

# TECHNOLINK ASSOCIATION

Proudly Releases

**PERSPECTIVES • WINTER 2008**

*A Collection of Innovative Industry, Economic, Financial, Legal and Policy Leaders' Thoughts and Insights on Business Growth for Southern California and Beyond. . . .*

## SPECIAL HOLIDAY MESSAGE:



*The men and women of SEAL TEAM TWO would like to thank Technolink and their partner associates for their unwavering support to the war-fighters that defend this Great Nation of Ours. We truly could not accomplish our mission without the continued support of civic and business leaders such as you.*

*Happy Holidays and Warm Regards,  
Lt. Commander Art Wills  
Executive Officer, SEAL TEAM TWO*

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**TECHNOLINK ASSOCIATION PERSPECTIVES • WINTER 2008**

*A time to Reflect... As we reflect upon this past year of 2008, I believe it will be noted as one of the most unpredictable and challenging years of economic and political turmoil in our Nation's History. Yet I also believe that the second half of 2008 has awakened the American People to be reminded of the Courage, Ingenuity and Fortitude that our founding Fathers used to build our Nation, which we call the great land of Justice, Freedom and Liberty for All. . .*

*As President John F. Kennedy's famous quote "Ask not what the country can do for you, but ask what you can do for the country!" was used throughout this election year, we are reminded that like our founding fathers, we can take on challenges as individuals and still have courage to come to together as a whole nation to build a better tomorrow. So, as we come to the close of an historic year of uncertainties, challenges and change... may we take a moment to reflect and see many things of which we can be thankful for, by living in this great land of opportunities. And know, when we come together as a Nation, with sound judgment and great ingenuity, we will overcome national and global challenges; and preserve once again, to build the future of the United States of America... "As water reflects a face, so a man's heart reflects the man" Proverbs 27.19*

*Warmest Holiday Wishes to All, Ssusan Forte O'Neill, Forte Designs • 949.443.4026*

**LEGAL PERSPECTIVE...CREATING WEALTH FROM INNOVATIONS**

***Wealth is created through invention and innovation. To accomplish the generation of wealth based on such invention and innovation, a trade barrier must be put in place to encourage investment and prevent others from plagiarizing the invention or innovation. Otherwise, if the invention or innovation is successful, world experience shows that it will be plagiarized. The only effective trade barrier to technical invention and innovation is a patent. Patents are available both domestically and internationally. And when in place, the owner is able to generate wealth and grow the product, thus enhancing his business and making it much more successful. The U. S. Patent Law, in the last several years, has developed so that inventions not previously protectable are now capable of being protected. One such example is patents on business methods. Since the Supreme Court ruled in the State Street Bank case that business methods were subject to patent protection, there has been a large volume of such patents issued.***

**To learn more contact: Billy A. Robbins, Esq. CONNOLLY BOVE LODGE & HUTZ LLP(213) 443-2563 or brobbins@cblh.com**

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**JET PROPULSION LABORATORY 2009 OUTLOOK**

**Lt. General Eugene Tattini (USAF, Ret.)  
Deputy Director, NASA Jet Propulsion Laboratory**

Jet Propulsion Laboratory ( JPL) expects a busy 2009 for the robotic scientific space program. JPL currently has eighteen spacecraft and eight instruments operating all the way from a few hundred miles above Earth to ten billion miles away (three times the distance to Pluto). In 2009 we expect to add four spacecraft to this fleet, plus provide the primary sensors to two European missions exploring the origins of the universe.

Examples of JPL's current missions include the two Mars rovers, "Spirit" and "Opportunity," still studying the history of Mars' geology almost five years after they landed, when they were expected to last only three months. They are complemented by two orbiters (plus one European orbiter), which conduct detailed studies of the entire planet from a few hundred miles above the surface. At extreme distances from Earth, the two Voyager spacecraft have left the solar system and are now "interstellar" spacecraft studying the boundary between our sun and true interstellar space. Several JPL spacecraft in orbit around Earth have confirmed the relentless increase in human-generated greenhouse gases such as carbon dioxide, and are measuring the dangerously increasing effects of these gases on Earth's climate, ice caps and oceans. JPL's GRACE mission continues to see hundreds of cubic kilometers of ice lost each year from both Greenland and Antarctica, while the QuikScat satellite produces images of the rapid loss of north polar sea ice. JPL's AIRS instrument has produced a dramatic time-lapse movie showing the increase of carbon dioxide every year in the northern hemisphere, where most human-generated greenhouse gases originate.

