
Biobased Economic Growth in Ohio

TED STRICKLAND
Governor's Office
Columbus, OH

This is a transformative time in Ohio's economic history. Two great industries—agriculture and polymers—are rooted here for different reasons, and for some time have evolved along separate tracks. But, thankfully, these sectors are now coming together, aided by circumstance: the high cost of energy, concerns over climate change and growing understanding of what can be gained when we merge efforts in agriculture and the polymer industry. With the vast experience of our companies and academics, some of the technical capacity has already been achieved, and many more revolutionary breakthroughs await us. I have no doubt that we can build new prosperity in Ohio and contribute to the prosperity of America and that bioproducts will be an essential part of that growing and emerging prosperity. With the foundation that has already been built on the agricultural industrial sector of our economy and the great academic strengths possessed, Ohio is poised to lead the world in the production of biobased products.

THE OHIO BIOPRODUCTS INNOVATION CENTER

That may sound grandiose, but I mean what I say because I believe that Ohio will have this capacity, if we make the right decisions, make the right investments and pursue the right course of action. Agriculture and food, when combined, is the number-one industry in Ohio with receipts of more than \$93 billion annually. And Ohio's polymer industry includes over 2,800 companies and generates more than \$49 billion in annual sales.

The Ohio BioProducts Innovation Center (OBIC), funded by the Third Frontier, brings together our universities and the private sector to work toward the development of renewable specialty chemicals, polymers and advanced materials. Polymer companies are expanding in Ohio, such as Zivex Performance Materials, Inc., which relocated in Columbus from Texas to continue its development of technology for the formation and use of nano-materials. The Ohio Department of Development (ODOD), helped to track

that company with assistance including the Third Frontiers Targeted Industry Attraction Program, to benefit R&D activities and to facilitate equipment upgrades. A second example is Romark, a growing supplier of specialty plastic-sheet materials. Another Columbus-based company, Plastic Suppliers, recently introduced a plastic wrap for packaging made from corn. Romark and Plastic Suppliers have won the Excellence in Exporting Award, recognizing their status among Ohio's top exporters. Plastic Suppliers was assisted in developing their new technologies by OBIC.

ECONOMIC STIMULATION

We are facing challenges economically just as the nation is facing such challenges, but we are trying to do something about our situation that is positive and that will lead to job creation and economic growth. We have worked in a bipartisan way on a major job-stimulus package with investments in our communities, particularly for improvements in critical infrastructure, expansion of green spaces and restoration of historic properties. Workforce development is part of the stimulus package via investments in internships and cooperative-education programs linking academic institutions with business, to assist in the training of workers for tomorrow's emerging needs.

Part of the job-stimulus package is a \$50 million investment in bioproducts to help businesses transition from petroleum-based products to more economically and environmentally sustainable renewable products. In the future, many of the products currently being made from petroleum will be made from resources grown on our farms. We are very happy about that. This \$50 million investment—albeit not as robust as many of us would like—is a major step forward in recognizing the importance of this sector to Ohio.

As part of the job-stimulus package, \$150 million will be invested in advanced energy initiatives and \$100 million will be invested in Ohio's logistics and distribution infrastructure. As mentioned, the internships and cooperative education efforts will be supported by \$250 million so that the young people trained in Ohio will be more likely to remain here after they obtain their degrees. We have a wonderful higher-education system, from lower levels of technical training through advanced graduate studies. But too many of the young people whom we educate find greener pastures elsewhere. We want to reverse that trend. We not only want to retain the students that we educate, but we want to attract some of those educated elsewhere. We think that the internship and cooperative education investment of \$50 million per year for 5 years will result in more of these young people being hooked into Ohio's existing economy and, therefore, more likely to stay here.

TASK FORCE

In early 2008, I signed legislation creating the Ohio Agriculture to Chemicals, Polymers and Advanced Materials Task Force. Although their report will not be released until the middle of June, 2008, ten specific recommendations were made in May, 2008, including support for biorefineries to ensure that the state has the capacity to grow this emerging industry. Another recommendation is to assist entrepreneurs and innovators through our ODOD programs, to which we certainly are committed. A third recommendation

is that we should support R&D to ensure that this industry evolves to respond to the market—a practical recommendation that I'm sure we will also pursue. And the fourth recommendation that I will mention is that we encourage the development of academic and other training programs to serve the industry, which we will do beginning with our community-college system all the way through, as said, to graduate education. I look forward to working with Ohio's General Assembly in reviewing the report and considering the Task Force's recommendations and working with you and the Assembly to make sure that they are implemented.

COMMON-SENSE REGULATIONS

Let me share a couple of other things that we think will be good for this emerging and growing industry. We've made a commitment to common-sense regulations in Ohio. We want to create a smoother, quicker and fairer regulatory process for business, which we think can be accomplished while protecting human and environmental health. And we are trying to view those who are subjects of the states regulatory mechanisms as customers to be served rather than as enemies to be sanctioned. This change in attitude will go a long way toward accomplishing what we all want: healthy regulations fairly implemented and appropriately carried out. Over the next few months, I think we will see major improvements.

INVESTMENT IN EDUCATION AND TRAINING

We are also making major investments in education. We have frozen college tuition in Ohio for 2 years and have strengthened links between our universities and the state economy through our Ohio Research Scholars Program. The Board of Regents and the ODOD recently announced the awarding of \$143 million in grants to Ohio universities to attract scholars working in areas with promising economic applications. That's a lot of money, but we see it is a wise investment. The bioproducts industry will benefit from some of that investment.

We are making changes in workforce training to be more relevant and more responsive to the needs of Ohio businesses, by shifting many of our workforce development programs to the Department of Development, such as the Targeted Industries Training Grant Program. This program supports up to 75% of the total costs of training and related services for companies with fewer than a hundred employees and provides 50% of the costs for companies with more than a hundred employees.

OHIO LEADING THE WAY

We are well on our way towards helping Ohio have a more promising economic future. And we are doing that by investing in areas where we see growth, where research will lead to new and better products and where we can capitalize on the fact that Ohio has a diverse economy within which are a thriving agricultural industry and an emerging biopolymer industry, and as we put these together we can make jobs available. We can improve our economic circumstances and Ohio can continue to lead the way when it comes to using our agricultural and polymer sectors to make life better for all.



TED STRICKLAND became governor of Ohio in January, 2007, having served as a member of the US House of Representatives, a minister, a consulting psychologist at the Southern Ohio Correctional Facility and assistant professor of psychology at Shawnee State University.

In Congress, he helped author the Children's Health Insurance Program (CHIP), and led efforts to keep promises to America's veterans and to ensure that troops have life-saving equipment. He brought millions in investments to Ohio for roads, technology, economic development and health initiatives.

He came to public service not as a lawyer or investor, but as the son of a steelworker born in Lucasville, OH, one of nine children. After graduating from Northwest High School, he attended Asbury College in Kentucky, receiving a BA in history in 1963. He went on to attend the Asbury Theological Seminary, receiving an MD, then continued his studies at the University of Kentucky, where he obtained a doctorate in counseling psychology in 1980.

Governor Strickland is guided by his *Turnaround Ohio* plan, which focuses on the unbreakable link between economic growth and educational achievement.