



A Special Report:

New Horizons Foundation's 'Innovate Lea County' Conference

This is a summation of both the presentations and the briefing materials provided at New Horizons Foundation's April 23, 2016, conference for local, regional and state leaders and officials in the public and private sectors. The conference focus was on the background and status of NHF's strategies and progress for further strengthening and diversifying the innovation economy of Lea County and its surrounding region in the Permian Basin.

"A community's ability to create technology, turn it into a product, and get value from it will be the standard that determines its success in the 21st century."

**The Knowledge Seekers, Creating Centers for the Performing Sciences
W. Arthur Porter, Ph.D.**

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Introduction

On April 23, 2016, New Horizons Foundation (NHF) hosted the “Innovate Lea County” conference on the campus of New Mexico Junior College in Hobbs, NM, to brief local, regional and state leaders on its progress and accomplishments since its formation five years ago. This report conveys a summary of those briefings.

The stated mission of New Horizons Foundation is to “promote, develop, and administer technological innovations for applied scientific, educational, and economic wealth creation for public benefit and economic growth.” It is a 501 (c)(3) organization that was formed in 2011 via a partnership between the Lea County Commission and New Mexico Junior College, with the primary goal of further strengthening and diversifying the economy of Lea County, and also to foster investment and drive innovation in Lea County and the surrounding Permian Basin.

Attendance at the conference included approximately 50 individuals from both the private and public sectors with an interest in learning more about how NHF is working to access new technologies to stimulate investment and innovation in the economy of Lea County and the surrounding region of southeast New Mexico, as well as in the vast, oil-rich Permian Basin of eastern New Mexico and West Texas. Attendees included business owners and executives; local, county and state elected officials; and economic development leaders from Lea and neighboring Eddy County.

The conference was opened by Ron Black, NHF Board President, followed by a detailed progress report by Dale Gannaway, NHF Executive Director, who then introduced a panel of three NHF staff executives who addressed core issues in the development of an innovation-based economy:

1. Tim Wittig, NHF Technology Manager: “Finding Proven Technology to Expand and Diversify Our Economy”

2. Lance Anderson, NHF Patent Counsel: “A Model for Innovation”
3. Gary Pankonien, NHF Entrepreneur-in-Residence: “Getting Value from Technology”

Pankonien also presented an overview of the local development opportunities of two technologies that have already been identified and accessed by NHF under its new agreement with the U.S. Department of Defense.

- Cold Spray technology: A Test Services Agreement with the Army Research Lab (ARL) that will allow Pemco of New Mexico to work directly with the ARL Cold Spray Team to develop processes, techniques and capabilities for utilization in the diversification of Pemco’s capabilities and customer base across the Permian Basin and beyond; and
- Sound Suppression technology: A Scope of Work and license agreement for the ARL’s Vorticity Muffler technology giving NHF the rights to co-develop the prototype of the muffler in Lea County for use by the military for their vehicles and exclusive use by NHF for all non-vehicular use in the commercial market.

Garry Buie, CEO and President of Pemco of New Mexico, spoke informally at the conference about his experiences working with the NHF staff to identify and further develop the Cold Spray technology that NHF has accessed at the ARL.

The conference concluded with informal remarks by NHF Board member Dr. David Schmidly, immediate past-president of the University of New Mexico and a widely recognized authority on the many ways new research and technologies are driving the modern-day innovation economy.

Executive Summary: A New Way Forward in the Permian Basin

The NHF conference demonstrated that its principal accomplishments to date have been in attracting a strong executive staff and in gaining access to the research discoveries and cutting-edge technologies flowing from federal research labs. The executive staff's knowledge and expertise in the new innovation economy was evident in the conference briefings, while the relevance of federal research technologies to the economic stability and growth of Lea County and the Permian Basin was the centerpiece of the conference.

