out use on pieces of capital equipment, it could be co-working spaces, it could be physical commercial buildings that other folks populate. So they become manageable activities.

This can also be used for rental housing. I know there's a lot of criticism of the tax bill that it strips away the conventional sources of financing for rental housing.

This is one avenue that rental housing can get a little extra money if investors decide to use this to build rental housing as well. Since that's a business property.

And I just wanted to say, ah, I think from a perspective of this group and Commerce, there is not a huge federal role in this, there is no approving of projects, it's very kind of hands off in market base by design. I think that's how it got through the Republican Congress with the champions that it did have.

With that being said, if there is a
lot of uptake here, I think Congress may want to align some of their programs and offerings and awards with opportunities zones and what the programs would probably like to have. Commutable communities and promised zones, et cetera.

And for example, if EDA is granting, making i6 grants or innovation grants in companies, it might be more attractive for them to add points to applicants who are located in opportunity zones who are eligible for, or on the radar for what could be a large pot of capital. We hope it will be a large pot of capital.

But for this to be successful, governors have to designate the right zones, hopefully in consultation with local folks on the ground. And then banks have to setup funds and then there have to be, not banks, anyone has to setup funds. The finance industry has to setup funds.

And then there has to be investable opportunities on the ground and good coordination and awareness raising of companies that may be
starting or of projects that could be completed using this.

CHAIR BRADLEY: Are there any deadlines of people to set these zones?

MR. FIKRI: The deadline, yes, is March 22nd with a possibility of a one month extension if governor's write to Treasury for that. Treasury has not yet submitted any sort of guidance or instructions to states on how, what those submissions should look like.

We expected that the last week of January, now we're expecting it the first or second week of February. But that clearly has to come out first.

And then they have to write all the rules for detailing more specifically what kinds of investments are eligible, what funds have to look like. And it's a relatively complicated piece of tax legislation for just eight pages of legislative taxes. So there's a lot of work that Treasury needs to do for the record rights.

MEMBER REICHERT: So to get the word
out to entrepreneurs that this fund will be available, whose responsibility is that, is that the fund manager?

MR. FIKRI: That would be ultimately the fund manager. I would say it's the responsibility of, probably some local economic development organizations to say, who are working with their entrepreneurs.

But, yes, that is -- so, to some extent that's going to be up to, I think there will be places that do this really well and funds that seek out opportunities well and are well publicized, and there may be others that are not so good. So there should be a lot of experimentation around this I would expect.

CHAIR BRADLEY: Can I just ask, how many people were familiar with this, before this?

MR. FIKRI: I was.

(Laughter)

CHAIR BRADLEY: Bias opinion.

(Simultaneously speaking)

CHAIR BRADLEY: You were. I only ask
that in terms of going back to what you said
around thinking about our policy around
distribution of information, even if it's a work
in progress, because I would say, many of us in
D.C. or in that CDFI-like space, because we've
been hearing about it for a while, even have
changed the comment.

MR. FIKRI: Okay. Yes.

CHAIR BRADLEY: So I just raise that
as an example for this group, which is highly
engaged, that that's even more important than
what was raised in the principles.

MEMBER BALDWIN: Is the low-income
bands specific to the state or is there is a
distribution because low-income in one state
could be high income in another.

MR. FIKRI: Yes. Yes, so either 20
poverty rate or it's 80 percent of the median
family income in the state for rural area or in
the metropolitan area for metro area census
tract. Yes, so it's all calibrated to the state-
wide median income.
MR. R. SMITH: It's worth pointing out that that's difference from EDA's criteria. Which you are guys aren't concerned about as sort of the traditional public works in EDA distress criteria, but we use the national poverty line, 80 percent of the national per capita income.

MR. FIKRI: Yes. So in some ways that, oh wait.

Yes, I guess in some ways that this is different from patch programs is that, as I mentioned, it's targeted on particular geographies. So it's meant to concentrate capital to a better extent than past programs have.

And it's relatively simple after the funds are setup and certified in that investors don't have to.

There are no local hiring requirements there are no local purchasing requirements. You just have to have your money in a fund that qualifies.

And that will hopefully, you know,
every requirement that you tack on is another hurdle or probably increases attrition or reduces --

MEMBER FREDERICK: So there aren't any subsequent, I mean, there was a group, Enhanced Capital, that did a lot of, and they had like a $600 million fund I believe that was taking advantage of tax credits. And they got into a paperwork nightmare because --

MR. FIKRI: Yes.

MEMBER FREDERICK: -- companies would start with it and as they scaled, they'd move.

MR. FIKRI: Yes. So there is --

MEMBER FREDERICK: As a venture firm we'd see some young companies that were then trapped and they couldn't get subsequent funding because we're like, wait a minute, there's no way we're going to hire enough people into this region.

MR. FIKRI: Yes, there's an off ramp for companies that do expand. I think that within five years or so. I think the fund divest
from them.

But there is a relatively long-time frame. I forget the exact details for that --

MEMBER FREDERICK: Okay.

MR. FIKRI: -- but meant to not penalize success.

MR. BUERSTATTE: And Whitney, did you have something to chime in with? I think you had a question earlier.

MEMBER SMITH: Actually, you circled back, Kenan, and answered the question about how long the trust lands, but can I ask a different one? Is there still an opportunity?

MR. BUERSTATTE: Of course. Plenty.

MEMBER SMITH: Okay. So, the whole effort was valued at something, and I can't remember the number now, but in order to come up with that, is there kind of an internal estimate, and based on what, of how many investors will engage in this kind of work?

And maybe this is like too hard of a question to answer because it depends a lot on
our ability to get the word out and the structure
into the deal, but somebody did some thinking
about the estimate and I'm just wondering if you
have any thoughts about that?

MR. FIKRI: Yes, JCT had to come up
with the score for the bill and how much it would
cost.

MR. BUERSTATTE: Tell people what JCT
is.

MR. FIKRI: Oh, sorry. Joint Tax
Committee. They do -- they are back in the mouse
traps in Congress, not mouse traps, mouse wheels
in Congress, trying to figure out how much a bill
is going to cost over time. In addition to other
things that they do.

