

Advisory Council on the Digital Economy

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PERRY CREATES ADVISORY COUNCIL ON THE DIGITAL ECONOMY TO ENCOURAGE HIGH-TECH GROWTH & JOB CREATION IN TEXAS

Tech leaders to examine tax policy, education, Web privacy and access, and rural economic development

AUSTIN -- To help keep Texas at the leading edge of high-technology research, development and job creation, Lieutenant Governor Rick Perry has assembled a stellar group of high-tech entrepreneurs and leaders to examine technology issues, including workforce development, taxation, regulation, education and e-commerce in Texas.

The Advisory Council on the Digital Economy is made up of 21 individuals from the private sector and four state Senators. The group will work with members of Perry's Special Commission on 21st Century Colleges and Universities on issues of education delivery and technology workforce development. The Advisory Council will issue a report to the Lieutenant Governor and legislators by January 2001.

"The technology and communications revolution is changing the way Texas creates jobs and growth, educates our children and workers, and delivers health care and other vital services," Lieutenant Governor Perry said. "This Advisory Council on the Digital Economy will help Texas understand how tax and regulatory policies impact technology development and how to improve privacy, consumer protections and parental involvement in the Internet and e-commerce.

A University of Texas study recently found that the growth of the Internet generated revenue of \$301 billion and was responsible for about 1.2 million jobs in 1998. One and a half million Texans are linked to the Internet, up from just 160,000 in January 1995. Consumer sales through the Web are estimated to increase from \$10 billion in 1998 to \$100 billion by 2003, and business-to-business e-commerce is projected to grow from \$43 billion to more than \$1.3 trillion in the same time period (Source: Comptroller of Public Accounts, Fiscal Notes, September 1999). Between 1990 and 1997, Texas added more high-tech jobs than any other state (Source: *Dallas Morning News*, September 19, 1999).

"These technology leaders will help Texas create a long-term vision for technology growth, utilization and job creation," Perry continued. "By avoiding tax and regulatory pitfalls, and developing sound pro-technology policies, we can help create a better, more prosperous Texas."

Lieutenant Governor Perry directed the Advisory Council on the Digital Economy to look at a number of technology-related issues, including:

- Develop ways to maintain, promote and strengthen Texas' leadership in the digital economy by reducing governmental impediments to technology growth and job creation, and encouraging technology companies to locate in and remain in Texas.
- Examine how best to promote Texas technology and bio-technology, how tax policy impacts the growth of Texas' high tech industries, and how state government permitting, contracting and regulating affect the growth of Texas' high tech industry.
- Develop strategies to encourage a more skilled and educated workforce by examining K-12 mathematics and science programs, to integrate technology into public school curricula and teacher training, and to improve high school technology programs.
- Examine higher education's role in technology growth, including how community colleges can best address high-tech workforce demands, what role investment in higher education research and development plays in technology growth, and how to encourage the transition of technology from university labs to commercial production.

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- Develop strategies to promote the opportunities stemming from the Internet and safe, reliable e-commerce, to minimize the effect of the so-called "digital divide" to make sure Texans of all geographic areas and income levels have access to the Internet; to encourage consumer protections, including fraud protection, privacy protection and anti-spamming protection; and to improve the ability of parents to monitor their children's Internet use.
- Encourage the utilization of the Internet in addressing public health concerns and the delivery of medical information and services, in encouraging greater public participation in the democratic process, and in enhancing rural economic development.

Earlier this year, state leaders passed new laws creating new research and development and investment tax credits, exempting the first \$25 of Internet access from the state sales tax and providing technology businesses with immunity from Y2K lawsuits if they have made good-faith efforts to address potential problems.

Perry named the following high-tech and business leaders to the Advisory Council on the Digital Economy:

- Mike Maples of Austin will serve as chairman of the Council. He has served as Vice President of Worldwide Products at Microsoft and as President of the American Software Association. He currently serves on a number of corporate boards.
- Andrew Busey of Austin is the CEO of living.com.
- Michael Capellas of Houston is the CEO of Compaq Corporation.
- Ken DeAngelis of Austin is a partner in Austin Ventures, a venture capital firm.
- Tom Engibous of Dallas is the chairman, CEO and president of Texas Instruments.
- Robert Fabbio of Austin is a partner in TL Ventures, a venture capital firm.
- Don Hackett of Austin is CEO of drkoop.com.
- Dr. Kay Hammer of Austin is the President and CEO of Evolutionary Technologies International.
- John Hime of Austin is a private investor. He has worked in top management positions at Tivoli Systems, Sun Microsystems and other technology companies.
- Christina Jones of Austin is the President of pcOrder.com.
- Terrell Jones of Fort Worth is the President of Travelocity.com.
- Jim Lee of Houston is President of Momentum Securities and Executive Vice President of tradescape.com.
- John McCain of Dallas is the Senior Vice President of E Solutions, a division of EDS.
- F.H. (Dick) Moeller of Austin is the chairman of the board of VTEL Corporation, and a partner with SSM Ventures.
- Dennis Murphree of Houston is the President and CEO of Murphree and Company and the managing general partner of Murphree Venture Partners.
- David Nance of Austin is the President and CEO of Introgen Therapeutics, Inc., a biotechnology company.
- Kevin Rollins of Austin is a Vice-chairman of Dell Computer Corporation.
- Hector Ruiz of Austin is the President of Motorola's Semiconductor Products sector.
- David Sikora of Austin is the President and CEO of Ventix.
- James Truchard of Austin is the President and CEO of National Instruments.
- Max Watson of Houston is the CEO of BMC Software.

Perry also named the following Texas Senators to serve on the Advisory Council on the Digital Economy:

- Senator Gonzalo Barrientos (D-Austin)
- Senator Rodney Ellis (D-Houston)
- Senator Steve Ogden (R-Bryan)
- Senator Florence Shapiro (R-Plano)