The briefing centered on the Master Cooperative Research and Development Agreements (CRADA) that NHF—under the leadership of its Washington, D.C.-based Technology Manager Tim Wittig—has entered into with the Department of Defense's Army Laboratories, and how several of those new technologies are already being explored and developed by businesses based in Lea County.

The business growth and new job opportunities that will emerge from NHF's new agreement with the ARL are particularly relevant to a relatively small rural community whose local economic fortunes have historically been closely tied with one industry sector. NHF Board member David Schmidly, the now-retired former president of the University of New Mexico, Oklahoma State University and Texas Tech University, speaking informally at the close of the conference, said: "What's happening here is the best example of how to move entrepreneurship into a rural community that I've ever seen ... in my entire experience."

NHF provided attendees with a packet of information to supplement presentations on the federal research labs initiative, the importance of managing intellectual property, and the special challenges of managing new businesses in today's knowledge economy. This report conveys the highlights of these presentations and discussions.

Opening Remarks



Ron Black, President of the NHF Board of Directors

Ron Black currently serves as a member of the Board of Trustees for New Mexico Junior College. He also is the Chairman of the Lea County Commissioners. Black was a member of the original faculty of New Mexico Junior College and now serves in numerous public leadership capacities across Lea County.

Board President Ron Black opened the conference by affirming the purpose of New Horizons Foundation, which was formed in 2011 as an organization with the stated mission “to promote, develop, and administer technological innovations for applied scientific, educational, and economic wealth creation for public benefit and economic growth.”

Recounting the foundation’s beginnings, he explained how community leaders such as NMJC President Steve McCleery, who is also the current Vice President of the NHF Board, had recognized an opportunity to advance the regional economy that had been created by a new state law enabling colleges and universities in New Mexico to form research foundations. Black explained how McCleery (who has announced his retirement as NMJC President by mid-2016) and now-retired Robert Rhodes and others at the college seized the opportunity to organize what ultimately was chartered as a 501(c) 3 entity supported by the college and the Lea County Commission.

He explained that from the beginning, the core strategy of NHF has been to identify new research discovering and emerging technologies that could be adapted to the needs and opportunities of the area’s private sector, in order to attract new businesses to the county but also enable the growth and expansion of local existing companies.

The ultimate outcome of the visionary initiative is designed to generate more job opportunities and help diversify a local economy that has long been tied to the cyclical nature of the oil and gas industries, not only by starting new technology-based businesses but also by helping existing businesses access and apply technologies to expand and grow.

Black also commented that the historically strong working relationships among the area's businesses, government offices, education institutions and economic development offices are growing even stronger in the modern-day research, technology and innovation economy. He called attention to the complementary relationship NHF has with the Lea County Economic Development Corporation, whose Board of Directors Chairman, Tres Hicks, also serves on the NHF Board.

He said the NHF's greatest accomplishments at this point are two-fold:

1. Assembling an outstanding staff that can turn an idea into an actual product or business; and
2. Getting Cooperative Research and Development Agreements signed with the Department of Defense giving NHF access to their labs and the ability to find new uses for their research discoveries in the civilian economy.

Board President Black included in his remarks an anecdote about how community leaders in the early stages of organizing the new foundation had engaged a technology management firm to study and assess the region's research and technology resources and assets, and how the firm's project manager was led by the individual the newly formed foundation then hired in 2012 to serve as its Executive Director, Dale Gannaway.

Progress Report: A Strong Platform for Sustained Progress



Dale Gannaway serves as the Executive Director of New Horizons Foundation. In this role, Gannaway works closely with the Board of Directors and directs the NHF staff to utilize the foundation’s business model to provide unique technology commercialization capabilities for Lea County, New Mexico, and the Permian Basin.

Executive Director Gannaway began his report by thanking the NHF Board, Lea County Commission and NMJC for their vision in creating the foundation, and for their ability “to look over the horizon to see opportunities and go into the future and create new opportunities for investment, innovation and success.” Drawing a parallel between the founding of the NHF only five years ago and the founding of New Mexico Junior College nearly 50 years ago, Gannaway said such initiatives call for vision, courage and an innovative spirit.

