

Opportunities for States in the ATP

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The Goal of MTC

... is to foster sustainable economic growth by

- promoting a better understanding of the forces that shape the state's economy
- enabling greater collaboration among the diverse enterprises involved in the Innovation Economy.

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ATP is one of the most important funding opportunities for companies seeking to develop breakthrough technology!

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ATP invests in Massachusetts

- Awards involving 1 or more MA companies – 62 awards, \$240 MM
- Awards in which MA companies are lead company – 41 awards, \$83 MM (majority small businesses)
- Estimated annual ATP funding - \$7-10 MM
- University Participation – MIT, Harvard, Boston University, Northeastern, U Mass

Putting the ATP investment in context

- Total investment in MA R&D > \$10 B
- Federal support for MA R&D - \$3.5 B
- MA SBIR/STTR Awards - \$160 MM
- MA Board of Higher Education estimate of state support for R&D at U Mass ~ \$80 MM
- NSF estimate of MA support for R&D ~ \$30 MM
- MA annual public venture investments ~ \$5 MM

Given this context...

- ATP is modest, but its potential impact is enormous!
 - Successful ATP projects should have economic impacts in the \$100's of million dollars
- States (like Massachusetts) are unlikely to be in a position to provide significant matching fund to support high risk R&D

What role can states play?

- Targeted outreach
- Pre-submittal assistance
- Direct financial assistance
- Project development assistance
- Commercialization assistance
- Expansion assistance

Targeted outreach

- Many states have cluster-based economic development programs, strategic plans, or targeted initiatives
- ATP joint ventures provide an opportunity for creating technological competitive advantage within regional clusters
- States can play pro-active role in organizing cluster-based joint ventures

Targeted outreach - examples

- Renewable Energy Trust Fund – objective – build a sustainable industry
- Open ocean aquaculture – objective – create a sustainable fishing industry
- Health care research – objective - lowering cost of health care
- NSF Engineering Research Center – objective – create foundation for new technologies

Pre-submittal Assistance

- Facilitate team/alliance building
- Provide sounding board for strategy development
- Pre-submittal market/opportunity research
- Pre-submittal proposal review
- Assist in preparing companies for “orals”

“Scientists have the intuitive feel...”

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Direct financial assistance

- Some states have developed funding initiatives specifically targeted toward ATP
 - These will be focused on using state funds to leverage federal funds – companies will still need to identify additional funds
- Targeted initiatives could be important source of direct financial assistance from states

Project development assistance

- Strategic networking
- Strategic alliance building
- Investor forums
- Business plan development
- Incubators/business development centers
- Market research

Commercialization assistance

- Strategic partnering assistance
- Supply chain development
- State venture funds
 - Small already target SBIR firms
- Debt financing for capital equipment

Business expansion assistance

- Most states have a variety of traditional programs targeted toward general business development
 - Economic development grants
 - Lower rate asset-based financing
 - Tax advantaged financing
 - Investment tax credits
 - Jobs tax credits
 - Workforce development programs

ATP payoffs for states

- Enhanced viability of early stage companies – corner stone of innovation economy
- Potential funding source to revitalize/ enhance competitive position of regional clusters
- Direct jobs – both at R&D and product stages
- Economic and societal impacts resulting from development of new technology addressing state needs

Challenges

- Orchestrating pro-active state involvement in project/joint venture development
 - Requires creativity and sophisticated approach to opportunity identification and development
 - May require rethinking ATP approach to joint ventures
- States are at early stages of developing capacity to seriously engage in S&T based economic development

“ATP is the best thing that ever happened to my company. Without it, we probably wouldn’t be in existence today!”

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<http://www.mtpc.org>