So they said that it would, I think
they estimated something in, I can't recall,
something in the tens of billions to get to like
a one point something billion dollar price tag.
Which was significantly cheaper than New Markets
Tax Credit price tag or anything.

But that's based on their own models.
I don't know, we don't know frankly how much
capital this will move.

MEMBER REAMER: Is there a program
evaluation piece built into the legislation?

And I'm curious if anyone is going to
attempt to measure the substitution effect? I --
(Simultaneous speaking) -- investment would have
taken place anyway without --

MR. FIKRI: Yes. Good question. So,
there is nothing in the legislation, but, so one
of my next steps, one of the things that I think
we will be doing is standing up some sort of
advisory council for the rule writing process
that says, you might want to keep data on some of
these things, here is some of the concerns, not
concerns but, just gather input from stakeholders
and people who are actually probably going to
implement this, how the rule should specifically
be written.

So if anyone is interested in
potentially joining that I am going to leave a
stack of cards, you should let me know on that
And one thing I want to say before I forget too is that this solves one piece of a very complicated puzzle for communities. The axis to capital and the fact that investors have kind of a herd mentality and a lot of blind spots and just frankly don't look at large tracts of the country for investable opportunities that are there.

But yes, this just takes care of the capital equation. I think that EDA and Commerce could do tons on the ecosystem building front, on the awareness building front, on mentorship, on skills. You know, everything.

There are so many supporting programs that need to be there for a community to really take off and turn around that I think, so even though Treasury is in the weeds writing rules on this, if it's successfully, it will be even more successful if other pieces of local puzzle are in place. So -- yes, go ahead.

CHAIR BRADLEY: Do either have a fact
sheet or something or an overview that can be
sent --

MR. FIKRI: Yes.

CHAIR BRADLEY: -- so we can all --

MR. FIKRI: Yes, we have that. Yes.

MR. R. SMITH: There is a really --

CHAIR BRADLEY: A website?

MR. R. SMITH: -- the eig.org website
has some really valuable stuff on it. It's got
some one and two page things.

There was an op-ed on the Hill last
week that was about the Investing Opportunity
Act, which really speaks to this program. And I
think that from and EDA perspective this is, you
know, one of the things that I do here, one of
the hats that I wear, is that I'm the Research
and National Technical Assistance Coordinator.

Which means that we do a lot of
research policy type things in-house, we do a lot
of grants and cooperative agreements for other
and research type things. And then we do some
grants for technical assistants that sort of do
outreach to communities, outreach to stakeholders
and things like that.

But we really like talking about this
policy space. And I think I've been really
encouraged to see what's coming out of the
economics innovation group because they're doing
it on their own.

And the fact that people are talking
about the stress in ways that are constructive
and coming up with solutions that are even
outside of the things that we're talking about is
really encouraging.

So we're trying to think about how
these sorts of things might, not just play with
i6 and seed and RIS related things, but how this
could play with sort of the traditional EDA
programs. Like RLF, right?

You know, I can see a big nexus
between --

MR. BUERSTATTE: It's a revolving loan
fund.

MR. R. SMITH: And you trying to
leverage some of the opportunity zones
information. I don't know if that discussion is
happening.

    I think that we're sort of in the
beginnings of figuring out how we can align sort
of the same programmaticals with what we are
doing.

    So, if you have any ideas in terms of
research, things that you might want to take a
look at, I think that that's something that we
would, we would welcome that in terms of ideas.

    And the other thing that you should
know about our NTA and what we're anticipating is
that we're hoping to have a notice of funding
opportunity, out the door, shortly. Which will
outline the kinds of projects that we're looking
for.

    The kinds of outcome focused projects
that we're looking for, for research and for
national technical assistance and how those
things will inform the broader policy goals that
we're trying to accomplish throughout EDA
programs. So, keep a look out for that.

MEMBER REAMER: And when do you hope to release that? Hope.

MR. FIKRI: Soon.

MR. BUERSTATTE: Sorry, and let me translate two thoughts there on where I see, that is both relevant for the body here, the council, and future recommendations when thinking about the research and technical assistance that could elevate this work that Kenan just told us about that are complementary. But also of course for your own communities and networks.

I know many of you are, maybe directly represent research organizations, whether it's universities and other non-profits, or your networks themselves. So this could be a really unique resource.

And to Scott and Melissa's point on awareness, hopefully if this intrigues you let us know and we can be sure to follow-up and get you more information. Because part of the barrier for us is just knowledge that we are here and
working on this stuff.

MEMBER FREDERICK: Do you guys have anything about, you know, kind of the steps to stand-up one of these qualifying funds?

You know, I can go to the Valley. I mean, there is plenty of people with --

MR. BUERSTATTE: Sure.

MEMBER FREDERICK: -- extraordinary capital gains --

MR. R. SMITH: That are looking for a place to use it.

MEMBER FREDERICK: Yes. And it's easy for me to search for entrepreneurs who came from disadvantage communities who've come into capital gains and that's just a sweet market for you guys.

MR. FIKRI: Yes.

MEMBER FREDERICK: So if you guys have anything.

MR. FIKRI: Yes, we do. And we're getting more --

MEMBER FREDERICK: What you need to do
is make it easy for me to communicate to them
that, hey, out of your nine-digit exit would you
like to --

MR. FIKRI: Yes, absolutely. And I'm
glad you mentioned universities in that.

So we've been talking to Johns Hopkins
Venture Partners and they have had so many spin-
outs at that university and none of them can get
capital in Baltimore so they go to the Valley.

So Johns Hopkins Ventures is extremely
excited about being able to say to all of its
alumni network, hey look, a capitalized art fund
that is going to keep companies in Baltimore.
And I think that's a good example of the ideal
use case.

And I'm sure that we have many other
cases around, but that's the sort of problem
that, or that's the sort of thing that's at the
core of this legislation that this is trying to
solve.