In 2009 JPL again expects to launch spacecraft that will study our own planet, Mars, and the deepest universe. January will see the launch of the Orbiting Carbon Observatory, which will provide detailed and frequent global maps of carbon dioxide in the Earth's atmosphere, identifying both human and natural sources of this greenhouse gas. In April we will launch Kepler, which will monitor 100,000 nearby stars to catch any Earth-sized planets that cross in front of the star and thereby dim the star's light seen by the spacecraft. In October we will launch the largest and most ambitious Mars rover ever developed: a nuclear powered (so it's not dependent on sunlight and can operate through dust storms) robotic chemistry laboratory called Mars Science Laboratory. The Wide-field Infrared Survey Explorer (WISE) will launch in November, which will take over a million images of the entire sky in the far infrared (heat waves not visible to human eyes) to study asteroids, cool stars, and the most luminous galaxies. Finally, crucial JPL sensors will enable the European Space Agency's Herschel and Planck telescopes, expected to launch in February, to study the energy radiated from the big bang at the origin of the universe 13.7 billion years ago.

**For More Information Visit: <http://www.jpl.nasa.gov>**

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## TECHNOLINK ASSOCIATION PERSPECTIVES • WINTER 2008

### WHY BOEING INVESTS IN COMMUNITY PROGRAMS THAT SUPPORT EARLY LEARNING

The success of Boeing, the U.S. aerospace industry and the overall global economy is dependent on a work force with the skills and capabilities to meet the technological and scientific challenges the future will bring. Research has shown that a person's early-life experiences are connected to the ability to achieve economic productivity as an adult. Boeing is giving increased attention and resources to early learning as part of the company's charitable investments in education.

In the past, it was thought "real learning" began when a child entered primary school. Now it's clear it happens much earlier. Parents are a child's first and most important teachers. Boeing's charitable investments in early learning focus on programs that provide information and related resources to parents, so parents can aid in their children's development. In addition, children need to experience the support of caring adults in all areas of their lives. This is why, in addition to parent training, Boeing also invests in programs that provide information and resources to caregivers, both formal (for example, day care workers) and informal (family members, friends), who, according to research, play a large but often overlooked role in children's development.

Following are examples of where Boeing support has helped boost early-learning efforts:

- \* Boeing partnered with PNC Bank in Washington, D.C., and several charitable foundations to create a multimillion-dollar fund aimed at improving pre-kindergarten in the Potomac region. The goal for the initiative, tentatively titled the Early Care and Education Collaborative, is to raise at least \$1 million annually for four years for improving area early learning programs and promoting their importance to local policy makers. According to organizers, this effort marks one of the area's largest partnerships between corporations and nonprofits.
- \* Boeing supports the Child Crisis Center, a Mesa, Ariz.-based nonprofit company committed to preventing child abuse and neglect, provides parenting classes focusing on the science of early-childhood brain development, a "boot camp" for new dads, a parent-support group, and a program to teach parents and babies how to communicate with gestures and signs before they learn to speak.
- \* Boeing recently signed on as a major supporter of "Sid the Science Kid", a new educational series produced by KCET-TV, the public TV station in Los Angeles, and the Jim Henson Company. The show promotes exploration, discovery and science readiness among preschoolers. A portion of Boeing's grant will fund a national educational outreach plan aimed at parents, grandparents and childcare providers.