He turned to a quote displayed on the conference screen (and also included in the conference information packets). The quote is drawn from The Knowledge Seekers, a book published toward the end of the 20th century about creating the modern innovation economy in the coming 21st century. The quotation illuminates the value and the power of NHF’s strategy to identify and access available research discoveries from a wide range of research labs and institutions and find ways to bring these technologies back to Lea County and put them to practical use in the creation of a new innovation economy. The quotation speaks for itself:

“A community’s ability to create technology, turn it into a product, and get value from it will be the standard that determines its success in the 21st century.”

The Knowledge Seekers, Creating Centers for the Performing Sciences

W. Arthur Porter, Ph.D.

Before delivering his report on the progress of NHF, Gannaway introduced Mark Schinnerer, President of the Board of Directors of the Carlsbad Department of Development in

neighboring Eddy County, and thanked him for his interest in NHF's initiatives. He also praised the state's new "Innovate New Mexico" strategic plan, which was included in attendees' information packets.

Moving to the progress being made by the NHF Board and staff, Gannaway provided attendees with a list of agreements NHF has signed with the Department of Defense giving NHF access to its research labs, which receive \$40 billion annually in federal funds for research. First and foremost in importance is the new agreement with the DoD's Army Research Lab:

- **Several Master Cooperative Research and Development Agreements (CRADA) with Army Laboratories**, giving the foundation access to Army, Navy, Air Force or Marine research labs, including their people, resources and capabilities. For example, the Master CRADAs between ARL and NHF allow any company that wishes to work with NHF the power to access the labs through the NHF/ARL agreement.
- **A CRADA with accompanying pre-negotiated license agreement for the Army Research Lab's (ARL) Vorticity Muffler technology**, giving NHF the rights to co-develop the prototype of the muffler in Lea County for use by the military for their vehicles and exclusive rights for all non-vehicular use in the commercial market. The ARL engineer has already come to Lea County to begin work on the development of the prototype with NHF and a local manufacturer.
- **The license agreement with the ARL** with "pre-negotiated" terms for the rights to exclusively license any ARL-developed muffler technology developed under the CRADA that NHF wants to license. This agreement is the "first of its kind" for ARL, which has never signed such an agreement with any outside organization.
- **A Test Services Agreement (TSA) with ARL** that will allow Pemco of New Mexico to work directly with the ARL Cold Spray Team to develop processes, techniques and capabilities for utilization in the diversification of Pemco's capabilities and customer base across the Permian Basin and beyond.
- **A Master CRADA with the Armament Research, Development, and Engineering Center (ARDEC)** at Picatinny Arsenal/Benet Laboratories in Rockaway, New Jersey, and Albany, New York, respectively. This agreement gives the foundation access to ARDEC and its people, resources and capabilities as well.

- **A Partnership Intermediary Agreement with ARDEC** that gives it some unique capabilities for introducing technologies to the Department of Defense from companies and individuals in the private sector.

Gannaway also shared an update on NHF's activities in the first quarter of 2016:

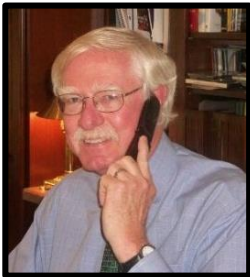
- **Conducted briefing of Governor Susana Martinez and Lt. Governor John Sanchez** and his staff at a January 25 meeting in Santa Fe.
- **Led an "NHF Technology Expedition"** to visit Defense Department research labs with Lt. Governor Sanchez, his Chief of Staff, State Rep. David Gallegos, and others on March 24.
- **Launched the Vorticity Sound Suppression muffler project** and development in Lea County with ARL engineer Mike Scanlon.
- **Signed Memorandum of Understanding** with Pemco of New Mexico to launch the Cold Spray service operations in Lea County
- **Continued work to finalize the NHF/Picatinny Arsenal Technical Services Agreement** to launch work between NHF Entrepreneur-in-Residence Gary Pankonien, on behalf of New Horizons, and Richard Fong and his team of Energetics Experts at Picatinny Arsenal.