MR. R. SMITH: And as an aggregator,
I mean, what we're trying to solve in the
research space and what we're trying to use our grants for is, what information do you need, what problem do you need us to solve that will get you to yes.

I think that that's what we're looking for in our NTA is we would be really excited about doing this if we knew X, Y, Z. And then tell me what X, Y, Z is and we'll try to figure out how we can get to X, Y, Z.

And I think that's what you guys are after too is you can ignite this whole area if you fill in these blanks.

MR. FIKRI: Yes.

MEMBER REAMER: Kenan, one of the lessons learned from this process over the last year, in terms of what made it work for going forward, and what else is on the EIG's vision for what it would like to do next again?

MR. FIKRI: Yes, that's a great question. So we need to get through implementation.

So, yes, it's been, we're only about
five people and there's been a lot of incoming
interest from a lot sorts of folks, which has
been really great to see. So it looks like funds
will be setup, which is one of the early initial
accrued points governors are, in many states,
being very thoughtful about the zones that they
designate. So that's all really exciting.

I think that though there are, as I
said, this is only one piece of the puzzle and
we're going to try to tackle other pieces of the
puzzle relatively --

MEMBER REAMER: Such as?

MR. FIKRI: Such as, yes, I don't know
yet to be honest.

MEMBER REAMER: Okay.

MR. FIKRI: But I think that this
theme will be, actually, we might tackle
immigration next just to be provocative, but
we'll see.

MEMBER REAMER: And what, like, what
are the two, three factors that made this work?

Very few pieces of legislation get
through --

MR. FIKRI: Yes.

MEMBER REAMER: -- and get through this way with bipartisan.

MR. FIKRI: Yes, good question. So, I think that, so we are, it starts with the research.

The Distressed Communities Index is a data product that we developed that looks at economic well-being across seven metrics on all zip codes in the United States. And we use that to tee-up the need case for just how divergent the fates of the communities are nowadays.

And especially how diverse the growth trends are. And that most of the country is still declining while the national growth is, not most countries, sorry, there are large parts of the country that are still seeing the job losses and business closures even as the national economy is reaching new heights in many respect.

So, I think that data was very powerful. And we customized it congressional
districts.

So we brought it, it was a lot of foot
and ground work, we brought it office-to-office
and then gave them, customized profiles of their
place.

Very few people actually give
congressmen and women dated information about
their own district. So I think that that brought
it home.

And some of it was just luck with the
original co-sponsors. I think Tim Scott, with
his personal narrative and his personal
experience. And it was something that he, the
sort of idea that I think he wanted to achieve in
his time in public service. So that was really
great.

I think that we also benefitted, I
guess, from that main advocate being in the
controlling party. So the Republican party.

Because, frankly, as soon as it became
probable that it would be part of tax reform,
like, there's not going to be the champion of it
again. So we had multiple strong heads supporting the legislation.

And depending on how things shook out, one could carry it forward. The strongest force given the circumstances could carry it forward.

And then, what else. Yes, so I just think a lot of the manual work was good. And then it was a standalone piece of legislation at first but then willing to get it rolled into other pieces of legislation as needed because not much moved. The tax reform did and this was a tax bill in the end.

And some of the aspects were tweaked in order to keep that score low in this Congress. Because there was still talk about the deficit and all back when they were trying to assemble the bill.

So all that played together I think. But having, I mean, having the, people were actually very refreshed on both sides of the aisle to be able to be part of a bipartisan bill and know that their friends on the other side of
the aisle were also supportive of it. And I
think that sort of appeared, just people were --

That leaves us relatively optimistic
in the bipartisan environment that there was such
appetite to do bipartisan things together. And
this was a safe space that didn't have a lot of
stakeholders or vested interests around it that
made it, I think, refreshingly neutral ground for
folks to engage in.

MEMBER FREDERICK: So sadden to hear.

MR. FIKRI: Yes.

MEMBER FREDERICK: I don't want to
hold you to something you said, I think kind of
words by the wayside --

MR. FIKRI: Okay.

MEMBER FREDERICK: -- but you could
have given me a hundred guesses on what you
tackle next --

MR. FIKRI: Yes.

MEMBER FREDERICK: -- and I wouldn't
have guessed you'd go immigration when you're
talking about safe zones --
MR. FIKRI: Yes.

MEMBER FREDERICK: -- so can you give a hint on that or is that too off track?

MR. FIKRI: That may be too off track. I mean, so on the less exciting front there are things like non-compete agreements that are, that obstruct spin-outs and people from starting their own businesses that are relatively, or there's not a lot of new research, I think, to do around it but we could add a voice to try and rein those in because they do sap entrepreneurialism of the economy and innovation of course.

MEMBER FREDERICK: You want help on non-competes --

MR. FIKRI: Non-competes, okay.

MEMBER FREDERICK: -- in the CA with national venture capital association --

MR. FIKRI: Really? Oh, yes.

MEMBER FREDERICK: -- would be an advocate.

MR. FIKRI: Yes. Yes, of course. So those are small things.
Bigger picture stuff I think we're, yes, we will, we still care very much about the, I guess, geographically uneven nature of growth now. I think we'll keep trying to produce data projects that put those disparities into light a little better, but I don't know exactly what shape those we'll take yet.

CHAIR BRADLEY: Can you share how you got to the term, because it's not an accident that you came with opportunity?

MR. FIKRI: Yes. That was probably, what was that.

CHAIR BRADLEY: There's lots of words you could have used.

MR. FIKRI: There's lots of words we could have used, yes. I think -- actually, one of the co-founders of the organization could probably speak a little more intelligently to how they, or how they and we arrived there.

But I think it's something that's appealing to both parties. I mean, you mentioned the word inclusion before in your debates,
unfortunately I think that's almost a partisan word now, opportunity is not.

So being a bipartisan organization and having two folks who deeply immersed in the respected communities were able to I think find joint terminology. And it's very, the whole idea of zip code destiny thing is deeply offensive to many Republicans and many on the right.

So anything that would, any solution that would try to tackle that problem and any language that spoke to those issues was very well received.

