

PREPARED STATEMENT OF
BRUCE P. MEHLMAN
NOMINEE FOR ASSISTANT SECRETARY FOR TECHNOLOGY POLICY,
U.S. DEPARTMENT OF COMMERCE
BEFORE THE SENATE COMMERCE, SCIENCE & TRANSPORTATION COMMITTEE

MAY 16, 2001

Mr. Chairman and distinguished members of the Committee, I am honored and humbled to appear before you today as the President's nominee for the position of Assistant Secretary for Technology Policy in the Department of Commerce. I sincerely appreciate the courtesies that the Committee and the staff have afforded me during this process, and am grateful for such timely consideration.

I am deeply grateful to President Bush and Secretary Evans for the confidence they have shown in me, and for their willingness to entrust me with a leadership position on issues that are of great importance to our nation. If confirmed, I look forward to leading the Office of Technology Policy, an office uniquely well-positioned to address the opportunities and challenges presented by today's technology-based global economy. More than ever before, our government needs knowledge about and an advocate for American innovation and high-tech entrepreneurship.

Rapid advances in technology, especially in information technology, have driven our country's remarkable economic performance over the past decade. Technological innovation has been at the heart of our strong economic growth, accelerating rates of investment, extended low inflation and unemployment, high-wage job growth, and solid increases in productivity - the true path for producing higher standards of living.

There is every reason to believe that technology will play an ever-increasing role in supporting American economic and social success in the years ahead. All around us we see the information technology revolution in progress - in communications, business commerce, in how we educate children and train our people, and in how we enjoy and manage our personal lives. The Internet has only just begun to change how we work, live, play and learn and knock down barriers of wealth and distance. Biotechnology is poised to revolutionize agriculture and medicine, promising new medicines and breakthrough therapies to those who hope and pray for them. And exciting developments in other cutting edge disciplines, from nano-technology to genetic engineering, suggest great changes to come. Ours is an era of promise. Rapid advances in technology are transforming all human endeavors, creating the potential for a host of new global market opportunities, improvements in our standard of living, and a better quality of life for all Americans.

It is no accident that the United States leads the world in high technology. Our achievements are the dividends that flow from sustained public and private sector investments in research and

development, coupled with America's entrepreneurial spirit and willingness to take risks. The private sector plays the dominant role in the process of developing new technology and bringing it to market. But the Federal government plays a key role in creating an environment that supports the private sector's efforts, making a strategic public-private partnership essential. During the past decade, dramatic changes have taken place in the climate for innovation - our forms of commerce are being transformed by new digital technologies and networks; R&D, competition, and markets have all gone global; and technological progress is accelerating. These changes have profound implications for our technology policy, regulations and laws, our economic and tax policies, our investments in human capital, and how we allocate and manage our R&D. Analyzing these changes - what they mean for our economy and our policies - and making recommendations to maximize technology's contribution to the economy and improve the environment for technological innovation is the mission of the Office of Technology Policy (OTP).

I believe my skills and experience are well suited to this mission. Having worked at a leading technology company, I have developed a clear understanding of the challenges and opportunities facing American technology companies today. My work at Cisco Systems, and with its customers and its partners - seeing first-hand how government decisions can impact or support our innovators and employers - will help me anticipate the impact of policy decisions on economic growth, business opportunities, consumer welfare and global leadership in innovation. In addition, working in and around Congress for several years I have witnessed the dedication and commitment of Members of Congress and their staffs. I share your passion for public service, and look forward to again serving the American people together.

If confirmed, I would hope to increase OTP's focus on three priority areas. First, there is widespread and growing recognition that advances in technology are playing a large role in economic growth and productivity gains. While the economists are working to measure these effects, we need to better understand how technology is creating improvements in our economy, and develop appropriate policies to further amplify these positive outcomes.

Second, our outstanding economic performance of the past decade was due in no small measure to high levels of private sector investment in innovation and equipment. We need to ensure that our business environment continues to encourage high-levels of investment in R&D, product development, information technology equipment and software, and in developing our human capital for today's technology-intensive workplaces. For example, we want to encourage the spread of new technologies and new applications to benefit all sectors of our economy, and continue to focus on the Internet as a tool to foster free enterprise.

Third, from information technology to biotechnology, and all manner of technologies in between, new innovations are being developed at a fast and furious pace. Nevertheless, it can take years for innovations to reach consumers throughout the world. We need to examine our policy environment with an eye toward reducing the costs of new, high-tech products and services, and increasingly the speed at which they penetrate consumer markets. This would benefit businesses and consumers alike.

I believe the Office of Technology Policy is poised to make a significant contribution to our nation, consistent with its Congressional mandate. OTP has strong research and analytical capabilities on subjects ranging from the U.S. innovation system and investment in R&D, to foreign R&D initiatives and developing the high-tech work force. It has a history of success in working across government departments and agencies to inform policy-makers, to contribute vital knowledge to the policy development process, and to advance solutions to the challenges presented by rapid advances in technology. The career staff is talented, creative, and they believe deeply in their mission. If confirmed, it would be a privilege and pleasure to lead this group of dedicated public servants.

Mr. Chairman, it is my pleasure and honor to appear before your committee. If confirmed, I look forward to working closely with you and the Committee. I will be happy to answer questions you may have. Thank you very much.