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**Remarks  
Jeff Moseley  
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**“Greater Houston: Where We Are, Where We’re Going”**

Chamberlain Hrdlicka is a strong supporter of the Partnership and all that we do, and I appreciate the chance to share some of my thoughts about where the region is, where we’re going, and how we’re going to get there.

One of the cardinal rules of speaking is to be brief. I’ve suffered through a lot of speeches that have left me pondering new theories of eternity. So I’m just going to get to the point quickly and be done with it.

What is the state of the region? Exceptional.

What is the future of the region? Exciting.

What is the Partnership’s role in the process? Extensive.

Now, I’ll be happy to answer any questions.

I say that only half-jokingly. While I do believe that the best speeches should have a good beginning and a good end – and keep them as close together as possible – I also find it hard to contain myself when talking about the region.

Apparently, I’m not alone in that regard, either. Listen to what others are saying:

- *Fortune* magazine has rated us the nation’s No. 1 region for fastest-growing companies.
- According to the U.S. Bureau of Labor Statistics, we’re No. 1 in job growth.
- *Forbes* says we’re the third-best metropolitan area for business and careers.
- We have 23 Fortune 500 companies with headquarters here – the fourth-highest in the country – and 13 of Fortune’s 100 fastest-growing companies are headquartered in the region.
- *Expansion Management* puts us at No. 5 for best business opportunities.
- *Site Selection* ranks us No. 7 for new and expanded facilities.

I could go on – and believe me, that is only a *partial* list – but I think the point is clear: Greater

Houston is, truly, the land of opportunity.

There are a lot of reasons for that. Some are concrete, backed up by facts and figures that have put us in all those Top 10 lists. Others, while more abstract, are just as important as any set of numbers you'll ever find on any survey.

Let me first take a moment to talk about some of the tangibles.

- The cost of doing business here is 11 percent lower than the national average and far below that of any area with more than 3 million people, according to *Forbes*. That means new companies can become profitable faster, and existing companies can keep building upon their financial performance.
- We have a skilled, diverse workforce – 2.6 million men and women who are among the region's primary generators of achievement.
- Government at every level understands the value of business. It sees private enterprise as an ally, not an adversary, and recognizes that we are the backbone of the region's economic well-being.
- There is a sense of entrepreneurialism here that inspires innovative thinking and visionary action.
- And we have a strong, extensive professional services infrastructure – including the people in this room – that plays a major role in supporting the continued vitality of our region in general and our businesses in particular.

Regarding the intangibles, I think it comes down to one phrase: "can-do attitude." Our people, our leaders, our businesses – everyone believes that anything is possible. When we want something to happen, we make it happen. When opportunity knocks, we don't ask who's there, we just answer the door.

But that kind of spirit is in our blood. Let's not forget that back in the 1840's, the area's business leaders came up with the strange idea to turn Houston – 53 miles inland – into a port city. Clearly, "impossibility" is not part of our collective vocabulary.

So when I say the current state of the region is "exceptional," that's no idle boast.

Now, some people might look at these achievements and assets and say, "Well, we have arrived." But I have to tell you something: While they say there may be room at the top...there's no room to sit down. And the Partnership has taken the lead in ensuring we don't rest on our considerable laurels as we approach the future.

In 2005, we created a 10-year strategic plan that will keep us on a path that encourages growth, expands opportunity, and enhances our lifestyle. It's big, bold, and ambitious, and is designed to stir the lifeblood of our economy – job creation, capital investment, business prosperity, and international trade.

To begin with, it sets some clear targets for the coming years: 600,000 net new jobs, \$60 billion in new capital investment, and \$120 billion in new foreign trade.

It also identifies multiple industry clusters that will be the focus of our efforts to achieve those targets:

- Aerospace and aviation;
- Medical and biotechnology;
- Energy and petrochemical;
- Information technology; and
- Nanotechnology.

We believe strongly that the sustained development of these sectors will bring new jobs, establish new areas of economic leadership, and attract new talent. This will enable us to capitalize on our core strengths and resources, and drive prosperity throughout the region.

The plan also commits us to taking a proactive, substantive role in the public policy process.

I'm not talking about just being "a" voice on issues that affect business and the economy. I'm talking about being "the" voice – *the* leading advocate for legislation, initiatives, and programs that foster economic growth and position our business community as a national and global leader.

Of course, leadership is about translating vision into results. Anybody can take a position. Leaders take action. And our actions are already beginning to speak loudly about the Partnership's commitment to meeting our strategic goals.

Let's talk about employment first.

In the 12 months that ended in September, we had the highest rate of job growth among the country's dozen largest metropolitan areas. It was more than twice the national rate; four times higher than Los Angeles; three times higher than New York and Chicago; and more than twice as high as Boston.

So we're doing what we said we'd do. In fact, over the past two years we're actually ahead of our target.

We're seeing the same kind of results on the policy side. When Gov. Perry and the Sharp Commission laid out their plan to fix a broken tax code, the Partnership was the first large chamber in the state to back it – and the proposal's most vocal advocate.

It paid off, too. The plan overhauled the school finance system, cut taxes, and raised teacher salaries. It's expected to create 50,000 jobs, increase personal income by \$2 billion, and boost retail spending by \$1.6 billion.

In other words, we led an effort that resulted in a package that was good for business, good for schools, and good for taxpayers (and, I'm guessing, good for tax professionals and attorneys as well). We showed that a group of thoughtful, committed business people with the courage to pursue change can make the region – and the entire state – a better place.

Clearly, we've had some successes. But let's not forget that we're barely two years into the plan. Scoring a touchdown in the first quarter does not guarantee you'll be ahead when the

game is over.