CHAIR BRADLEY: Thank you.

MR. FIKRI: Yes.

MR. BUERSTATTE: Well, Kenan, if you're able to, we'd love for you to stick around and join us during break time, which is up next.

MR. FIKRI: Of course.

MR. BUERSTATTE: And if you can have any sidebars, people who want to dig a little bit deeper into some of these specifics, we welcome you to stay for the rest of the morning.
But before we break, I think we've got one personal update I wanted to highlight. Mike Nemeth I think has a new book that he would love some feedback on, so if you're interested in hearing about Mike's new book, please leave with him during the break.

MEMBER NEMETH: I appreciate the opportunity to speak with you about the book that I published instead of wrote. And I can explain that further if anyone is interested.

MR. BUERSTATTE: All right. So, we are just a few minutes ahead of schedule. Depending on when Eric comes back with edits we may start as early as 11:15. So this is a little bit of a longer break than normal just to allow some editing time.

Again, let me emphasize, could be 11:15 but I'd rather get us ahead of that if possible. So if he comes back, we might start at 11:05 or something and we'll rally and sit back down.

So at this point, Whitney, and anyone
else on the line, we will be on mute for the next
few minutes and enjoy a quick break and we'll
reconvene soon.

(Whereupon, the above-entitled matter
went off the record at 10:46 a.m. and resumed at
11:17 a.m.)

MR. BUERSTATTE: All right, folks
welcome back. We will start back up.

Looking at the agenda we're just a few
minutes ahead. We were supposed to come back at
11:20, but what was great about EIG and Kenan's
presentation allowed us to get a little extra
time for Eric to work through --

CHAIR BRADLEY: Work his magic.

MR. BUERSTATTE: -- yes. More on
feedback.

I'll turn it over to Eric in a second
to frame the, lay the groundwork of where we're
at and how he did that. But I will say I'd like
to take the rest of today to get some more
feedback on this, elevate the conversation one
more time around what we want to get out of this.
And we'll take some more notes, compile those. And I don't think we're ready for a vote for a few reasons, but one is, we just did another big pivot, not a pivot but a decent change.

But I really want, like I said earlier this morning, I think it's really important that we have all members to have some agency and input on this. So since we only have 45 minutes left, I think it's best that we pause and we'll work on the logistics virtually and how we do that. And we can discuss that at the end, next steps.

But absolutely no later than a few weeks from now I'd say we would pull together a virtual vote and get this through. I'll pause there. We'll talk through details and what I have in mind that I think will work quite nicely.

But, Eric, do you want to tell us where we're at and what you did?

MR. E. SMITH: Sure. So, I essentially took what we talked about, the four categories around catalytic, collaborative,
strategic and accessible.

And it's a little bit of a hybrid of some of the options we talked about, so a couple sentences framing up the importance of each one of those high-level principles. And then a couple bullets that are a little more specific about how some of those principles might be implemented or realized. What some of the goals are.

So those bullets are going to reuse and combine some of the language from the bullets that were in the previous version of this. The preparatory text and each of the sections is new. For the most part.

So happy to, I know you've only had a couple minutes to take a look at it. I think, as Craig said, since we're taking this back and going to take in comments from all those who weren't able to be with us these two days, you're all welcome to do that as well.

But maybe we can just talk about kind of the top line framing for each of these and get
your feedback and then go from there.

MEMBER REICHERT: I'd like to suggest a structural change. And that is to put strategy at the top.

MR. E. SMITH: Okay.

MEMBER REICHERT: And to rename it something along the lines of data driven strategy to ensure global competitiveness. I feel like the competitiveness thing really needs to be called out and that fits with what this administration wants to highlight.

I think the bullets underneath that would fit fine.

MEMBER REAMER: I second that.

MR. E. SMITH: Easy.

MEMBER BALDWIN: Competitiveness is the end result from the strategy, right?

MR. E. SMITH: Right.

MEMBER REICHERT: But we need a strategy to be competitiveness. So I think competitiveness needs to come out in the title --

MR. E. SMITH: Yes.
 MEMBER REICHERT: -- that's why we're
doing all of this.

 MR. E. SMITH: Yes. Any other
thoughts or high-level important concepts or
words that are missed here at the top line?

 MEMBER REAMER: For catalyze I'd like
to broaden the phrase somehow. I'm not quite
sure how to do it.

 But basically, catalyze the markets,
the working of markets stuff. The private
industry is an important element but I also want
to catalyze the ability of people in markets to
make good choices. The entrepreneurs, the
workers, the people in industry.

 MEMBER REICHERT: It sounds like
catalyze private industry success or catalyze
private industry engagement.

 MEMBER REAMER: I want to include the
workforce as well as industry. So, when Kenan
was talking earlier he used the term market-base,
which I like and I was trying to think, can we
include that here, like catalyze market
operation.

I can't think of a good way to say it. But it would include private industry and private individuals.

MEMBER BALDWIN: So is it catalyze private industry and individuals?

MEMBER REAMER: That certainly gets the idea. And with collaboration I would like to make sure it was mentioned of government-to-government collaboration, because I think a theme throughout our discussions is Commerce's role with other departments who really have primary responsibility.

Kenan just talked about Treasury is up and Ryan got up and talked about how Commerce can help make the work better. The same with workforce, it's the same with infrastructure, Commerce has a catalytic role in developing relationships with these other government departments.

So it's not just public-private collaborations, public-public collaborations.
MR. E. SMITH: Yes, I actually had, there was a separate bullet on that and I collapsed that into the aligning public and private sector resources. So maybe adding a word or two in there --

MEMBER REAMER: Okay. Oh, I see you have multi-agencies.

MR. E. SMITH: Yes. Aligning resources within and among the public and private sector.

MEMBER REAMER: I think this works. I'm sorry, I missed the bullet there.

MR. E. SMITH: And I think you're right, the sort of baseline reading of it in favor of the public-private reading as opposed to public-public, private-private, public-private.