Building the Innovation Economy ... Three Perspectives

1. Creating Technology:

Finding Proven Technology to Expand and Diversify Our Economy

Tim Wittig, NHF Technology Manager



Tim Wittig maintains an office for the foundation in Washington, DC. He is a well-recognized Intellectual Property Attorney who possesses vast knowledge of the DoD Labs and understands how to draft, negotiate and utilize Cooperative Research and Development Agreements that allow NHF and its clients access to technologies, people and capabilities within the Department of Defense Labs.

Summary of Key Points

■ **Federal Technology Is an Enormous Source of Available Technology**

- Creating, funding, developing and nurturing a research institution seemed to Lea County leadership an expensive way to go
- The federal government's labs was a better approach
- There are more than 700 federal labs
- They receive more than \$60 billion each year

■ **Why Federal Labs Are Such a Good Source of Commercially Useful Technology**

- The labs research everything
 - After finding an answer, the labs try very hard to turn the science into working solution
- The labs de-risk technology
 - Our target is a federal labs solution to a commonly experienced Lea County problem, with the research complete, the concept proven, the prototype built and the patents applied for
 - Every step toward a commercial product that the federal government pays for as it develops a solution for a federal problem reduces the risk of applying that solution to a Lea County problem

■ Dealing with the Federal Government Is Always a Treat

- Working with the labs requires speaking their language and using their agreements:
 - Cooperative Research and Development Agreements
 - Patent License Agreements, Test Service Agreements
 - Partnerships Intermediary Agreements
 - Educational Partnership Agreements
 - And so on ...

■ The Heavy Lifting Has Already Been Done

- Master Agreements have been negotiated
- New tasks can be added without renegotiation
- Licensing terms have been approved in advance
- Access to well over 8,000 scientists and engineers now open
- Billions of dollars of federal lab facilities available for Lea County businesses
- If needed, the same can be done for others
- Army, Navy, Air Force, Corps of Engineers, Coast Guard, Department of the Interior, Agriculture, Homeland Security, etc.

■ The DoD Labs Are Easy to Deal With if You Know Where They Are and What They Do

- We can help find the pockets of research that are important to Lea County businesses
- We operate “technology expeditions” that take Lea County business owners to federal labs where solutions exist to check the quality and fit of those solutions to Lea County problems
- By partnering with NHF, businesses can seriously de-risk the effort to bring new commercial activity to Lea County and beyond

■ The Task for Lea County Companies is to Identify Problems Shared by Many

- To make this work, Lea County businesses need to identify problems with sufficient commercial interest (either broadly or for their own business) to make it worth the effort to adapt federal technology to a new product or service
- The foundation is ready to work with a Lea County business to:
 - Identify the locations of potential solutions
 - Create agreements to extract the technology
 - Utilize government personnel and equipment to adapt the solution
 - Marshal other resources to move commercialization forward

2. Turning Technology into Products: A Model for the New Innovation Economy Lance Anderson, NHF Patent Counsel



Lance Anderson served for more than 10 years as in-house counsel and lead intellectual property attorney for both a large research university system and an early-stage venture capital company. He oversaw all facets of intellectual property development, management and transactions. His experience and background contribute to skill sets applicable to technology transfer and emerging technology.

Summary of Key Points

- **What Does “Innovation” Mean?**
 - A new idea, device or method; or
 - The act or process of introducing new ideas, devices or methods

- **We Are Living in a new Age of Innovation** with a much faster “life cycle” of trial and adaption, compared to a more gradual growth rate and lower levels of adaptation and use.

- **Current Federal Government Policies** stress the strategic imperative of “fueling the engine of private sector innovation” as a key element of a “New American Strategy for Innovation.”

