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**PENNSYLVANIA LAYING GROUNDWORK FOR NANOTECHNOLOGY
AS ECONOMIC DRIVER, DCED OFFICIAL SAYS**

PA Ranked 7TH as "Cyberstate" By National High-Tech Association

BREINIGSVILLE – Pennsylvania is helping prepare the groundwork for a new nanotechnology economy, a top Rendell administration economic development official told attendees yesterday at the "NANO for Business 2008" conference in Breinigsville, Lehigh County.

Department of Community and Economic Development Deputy Secretary Rebecca Bagley said an AeA (formerly the American Electronics Association) report ranked Pennsylvania as the nation's 7th largest "cyberstate." The commonwealth showed significant growth in high-tech services and employed 210,000 high-tech workers with a total payroll of \$15.1 billion in the reporting period, 2005 – 2006, according to the report.

AeA, a nationwide non-profit trade association that represents the technology industry, also said venture capital investments in Pennsylvania totaled \$835 million in 2007, ranking Pennsylvania 6th in the nation.

Bagley oversees DCED's Technology Investment Office, which manages the commonwealth's venture capital initiatives, including the New PA Venture Capital Investment Program, which provides funding to venture capital fund managers to, in turn, invest in early-stage companies; and the New PA Venture Guarantee Program, which provides loan guarantees to venture capitalist companies for investments in technology companies.

"The findings presented by AeA reconfirm our efforts," Bagley said. "Pennsylvania's economic climate is attracting new tech businesses and putting a new generation of Pennsylvania's skilled employees to work. Our high-tech sectors are the cornerstone of our growth, and the tech industry is attracted to Pennsylvania because of the quality of our workforce, our world-class universities, strong economic development programs and the economic climate we're creating.

"Pennsylvania has been at the cutting edge of nanotechnology for several years through our Pennsylvania Nanotechnology Initiative," Bagley said.

The commonwealth has invested \$68 million in nanotechnology research and commercialization partnerships through PIN, including the Materials Research Science and Engineering Center at Lehigh University.

Bagley also credited the Keystone Innovation Zone (KIZ) program, launched as part of Governor Rendell's original economic stimulus package, as a contributor to the state's growing complement of high-tech workers, including the Lehigh Valley's success as a high-tech center. The Southside Bethlehem KIZ, which counts Lehigh University as a major partner, so far has created 10 companies with 117 new jobs in the life sciences, advanced electronics, information technology and advanced materials and manufacturing fields, and is host to 42 patents.

Through Pennsylvania's 29 KIZs, post-secondary schools partner with local industry, economic development organizations and others to encourage and support entrepreneurs. The program provides a climate for developing and taking new technologies to market, and for keeping graduates of Pennsylvania colleges here, Bagley said.

The NANO for Business 2008 conference was sponsored by the Lehigh Nanotech Network, Lehigh University's Center for Advanced Materials and Nanotechnology, the Manufacturers Resource Center, the Workforce Investment Board and other regional stakeholders.