MEMBER REICHERT: What do we want to catalyze private industry to do? I'm having trouble with that title.

MR. GOLDFINE: So we're talking --

MR. E. SMITH: So -- go ahead.

MR. GOLDFINE: We were talking
yesterday, I think David was really hitting on it, it was recognizing the gap in some of the administration, R&D priorities, they talk about supporting basic research and then industry taking it from there and recognizing there is the role in-between of intermediaries and how much work is really needed to get things out of the lab and into the market. I think that is kind of where some of these concepts were coming from.

MR. E. SMITH: As Andrew was talking I, about this part earlier, I landed on, before I moved on to the collaboration one, catalyze high performing markets of industries and individuals.

MEMBER REICHERT: What we want to catalyze is engagement of the private sector, with the government and other, in between the two.

CHAIR BRADLEY: Just for my own, I guess clarity, but also in this stark distinction between what you said and others have said compared to the first bullet under two, what's missing from that bullet?
Is there a way to address this, adding the collaboration piece between agencies as well or is something else missing there?

MEMBER BALDWIN: I think that fits under Number 2. The collaboration --

CHAIR BRADLEY: But --

MEMBER BALDWIN: -- engaging industry, engaging private industry --

CHAIR BRADLEY: Okay.

MEMBER BALDWIN: -- seems to fit there under Number 2.

CHAIR BRADLEY: Okay.

MEMBER BALDWIN: Bridge and engage --

CHAIR BRADLEY: I'm trying to call out what you guys were just talking about.

MEMBER BALDWIN: Yes.

CHAIR BRADLEY: The interagency piece, so that's captured there.

MEMBER BALDWIN: Interagency piece I think is under Bullet 2. One under Number 2.

CHAIR BRADLEY: Yes.

MEMBER KENNEY: There is something
about the strategy, the opening paragraph. In
order to realize accelerated economic growth we
need strategy, there's a grammatical problem, but
we need strategy to support American
entrepreneurs to play innovative technologies
here at home.

So if we need a strategy, are we
suggesting that somebody go create a strategy?

And then the bullets just talk about
having implying, excuse me, imply that there is a
strategy that we're following. So I'm trying to
figure out if we're recommending that somebody go
off and create a strategy?

Because there is something different
about going and creating a strategy or being
strategic, which is I think the word we were
using before which is, in my mind, sort of
thoughtful and intentional about an approach.

MEMBER REICHERT: We need a strategy.

MR. E. SMITH: Yes. We need to
operate strategically.

MEMBER KENNEY: Okay. So, are we
suggesting the Secretary's Office should go
develop the strategy or are we --

    MEMBER REICHERT: That's what we said
yesterday. In the innovation, second innovation,
that that would be a good role for Congress to
look across all agencies and industries and
decide, what is it that we should be focusing on.

    MEMBER REAMER: So, David, what about
if we made the second bullet, the first bullet,
flip the first and second bullet so that the
first step would be to actually get information
from which you can see where you're at, and then
on the basis of that analysis, make your
innovation?

    MEMBER KENNEY: That helps. That's a
really good suggestion.

    MEMBER BALDWIN: And then is what
you're saying, Number 3 then becomes strategic
leadership as the title?

    MEMBER REICHERT: That implies we have
a strategy. I don't think we have a strategy.

    MEMBER SMITH: It drops data and
analysis out.

MEMBER REAMER: Yes, I think Andrew's suggestion helps me a lot.

MR. E. SMITH: Can you repeat that, Andrew, I'm sorry?

MEMBER REAMER: Just flipping what Bullets 1 and 2.

MEMBER KENNEY: Under Number 3.

MEMBER REAMER: Yes. And then having the new second bullet refer to the first bullet on the basis of the analysis directing innovation obviously.

MEMBER REICHERT: And I noticed in the third bullet, in that section, that you dropped healthcare. Was there any reason for that?

(Off record comments)

MR. E. SMITH: Actually, I wanted to like get away from the laundry list and I was trying to get rid of one word and that seemed like the one that was of like the three that were called out. Maybe least resident with this administration.
I also don't want to get into the, like we have that R&D priorities memo --

MEMBER REICHERT: Right.

MR. E. SMITH: -- and that exists so I don't want to sort of rehash that by trying to list out sectoral priorities. But I could be convinced otherwise.

MEMBER SMITH: Well, it does say other priority sectors.

MEMBER REAMER: What --

MR. E. SMITH: Or just in priority sectors.

MEMBER REAMER: What about ensuring investments, federal investments in administration priorities, including infrastructure, R&D and whatever apprenticeships or whatever else the administration has declared a priority.

MEMBER REICHERT: Well, does apprenticeship fit there?

MEMBER REAMER: No.

MEMBER REICHERT: No, I don't think
so.

MEMBER REAMER: But I think infrastructure and R&D are there any other, Craig and Eric, any other priorities that we can say the administration has declared?

MR. E. SMITH: I mean, from an R&D perspective there is that memo --

MEMBER REAMER: That's --

MR. E. SMITH: -- written beyond that.

MEMBER REICHERT: Maybe it's other R&D priority R&D sectors?

Because then we're referencing a memo that has that laundry list in it. Then you would have energy, health and people can says, oh yes, I fit there, even if they don't.

MR. E. SMITH: Sorry.

MEMBER REAMER: And so our aim is to make friends here. Have been ensuring federal investments in the administration priorities of infrastructure, defense and R&D.

MEMBER REICHERT: In other priority R&D sectors. That's all we're saying.
MEMBER REAMER: Well, but infrastructure and defense are not R&D.

MEMBER REICHERT: Yes, but we want them to invest in R&D and they say they want.

MEMBER BALDWIN: So she is suggesting in infrastructure, defense and other R&D priority sectors. Adding R&D to --

MR. E. SMITH: But I think there are two questions here. There is one, like, do you want to invest in R&D and then the other one is, if you're going to invest in R&D, what areas, what like science --

MEMBER REAMER: Right.

MR. E. SMITH: -- and technology do you invest in with respect to R&D. And I think we don't want to like mix the levels there either.