- **The Building Blocks of the Innovation Economy Are Well Established**
 - The Bayh-Dole legislation in the 1980s allowed and incented research universities to place greater emphasis on patenting discoveries and transferring them into the commercial marketplace
 - Today, hundreds of research universities in the U.S. and beyond are engaged in the tech-transfer industry, competing for federal research dollars and also competing for possible licensing agreements with businesses, investors and entrepreneurs.

- **The Typical University Commercialization Model**
 - Forced to compete for federal grants and other sources of research funding, as well as manage the process of identifying patentable and marketable intellectual property and the challenges of finding licensing agreements and

equity partners ... before commercialization can begin ... a long process with uncertain outcomes.

■ **The NHF Commercialization Model**

- NHF's model begins with the needs of the private sector marketplace and connects those needs with intellectual property that is available right now from our nation's well-funded network of hundreds of federal research labs, where, as my colleague Tim Wittig likes to say, "All the heavy lifting has been done."

■ **What "Intellectual Property" Means**

- "... any and all software, technology, materials, or information, including without limitation inventions (whether patentable or not), improvements, trade secrets, proprietary information, know-how, databases and data collections, invention disclosures, technical data and customer lists, customer contact information, customer correspondence and customer licensing and purchasing histories, software, product designs, business plans, product roadmaps, works of authorship, and documentation relating to any of the foregoing."*

*An actual definition for "Intellectual Property" in a recent Purchase Agreement for a Business.

■ **You Must Consider All of the IP Rights in Today's Innovation Economy**

- Patents
- Trade secrets
- Trademarks
- Copyrights

■ **Why IP Rights Are Important**

- IP comprises a significant portion of a firm's intangible assets, which is a critical element of any Purchase Price Allocation
- In today's innovation-driven market, intangible assets make up the lion's share (some 84% in 2015) of the S&P 500 Market Value

■ **Assessing the Role Innovation Plays in a Business**

- Develop a basic fundamental understanding of the various types of IP in your portfolio.
- Gather intelligence concerning competitor IP strategies and portfolios.
- Do not prioritize portfolio quantity over quality.

- Adjust your business plan to ensure IP assets are applied profitably across most business activities.
- Seek out new strategies and opportunities to monetize your IP portfolio.
- Consider new methods of generating revenue from your current IP portfolio (e.g., licensing, selling, etc.), and acquiring IP to further both offensive and defensive positions within the competitive marketplace.

3. “Getting Value for Technology: 12 Steps to Euphoria Gary Pankonien, NHF Entrepreneur-in-Residence



Gary Pankonien, a Texas A&M electrical engineering graduate, has over 45 years of experience at the CEO/COO, President and technical management level for both public and private companies focused on creative management in high-growth, leading technology industries.

Summary of Key Points

Step #1: **Have a Good Idea**

- WOW, that’s a good idea
- No way, I don’t think so
- Are you nuts? That’s crazy

Step #2: **Do Your Homework**

- Know the market
- Know the competitors
- Why are they successful?
- Who failed and why?
- What is the market size?
- Know the history
- Will it scale?
- What is the sustainability?

Step #3: **Listen to Your Customer**

- Identify the customer
- What are the customer needs that you address?
- How beneficial is your solution; what’s the ROI?
- The customers may not know what they want

Step #4: **Look for the Killers**

- Are you a one-trick pony?

- Do you have to create a market?
- Sony Beta vs VHS
- Edison DC vs Westinghouse AC
- Edison—natural rubber

Step #5: Learn to Listen to

- Customer
- Salesman
- Market
- Staff
- But don't believe your own press

Step #6: Hire Great People—Your Assets Breathe

- Have a hiring process
- Take your time
- Conduct team interviews
- Look for fit or faults
- Stress test

Step #7: Be a Leader

- Management style ... Military or Motivator?
- Respect each other
- Develop a creative environment
- Make sure everyone knows the plan
- Empower your staff
- It's OK to fail
- Check and validate
- Don't wait too long to change

