

**Petroleum Equipment Suppliers Association
November 12, 2007**

**Remarks
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“Taking the Lead To Keep Greater Houston A Region Of True Opportunity”

Typically, a speaker begins his or her remarks by thanking the audience and the sponsoring organization for the invitation to appear. And I certainly am grateful to be with you today. But I want to express my gratitude for something else, too.

I want to thank you for being part of an industry sector that has contributed significantly to our progress and prosperity. Everything you do, every day, underscores the fact that we are the energy capital of the world. You have done more than help make us a region of endless opportunity. You have helped make us a region of enduring value as well.

Back in 1840, Houston was just a hamlet on the edge of the Western frontier. It wasn't the most desirable place to live, either. We had a reputation for crime and disease, and financial ruin always seemed just around the corner.

The city's business leaders understood the problems, and decided they needed a strategy to generate some much-needed wealth. So they set out to make Houston a port city.

They didn't care that we were 53 miles inland...or that there was no clear passage from the Gulf...or that the Port of Galveston had already been in operation for 15 years. They had a vision for the future, and they acted upon it.

They raised \$2,000 – about a dollar for every resident of the city at the time. Then they bought wagons, shovels, and mules. Then they cleared Buffalo Bayou and built an inland seaport that today generates about \$118 billion in statewide economic activity related to the Houston Ship Channel.

Fortunately for all of us, that can-do-attitude did not end there. It got stronger, paving the way for development of great institutions like the Texas Medical Center and the Johnson Space Center.

And in every case, the achievement was driven by business leaders who understood that progress was the ability, and the willingness, to see through the smokescreen of impossibility.

That hasn't changed, either. Because with two initiatives that will keep this region on the road to continued prosperity, business is once again embracing the challenge of tomorrow.

I've spoken a bit about where we've come from; and I will speak in a moment about where we're going. But I'd like to first give you a sense of where we are at the present.

It's a pretty good place to be, too. Consider this:

- *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.

There are a lot of reasons why Greater Houston continues to be at or near the top of everybody's list of preferred business locations:

- The cost of doing business here is 11 percent lower than the national average and far below 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 and that inspires innovative thinking and visionary action;
- And we have a transportation infrastructure that is without parallel, providing fast, efficient means to get products out – or supplies in – by air, land, sea, and rail.

A lot of folks would look at this list of achievements and assets – and let me be clear, it is a only a *partial* list – and they would 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 that brings me to our first of our two initiatives for the future.

In 2005, the Partnership created a 10-year strategic plan whose goal is to encourage our growth, expand our opportunities, and enhance our lifestyle. It's big, bold, and ambitious, and it is going 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.

Now, some people have suggested these goals, especially for job creation, were too ambitious. Well, I have always believed that you should aim high – because you only hit what you aim for.

Well, we did aim high. And we're hitting the target.

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.

We're also advancing toward the plan's global trade objectives – though sometimes in innovative ways that go beyond our successful missions to places like China and India.

Take the "Lucy" exhibit, for example, that arrived here from Ethiopia in August and runs through April at the Houston Museum of Natural Science.

Yes, "Lucy" is 3.2 million years old and thought to be one of mankind's earliest ancestors. And yes, she is considered the King Tut of the anthropology world. And yes, the museum went up against some of the biggest names in the world – including the Smithsonian – and won the right to be the first stop on Lucy's 11-city tour.

But Lucy's presence here also strengthens a trade relationship between Ethiopia and Houston that already totals more than \$100 million annually. It has potential benefits for our airline, tourism, and coffee industries. And it elevates our image internationally, underscoring Greater Houston's standing as a world-class region with a world-class cultural community.

My point is this: Regardless of how lofty our goals may seem, we're doing what we said we'd do.

The Partnership's strategy also identifies multiple industry clusters that will be the focus of our efforts to keep meeting those goals:

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

Some people might ask why we would concentrate on energy when it appears we've already scored a bull's eye there. The answer is simple: It's good, smart business to strategically channel your resources in ways that leverage your strengths – and the energy industry is one of this region's absolute strengths.

- The sector accounts for 47 percent of our economic base employment, and almost a third of the nation's jobs in oil and gas extraction are here.

- More than 3,600 companies in the region support the industry – from exploration and production firms to pipeline transportation businesses.
- Ten of the 25 largest publicly traded oil and gas E&P firms are headquartered in Houston; eight of the remaining 15 have subsidiaries, major divisions, or other significant operations in the region.
- Fourteen of the nation’s top 20 oil pipelines – controlling 42 percent of all U.S. capacity – have corporate or divisional headquarters or ownership interests in Greater Houston.
- And 15 of America’s top 20 natural gas transmission companies have corporate or divisional headquarters in Houston, controlling 57.1 percent of U.S. capacity.

Given those facts, there’s no doubt that the continued, sustained development of the energy sector – and of all our targeted sectors – will bring new jobs, establish new areas of economic leadership, and attract new talent. This will enable us to capitalize on our core assets and resources, and drive prosperity throughout the 10-county 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.

We’re showing progress there as well, taking a high-profile role on regional issues ranging from tax reform to clean air, immigration to education. And next February, our advocacy will move to the national stage when Houston and the Partnership host a presidential summit on “America’s Energy Future.”

More of a dialogue than a debate, this event is designed to give top-tier White House candidates a chance to discuss their energy platforms and policies with the country. At the same time, it will put Houston at the center of the national policy discussion – and further secure our claim as the energy capital of the world.

Clearly, we’ve had some successes – and more are on the horizon. But let us 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 am confident we are well-positioned to come out on top in the long run. And that leads me to the second initiative that is critical to our future.

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, and states 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.

And while we may be the center of the energy universe, there are some competitors out there who would like nothing more than to knock us out of the top spot:

- Edmonton, Alberta, for instance, is billing itself the “world hub” for the oil, gas, and petrochemical industries, and is promoting its energy labor pool, industrial capacity, and research to attract oil and gas companies.
- Tulsa, which considers itself the oil capital of the world, recently announced a \$1 billion investment by Sinclair, and the region’s job growth is largely being fueled by an expanding energy sector.
- The State of Louisiana’s Vision 2020 strategic plan specifically targets oil, gas, and energy companies.
- In the Atlantic Canada region – the self-proclaimed “world leader” in the energy sector – oil and gas exports rose 400 percent from 1998 to 2005.

That’s a glimpse of what the playing field looks like – not just in energy, but in virtually every cluster we’ve targeted. And the key to success on that field is not simply having the “will to win”; most of us 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.

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 it 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 can say with some confidence that we’re placing a large part of the responsibility for our region’s future in the hands of individuals, institutions, and businesses that understand the imperatives of success.

But they can’t do it alone. They need the help, the commitment, and the resources of people like you, and companies like yours.

More than 160 years ago, this region’s business leaders carved a ship channel out of the wilderness. They showed that a group of committed, visionary people – driven by their collective desire for a better tomorrow – could make history.

You have a chance to do the same today.

By becoming involved in our strategic initiatives, you will be contributing to something of lasting worth. But you'll be doing more than just making history. You'll be inventing the future. And in doing so, you will help ensure that Greater Houston remains a region of true and endless opportunity for everyone.

Thanks very much. I'll be happy to answer any questions.