MEMBER REAMER: I agree. And I guess what I am thinking is that R&D, to me, based on our conversation yesterday, is too limiting and that there may be some perfectly good commercial technologies out there and a role is to get those
innovative technologies in use.

R&D is useful for some things but other things have been R&D already. But the Defense Department and DOT are not aware --

MEMBER BALDWIN: We need to --

MEMBER REAMER: -- it's about the adoption and implementation of innovative technologies.

MR. E. SMITH: We can do that.

MEMBER REICHERT: Okay.

MEMBER BALDWIN: So instead of procuring, are you suggesting engage with and drive the adoption of the best and most innovative products and services?

MEMBER REAMER: But no, your second line is fine, I was working on Emily's comment about other R&D sectors. I just want to be clear, in my mind, infrastructure and defense are on the same level as R&D they're not subsets of R&D. That's how I think of it.

They are uses for innovation products and services and infrastructure and defense that
are not R&D related.

MEMBER REICHERT: Under catalyze private industry, we're talking about the second bullet, deploying streamline regulations tailored to reduce burdens. What was the discussion around that?

Is there anything we can do there to be a little more specific? That just seems kind of like a throwaway line to me.

Like, what regulations are we trying to reduce? What was the discussion on that topic?

MR. BUERSTATTE: This was in relation to some of your comments. Where we're talking about newer industries that might have regulatory barriers that aren't adaptive to new markets, aren't defined or they're defined for different type of, in this case, maybe for you, an energy market.

So, we were trying to capture not only regulatory, kind of red tape reduction, but also reduction can be abused in fact. And sometimes
it's more about the smart regulations,
regulations that are relevant to today's
innovation economy.

And in term, resulting in accelerated
commercialization, scale, access to markets, et
cetera.

MEMBER REICHERT: Okay.

MEMBER KENNEY: So on that --

MEMBER BALDWIN: I think the other
correction was reducing the barriers to entry
for entrepreneurs, that they don't have to spend
the first year learning all the licensing and the
permitting and all of the things that they, in
making the mistakes that cost them money and --

MEMBER KENNEY: I think that's
actually a good phrase, the lowering of barriers.
I think that's sort of what, how I sort of read
the reduced burdens that might attribute more --

MEMBER REICHERT: Yes. Lowering
burden area would be better.

MEMBER KENNEY: Lowering barriers.

MEMBER REAMER: And also, a priority
for the administration is the reduction of occupational regulation.

Occupational regulation, there is, the priority administration, or review of the administration is that too many occupations require licenses that exclude people from being able to participate, so there is an aim to reduce, in states, the likely regulation of opportunity.

MR. BUERSTATTE: And licensing, are you saying that should be called out individually alongside regulations?

MEMBER REAMER: Alongside. It's just part of regulation. It's not like regulating businesses it's regulating occupations, et cetera.

MEMBER BALDWIN: I agree.

MR. BUERSTATTE: Right. And so are you saying add licensing to that?

MEMBER REAMER: No. So streamline regulations to reduce burdens, accelerate entrepreneurship success, facilitate entry into
occupations, there is a better way to say, but basically facilitate the ability of people to enter occupations. Just as examples.

MR. BUERSTATTE: Okay.

MEMBER REICHERT: Facilitate job creation?

MEMBER REAMER: That's fine. It's general, but that's fine.

MEMBER BALDWIN: What it takes to be able to cut somebody's hair is really, the license to get that is a barrier to entry.

MEMBER KENNEY: And it's different than job creation though. I would substitute job creation --

MEMBER REAMER: Okay.

MEMBER KENNEY: -- as a pathway to occupation access. And that almost --

MEMBER REAMER: Okay, yes, thank you. This is something the Secretary's Office has said it cares about.

MEMBER SMITH: Facilitate access is what you're doing by reducing the license where
your job is there already.

    MEMBER REICHERT: Should that be under accessible opportunities bullet instead.

    MEMBER KENNEY: I was just wondering, I was just thinking that as well. Seeing if you're trying to make it, occupations more accessible by reducing that area, that would be a regulator reform, related to accessibility.

    MR. GOLDFINE: Maybe that third bullet, in accessibility about training, credentialing might fit in there somewhere.

    MEMBER REAMER: Yes, that's a good place.

    MR. E. SMITH: Yes, good.

    MEMBER REICHERT: Which bullet?

    MEMBER REAMER: The third bullet under accessibility.

    MEMBER REICHERT: So promoting both training for skills.

    MEMBER KENNEY: Yes, the trainability and, both training and --

    MEMBER BALDWIN: What would you say --
MEMBER KENNEY: And maybe licensing barriers or --

MEMBER REAMER: Appropriate levels of licensing.

MEMBER SMITH: I wouldn't take out trainability.

MEMBER KENNEY: No.

MEMBER REAMER: No, no, we're not talking about --

MEMBER KENNEY: This would be in addition to.

MEMBER BALDWIN: So promoting both training and --

MEMBER REAMER: And reducing barriers to entry.

MEMBER BALDWIN: -- barriers to entry for skills that need private sector --

MR. E. SMITH: Yes, so --

CHAIR BRADLEY: Wait, I just want to make sure. Does that get to your credential --

MR. GOLDFINE: Maybe. And something around nimble credentialing to meet the needs of
a rapid change in the economy.

CHAIR BRADLEY: Oh, I really like that.

MR. GOLDFINE: With the focus on the needs of the companies and being nimble to meet their needs and keeping that credentialing --

MEMBER JOHNSON: With respect to licensing, there are huge discussions going on about veterans. You know, if you learn a skill in the Army, let's say you were an EMT or something, how does that skill, from a licensing point of view, transfer into the workforce.

And there is all kinds of issues with that. I think lots of community colleges are involved in that.

There is a workforce in making, we have a barrier that exists today for that workforce, who come into this entrepreneurial --

MEMBER BALDWIN: Yes. It's almost like the, and the Irish have done a great job at solving this, it's getting your work-based experience credential.
So they actually, they allow you to map your work-based experience to the academic objectives and they will, yes, you got it.