Step #8: Don't Search for the Guilty

- What's the problem?
- Do we have anyone who can figure out the problem?
- Find a solution
- Implement the solution
- Check to make sure the problem is fixed
- Learn from the experience
- Try not to do it again

Step #9: **Know Your Numbers**

“Cash flow is more important than your Mother”

- It’s not just the CASH
- Market dynamics
- Growth patterns
- Competitors’ numbers
- Staff retention
- Customer retention

Step #10: **Embrace Change**

“The only things for sure are Death, Taxes and Change”

- Blockbuster
- Kodak
- AT&T

Step #11 **Don’t Count the Money ’til the Dealing’s Done**

“Have an exit strategy”

- IPO
- Merger
- Acquisition
- Sell ... or ...
- Run the business

Step #12: **Have Fun ... and Remember ...**

“If you enjoy what you do, you will never work another day in your life.”

Building the Innovation Economy: Two Examples of NHF's New Model at Work

Cold Spray Technology

This opportunity has been made possible by the Test Services Agreement with ARL that will allow Pemco of New Mexico to work directly with the ARL Cold Spray Team to develop processes, techniques and capabilities for utilization in the diversification of Pemco's capabilities and customer base across the Permian Basin and beyond.

Benefits:

- Proven technology and process to build up metal surfaces
- Now used primarily to repair aircraft components
- Developed to a commercial product
- Beginning to be deployed in several applications in the oil industry and beyond
- NHF is now partnering with Pemco of New Mexico for further development
- Job training course to be offered through NMJC

Vorticity Muffler Technology

This opportunity has been made possible by the Scope of Work and license agreement for the Vorticity Muffler technology giving NHF the rights to co-develop the prototype of the muffler in Lea County for use by the military for their vehicles and exclusive use by NHF for all non-vehicular use in the commercial market. An ARL engineer came to Lea County in late January to begin work on the development of the prototype with NHF and a local manufacturer.

Benefits:

- Proven sound-suppression technology
- Deployed in Army applications, including
 - Rifle silencers
 - Four-wheelers
- Non-vehicular applications, such as

- Reduces noise generated by an engine
- Drilling rigs
- Generator sets
- Workover rigs
- Power tools

Building the Innovation Economy: A Business Owner's Comments on His Work with NHF



Garry Buie is President and CEO of Pemco of New Mexico, an oilfield repair and manufacturing firm based in Hobbs doing business throughout the Permian Basin. Pemco has partnered with the NHF to further develop new technologies the foundation has identified at federal research labs under its new Cooperative Research and Development Agreement (CRADA) with the Department of Defense.

Buie attended the April 23 Innovate Lea County conference and spoke informally about his experience working with NHF leadership and staff over the past several years, including being part of NHF's visits to various federal research labs. A sampling of his comments:

- ✚ Back in 2013, I wound up in Albany, New York, on a trip organized by New Horizons to visit the Army's Benet Laboratories. I had no idea of what to expect in going to an Army lab, no idea at all. We walked into the lab, and everyone in this facility knew Tim Wittig. Evidently over the years Tim has had a great relationship with the lab.
- ✚ I really can't tell you why I went, but I did, and it was probably one of the most enjoyable times of my life. This will give you an idea of why I am here today and why we at Pemco are doing what we are with this Cold Spray technology.
- ✚ I got to see some amazing things that in turn triggered in my mind that I could see the relationship between what was going on in an ARL and that it could transfer to what we are doing in Hobbs and the Permian Basin today.
- ✚ For people just thinking about, having ideas, the ARLs are there to help you; for the entrepreneur with a wild idea, they can do the research for you, do the trial and error, and that's what costs money. Through Dale and his team at the NHF, they are making it available to us ... the engineers, the facilities ... they can do it all ... and it cuts down on our time and money by using them.
- ✚ On a subsequent trip to ARL facilities in Bethesda, Maryland, I found out what they were doing of interest to our business here in Lea County, and since then, I've found the processes that are needed and how far we can take this product today.