Still, I believe we are well-positioned to come out on top in the long run. Because in addition to having a strategy for the future, we have a plan to support it.

Last year, we launched a program called Opportunity Houston. It's a \$40 million fund-raising initiative designed to generate leads, create jobs, and help spread the word – nationally and internationally – about everything this region has to offer. Led by Astros' owner Drayton McLane, it has already passed the \$28 million mark.

I can't overstate the importance of this effort – both to the region and to our business community.

The economic development marketplace is tough. We are being challenged by other countries, regions, states, and metro areas that are offering hundreds of millions of dollars in tax breaks as an incentive to attract investment. Some are even giving companies a blank check – literally – to locate in their areas.

On top of that, regions that have emerged as our primary competitors are becoming more and more aggressive.

- Phoenix, for example, has a strategy that focuses on aerospace, bioscience, and technology companies – all of which are clusters identified in our strategic plan.
- Miami-Dade County is positioning itself as a "Global Gateway." Already, 60 percent of all U.S. trade with Central America flows through Miami, as does 46 percent of Caribbean trade and 27 percent of South American trade.
- And in Canada, Edmonton, Alberta, is the self-described "world hub" for the oil, gas, and petrochemical industries; and the Atlantic Canada region proclaims itself as a "world leader" in the energy sector.

That is just a glimpse of what we're up against. And the key to success in that marketplace is not simply having the "will to win." We have that. The key is being "prepared to win."

With this strategic plan, supported by Opportunity Houston, we are. We will be one of America's Top 4 locations for business growth, capital investment, and job creation.

So, yes, the future is exciting – and the Partnership will continue to play an extensive role in shaping it. But that's not to say there aren't any challenges on the horizon. There are, and I'd like to briefly touch on two of them – immigration and infrastructure.

Undocumented workers contribute an estimated \$27.3 billion to our Gross Regional Product – more than 8 percent of total GRP. They are represented in 16 different economic sectors that range from construction and professional services to finance and insurance. Statewide, the Comptroller's office estimates that without these workers, the Texas labor force would shrink by 6.1 percent.

The fact is, immigrants are essential to our current and future economy. We cannot afford policies that force them into the shadows or push them underground. And the idea that

overnight we can somehow send millions of people back to their country of origin is logistically impossible and economically unsound.

There's only one option: Stop the heated rhetoric, and come up with a common-sense approach...one that ensures genuine immigration reform and creates an efficient temporary worker program that supports the regional economy.

Certainly, this should provide for the safety and security of our borders. But at the same time, it should allow employers to recruit skilled and unskilled immigrant workers when there is a labor shortage, and offer legal status for qualified, screened undocumented workers now in the country.

The Partnership believes this is the right way to deal with the issue. We have passed resolutions that support our position. We're making those arguments to lawmakers. And we are committed to putting together a national coalition that replaces politics and ideology with a pro-business, pro-growth case for rational reform.

Although the issue is not nearly as "hot," maintaining a competitive infrastructure poses challenges that are just as significant.

One of the region's strongest selling points has traditionally been our transportation network – a system that allows businesses to quickly and efficiently move products out or bring materials in. But to make certain that network can accommodate the growth we're projecting, we need appropriate funding.

Right now, China spends 9 percent of its Gross Domestic Product on infrastructure, and India, 5 percent. Since 1980, America has spent, on average, less than 2 percent annually. And it shows.

Look at the national highway system. Thirty-three percent of the major roads are in poor or mediocre condition. A quarter of the bridges are structurally deficient or functionally obsolete. And the federal Highway Trust Fund – which was created to be a dependable source of funding – will be \$4 billion in the red two years from now.

The picture isn't much better for us, either.

If current spending levels remain constant, we'll have a \$16 billion shortfall between now and 2025 for new transportation capacity in this region. We'll be able to fund just 40 percent of needed roadway improvements. That can only lead to more congestion, which will impact the operations of companies whose profits depend on continued over-the-road efficiency.

Again, the Partnership is trying to deal with these issues today...before they become problems tomorrow.

For example, we're working to ensure that we get our fair share of transportation funding from the State. Right now, we have 22 percent of the Texas population, 21 percent of the vehicles registered, and 27 percent of its personal income – but receive only 15 percent of state DOT funding. That's wrong.

We're also committed to ending the practice of diverting transportation money to non-

transportation uses – which would put about \$200 million back where it belongs.

There's no doubt that appropriate spending on transportation is central to our future. It's good policy, it's good for business, and the return on investment is significant. The question isn't, Can we afford to improve our infrastructure? The question is, Can we afford *not* to?

The Greater Houston Partnership is made up of 2,000 of the top business and community leaders in this region. The annual sales and other receipts by firms and organizations represented on our Board of Directors alone is more than \$1.92 trillion.

To put that number in some perspective, it is larger than the Gross Domestic Products of all but six nations and equivalent to nearly one-fifth of U.S. GDP.

So I feel safe saying that we have placed a large part of the responsibility for our region's future in the hands of individuals and businesses that understand the imperatives of success.

But they cannot do it alone. They need the support of people like you – people who share our dedication to ensuring that Greater Houston remains a region of endless opportunity for everyone.

In conclusion, let me say this:

The future belongs to those who dare to believe in their aspirations. We are fortunate to live in a place that encourages us to dream – and to dream big – and then provides the resources to achieve greatly. That's why even in the face of great policy challenges and marketplace competition, I'm confident. Because I know that as good as things have been in the past, and as good as they are now, the best is yet to come.

Thank you.