And I had to go to Ireland to get some of our employee's work-based experience, academic credentials that they can then bring back.

MEMBER JOHNSON: If we had some language in here though that just pointed that out people would say, yes, yes.

MEMBER BALDWIN: Yes, does an EMT in the Army really need to go through a different process --

MEMBER JOHNSON: Or a --

MEMBER BALDWIN: -- license process in every state.

MEMBER JOHNSON: -- whatever it is.

MEMBER BALDWIN: Could you restate what you just, how you said it, the --

MR. GOLDFINE: I don't remember what I said.

(Laughter)

MR. GOLDFINE: It's on tape, right?
MEMBER JOHNSON: Jack be nimble.

MEMBER BALDWIN: Nimble.

MR. GOLDFINE: Yes, something about nimble credentialing to meet the needs of a rapidly changing economy.

CHAIR BRADLEY: That was it. Pretty darn close.

MR. GOLDFINE: That's good.

CHAIR BRADLEY: Yes.

MEMBER SMITH: So it would be promoting both training for skills, and then how would you say that? How would you put that in that sentence?

MEMBER BALDWIN: Promoting nimble credentialing and --

MEMBER SMITH: For the private sector needs.

MEMBER BALDWIN: -- training, yes, for skills.

MR. BUERSTATTE: Sue or Whitney, I'd be curious to hear your --

CHAIR BRADLEY: Whitney has dropped.
MR. BUERSTATTE: Okay. Sue, I'd be curious to hear your thoughts on credentialing though.

I know there are some, there is two schools of thought on that right now on kind of the direction. And this might be a bit wordsmith-y, but is that the right angle we should take on it?

MEMBER SMITH: Well, right now there is a lot of attention on credentialing and we're registering through the credentialing registry, the credential registry, all of our credentials. So I'm not sure that reducing those right now would be a good thing, since we're just now detailing them.

MR. BUERSTATTE: Okay. I just wasn't sure, I wasn't in tune of exactly Labor's latest efforts there.

I wanted to make sure we can, another great example, we can pause and after this meeting and socialize it around a bit and make sure that it's reflective of some of their
efforts.

MEMBER BALDWIN: I'm not sure we're trying to reduce credentials, we're trying to make credentialing fungible.

MR. BURERSTATTE: Right.

MEMBER BALDWIN: We're trying to make work experience part of the credentialing. I mean that's, we're not trying to reduce it, we're trying to make people more nimble and mobile and translate what people can actually do into permission to do it.

MEMBER REAMER: It's really meaningful credentials, and part of that is getting people credentials that they're not able to get now. And the other is to have them not have to obtain credentials that are unnecessary, like a license or similar.

MEMBER BALDWIN: Yes.

MEMBER SMITH: But the other thing that credentials do is tell employers what the demonstrated competency is and --

MEMBER FREDERICK: I'd say more nimble
and, you're trying to make credentials more
nimble and transferable, does that capture it?

MEMBER BALDWIN: I mean, if somebody
can demonstrate the competency.

MEMBER SMITH: Yes. It's not so much
transferable as translatable. So just because
you have an MBA doesn't mean you can actually do
anything. I mean, no offense but that just means
you have --

MEMBER BALDWIN: Some of us feel the
same way.

(Laughter)

MEMBER SMITH: Right. That just means
that you were there. And it's true for
programmable logic controllers and every kind of
skill that you can name. Just because you can
take a class and pass the test doesn't mean you
can actually do it. So having a demonstrated --

MEMBER FREDERICK: This is way outside
my area of expertise --

MEMBER BALDWIN: Work experience.

MEMBER FREDERICK: -- but what
resonated to me is somebody made the Military example. Like, if you drive a truck for the Military for four years, as a citizen I would think I'd fully trust you to drive a truck here, you know.

MEMBER BALDWIN: Right.

MEMBER FREDERICK: Or if you were an EMT on the battlefield, what other hoops do you need to go through.

MEMBER BALDWIN: Right. Make that fungible.

MEMBER JOHNSON: There is all kinds of weird stuff. Like, you can get recognized as a service disabled vet instantly when you leave the Military, but in the State of Kentucky it takes one year after that.

So what do you do if you're in Kentucky and you want to start a business, you have to wait a year?

So the whole credentialing thing gets pretty nutty when it takes you --

MEMBER SMITH: I think we do need to
include it somehow.

MEMBER JOHNSON: Yes.

MEMBER SMITH: Just so it's recognized.

MR. E. SMITH: Yes. I mean, we're not voting today, so I think we can figure out exactly --

MR. BUERSTATTE: Yes.

MEMBER KENNEY: So, back on the regulation piece, on Number 1. The phrase deploying streamline regulations sort of implies creating more regulation as opposed to few regulating. I wonder, if it might just be streamline regulations.

MR. E. SMITH: Yes.

MEMBER KENNEY: Change the verb.

MEMBER REAMER: Make streamline a verb?

MEMBER KENNEY: Yes. I don't know if you already changed that, you could streamline regulations to reduce barriers.

That's where we talked about that
barrier --

MR. E. SMITH: I didn't have anything to --

MEMBER KENNEY: Okay.

MR. E. SMITH: -- lower barriers.

MEMBER KENNEY: Okay. And then in the opening, I don't know if you want little grammar things --

MR. E. SMITH: Yes.

MEMBER KENNEY: -- just above the bulletin outline the word develop should be development.

MR. E. SMITH: Yes, I got that one.

MEMBER KENNEY: You got that one, okay.

MR. E. SMITH: Thank you.

MEMBER FREDERICK: It's come along way though. Well done, Eric.

MR. BUERSTATTE: Yes.

CHAIR BRADLEY: Yes, Eric is --

(Multaneous speaking) --

MEMBER FREDERICK: You turn all these
random thoughts --

(Laughter)

CHAIR BRADLEY: I just have one question. So, recognizing that we will not vote today, that there will be ongoing work, what I don't want to have happen is we're ready to call for a vote and then we reopen a can of worms.