- ✦ So, Pemco is in partnership with New Horizons, and the federal government, and New Mexico Junior College, and the County of Lea. I guess we are a team; we all have something in this pot, which is great because I believe in the team concept, in partnerships.
- ✦ So yes, it's neat, the Cold Spray technology is the neatest process you've ever seen. You can take a piece of glass and cover it with silica, whatever metal you want.
- ✦ It takes guys that get you outside the box, and these guys have taken me even further outside the box than what I was.
- ✦ The best part about it all is that they have given me a foundation to build upon. They have taught me more in the last three years than I have probably learned in the previous 30 years.
- ✦ I can tell you more about what I have seen, from miniature drones to 3D printers before they hit the market ... all there, available for all of us. It helps us all, and the main thing is it will help Lea County and the Permian Basin.

Building the Innovation Economy: Final Thoughts and Comment

Ron Black
NHF Board President

I'm a dreamer, but I keep thinking about that sound-suppression muffler project and how New Horizons has the rights to all the non-vehicular uses of that technology. I like to get up early in the morning to mow my lawn, and my neighbor mentioned to me in a kind, nice way one morning that he and his wife like to sleep in a little late in the morning.

And so my dream now is I can see a factory right here in Lea County with maybe a thousand well-paid workers whose salary has nothing to do with the price of oil, manufacturing millions of mufflers for lawn mowers, chain saws, weed eaters and things like that. It may be a dream, but I don't think it's impossible at all. And I think New Horizons is in position to make those kinds of things happen.

Dale Gannaway
NHF Executive Director

The private sector creates economic development and drives it, and New Horizons Foundation is a resource for companies here to use. It will take an investment of your time, take an investment of your money. It will take some mental anguish, but you guys are entrepreneurs and this is an entrepreneurial community.

To bring this kind of capability to Lea County in a rural area is something the Board should be very proud of, and New Mexico Junior College very proud of, and you as citizens of Lea County should be very proud of. So I hope you'll take advantage of it.

We're still developing the model, so please be patient with us. Each deal is going to be separate and unique. We think it's an outstanding opportunity. And we thank you for being with us today.

Dr. David Schmidly
NHF Board Member

I worked for the Texas Aggies for 25 years, I spent 10 years at Texas Tech, five years at Oklahoma State, and five at the University of New Mexico ... and in all of those positions, each of those institutions had statewide responsibility for helping economic development.

What's happening here is the best example of how to move entrepreneurship into a rural area that I've ever seen ... in my entire experience.

If you look at the State of New Mexico, about 20% of our jobs are government jobs. We have not developed the private sector in this state like we need to, in order to solve a lot of the challenges we have in New Mexico. So, the private sector is important.

At the UNM in Albuquerque, at Socorro where New Mexico Tech is, at Las Cruces where New Mexico State is, you have a built-in pool of scientists and engineers that are paid for by the taxpayers of New Mexico to create widgets and solutions to problems. Those communities have a huge leg up on communities like Hobbs, Carlsbad and all the places where you don't have this scientific capability.

What this team of people has done is they have opened up more possibilities for scientific development through these federal government labs, even more than exists in Albuquerque, Socorro or Las Cruces. That is a huge step forward, and they have done it in this entrepreneurial community, and I just want to applaud and be proud to be part of this community. And yes, I know things are a little different than they were two years ago, but I just want you to know there's some real hope here, there is some real opportunities for entrepreneurs to engage this team of people and—like Ron's dream of that muffler factory—it is a very real possibility because of the kind of people you have in the community and because you have New Horizons.

Now factor in the one great asset that a lot of communities in rural areas don't have, which is New Mexico Junior College with its expertise in training people for the kinds of jobs that Garry Buie will be creating at Pemco, or even for those new jobs at Ron Black's muffler factory.

Now is the time to unleash the entrepreneurs of this community, and we can really build something.

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