MEMBER SMITH: I agree.

CHAIR BRADLEY: So is there, so I'm going to ask you people read it one more time and is there anything that they absolutely, positively cannot live with, because I don't want to be surprised on an email vote.

Like Whitney has already said she had to go, if we vote today, she's in. Just as a proxy, I can live with it, but I don't want to sit and have an email exchange around, I don't like that.

MEMBER KENNEY: So maybe Mike can get his mnemonic in here.

MEMBER NEMETH: Oh, I'm still working on it.
(Laughter)

MEMBER NEMETH: No, I just one word that I do question, unrelated to mnemonic devices as well. Catalyze, that one just never really resonated with me. I just want to throw it out there and even get some feedback from you guys.

Like every other one to me is like a big strong word. That one, to me, just seems a little too nerdy.

PARTICIPANT: That's probably why I like it.

MR. E. SMITH: That's why I like it too.

CHAIR BRADLEY: What do you, let's take the word out, what does this section mean, what is the verb this section generates for you?

MEMBER NEMETH: Yes, I mean, I think the other pieces of it where it's like unleashing all of this opportunity because we're connecting these two and so I just, again, I thought that of all the words catalyze sounded the most technical. Like, clearly this was written by
people that are living this too long.

CHAIR BRADLEY: So you thinking fuel?

MEMBER NEMETH: Like, there you go.

CHAIR BRADLEY: So is it driving or is it, I'm just throwing this stuff out there, so is it fuel or is it leverage if there's partnership?

I'm trying to figure out --

MEMBER NEMETH: No, just --

MEMBER FREDERICK: I don't feel strongly at all. The thing I liked about catalytic, or catalyze or catalytic is kind of when you think about market failures and the right role of government and kind of to just get some momentum.

CHAIR BRADLEY: Got you.

MEMBER FREDERICK: And then the private sector, I think that will resonate. But again, I come from a world where we use really geeky language all the time.

MR. E. SMITH: What about ignite?

MEMBER BALDWIN: Say it again?

CHAIR BRADLEY: Well, that gets you a
vowel.

MR. E. SMITH: That's getting a vowel.

(Simultaneously speaking)

MR. BUERSTATTE: So, we need to get
the input from those that were virtual and not
able to hold with us throughout the whole meeting
today.

So while I agree we've listed it as a
very important point, let's identify any major
issues today while we're all in the same room.
We do only have a few short minutes left.

There will be an opportunity to tweak
this virtually but I do want to avoid a perpetual
never ending, well, let's wordsmith this,
wordsmith that.

So we will focus, Eric and I will
focus on engaging the others that didn't
participate, get them caught up to speed on some
of the reasoning here and an approach, while in
parallel socializing this downstairs in the
Secretary's policy shop and a few other key
offices, incorporate any important feedback
there, present it back to you all.

And to do this in an official capacity we will need to call a verbal vote which would take place teleconference. And the earliest that we could do that, just from a procedural perspective, because it will need to be on the public record, I'd imagine probably no earlier than three weeks from now.

We will push for that if we think that's possible, but we also don't want to compromise any of that process, making sure that we do have engagement from some of the key offices here and so forth. Any questions on that?

MEMBER REAMER: You have to actually do the federal register notice and --

MR. E. SMITH: Yes.

MR. BUERSTATTE: Yes. So we'll be an open call and we do have some members of the public yesterday and today. So it's important that we hit the right practices and procedures.

So, with that said, it is the end of
the meeting and it is that time again. So, on
the phone, I'd like to open up the line for any
members of the public to make any comments. Are
there any members of the public, on the phone,
that would like to comment, briefly, to the team?

   All right, are there any members of
the public in the room? Kenan, go?

   MR. FIKRI:  I'm good. I'm good, thank
you.

   MR. BUERSTATTE:  Thank you. All
right. Well, you kind of heard from me already
on next steps.

   Please be on the lookout from that,
for that correspondence. Eric, do you have
anything to add?

   MR. E. SMITH:  No. Look for a new
version of this and a Doodle poll so we can pick
a time that most everyone is available for the
call.

   MR. BUERSTATTE:  Great. Melissa.

   CHAIR BRADLEY:  No, thank you. And I
just want to say I heard no objections to what's
in this document. So I'm going to hold that because I'm sure there will still be some conversations with new folks, but at least we all agree so thank you.

MEMBER REAMER: That's a big accomplishing. And wordsmith I think we're all --

CHAIR BRADLEY: No, it's huge.

Special thanks to, Eric, for the --

MR. E. SMITH: Yes, great job.

CHAIR BRADLEY: -- fusing together.

MR. BUERSTATTE: So, two final thoughts then. One, housekeeping. If you have not gotten your annual financial disclosure, we need wet signatures. We need a hard copy. Please make sure you get that to us ASAP.

MR. E. SMITH: You can't, just to clarify the importance, you can't actually vote on anything until you give us the disclosure. Our ethics people are pretty strict about that.

MR. BUERSTATTE: And don't forget, you gave us one the prior, last year. So use that as
a baseline and hopefully it will be a quick
process for you this year.

Second, on a fun positive note I will
say, can you guys imagine doing this a year ago?
That would have been a very long painful process.
I want to say it was really fun working with
everyone.

I know some of this policy making is
still kind of new for many of you but I don't
think we could have gotten nearly as close to a
product like this. So just to put it in
perspective, just remember how far we've come and
how much we've all learned together when it comes
to steering the big Titanic Ship that is the
federal government.

So thanks for your work your
participation, I think we've come an awesome long
way and I'm really excited to where we landed
today. Thanks.

CHAIR BRADLEY: Thank you.

(Off record comments)

CHAIR BRADLEY: Hold on.
MR. BUERSTATTE: At this time I will conclude the formal public portion of our Day 2 NACIE meeting on February 2nd. Thanks for everyone for participating.

(Whereupon, the above-entitled matter went off the record at 11:55 a.m.)
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was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

______________________________
Court Reporter

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