**For more information visit: [www.boeing.com](http://www.boeing.com)**

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## TECHNOLINK ASSOCIATION PERSPECTIVES • WINTER 2008

### Washington Report • Congressman John Campbell, California, 48<sup>th</sup> District United States House Representatives

You may recall in 1992 that then-presidential candidate Bill Clinton had signs posted in his campaign office that read "it's the economy stupid" to remind his team of the main campaign issue in that year. Once again, the economy is issue number one... and two and three. As I write this, I am flying home on Virgin America after having been in Washington all week. One of my committees, the Financial Services Committee, heard testimony from Secretary Paulson, Fed Chairman Bernanke and the CEOs of the big 3 US automakers. Here is what I know about where we are and where we are going with the economy and financial markets:

**Credit Markets:** The last time I wrote you was after we had passed the Financial Rescue Plan bill with my support. At that time, we were perilously close to a complete collapse of our financial markets, which would have resulted in thousands of bank failures and an unimaginable effect on our economy. About a month ago, the credit markets started improving and have been improving some ever since. They are still a long way from normal, but I believe we have avoided the abyss scenario. That was the purpose of the Rescue Plan and it had the desired effect. Economists from all sides of the political spectrum (liberal, conservative, libertarian) agreed with that in our committee this week. Credit markets should gradually improve now but it will clearly take at least a few more months to return to some normalcy.

**Economy:** But, as I'm sure I don't need to tell you, the economy stinks and is still getting worse. The credit market disruption, along with other factors, have put economic conditions in a tailspin from which it is difficult to see recovery right now. Just as investment firms de-leveraged to reduce debt exposure as the value of their assets fell, consumers are now doing the same thing for the same reason. In my opinion, we will need a huge fiscal stimulus from the federal government next year to stop this spiral down. That stimulus should include some infrastructure spending, which we need to do anyway but which will stimulate some job growth right now. But we also need some targeted tax incentives to draw some consumers out of their shells back into the market again. One person's spending is another person's income. If no one spends, no one has income. That's how economies shrink. Specifically, I think those tax incentives should be geared to getting people to buy homes and cars, the two segments of the economy that are dragging everything else down with them. In addition, say, to a tax credit for buying a home, we could provide cheap 30 year fixed rate financing through Fannie Mae and Freddie Mac, which the government now owns. The government can borrow money very cheaply now (the interest rate on a 90 day treasury bill is effectively 0% as I write this) so it could lend cheaply but responsibly and create an environment that would be too good to pass up. Such a stimulus won't be as effective unless the credit markets are functioning again, so we shouldn't do it until late winter or spring next year.

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You may have noticed that we Republicans are not exactly in charge in DC and Nancy Pelosi does not call me for advice and counsel. But I will do the best I can to push forward ideas that I think will shorten the depth and duration of this recession. People are losing their jobs, their homes, and their retirements at a rapid rate. And it's not just the people who borrowed more than they should have, or the investors who took on too much leverage. It has now extended way past that. It is not acceptable to just watch and hope it ends soon. We can intervene without sacrificing too much long-term growth opportunity. And we should intervene.

**Other Actions:** Treasury will have invested roughly half of the \$700 billion in the rescue package by the time you read this. Secretary Paulson indicated that one of the things that Treasury is considering is a way to leverage treasury's investment to get more private investment in the banking system so they can loan again. One way to do this would be to have Treasury offer matching investment funds. So, if a bank goes out and raises \$5 billion of new equity capital, treasury will match that with a preferred stock investment. I think this is a good idea to double the capital effect but also to get some private capital off the sidelines. There are also numerous foreclosure prevention programs in place at the Fed, the FDIC, Treasury and Fannie and Freddie, as everyone is better off if preventable foreclosures can be turned into debt restructurings.

**Obama Financial Appointments:** President-elect Obama has picked CBO Director Peter Orszag to be his budget director and apparently has chosen NY Fed President Tim Geithner as his Treasury Secretary. I know Peter Orszag well and, although we disagree on a number of tax policy issues, he is smart, fair, and knows the budget inside and out. I do not know Geithner; although, since he is a fed President now he should be able to hit the ground running. And we need that. We cannot have the proverbial ball dropped in transition from the current administration.

**Big 3 Auto Loans:** I will not comment on the efficacy of the proposed \$25 billion loan to the Big 3 Automakers and will abstain from voting thereon. This is because I own property on which a subsidiary of General Motors Corporation is my tenant. So, I believe it would be inappropriate for me to vote on a direct taxpayer subsidy to a company by name from which I derive substantial income. Interestingly, the ethics committee of the House said I have no conflict and can vote and speak as I wish. I disagree. How ethical the ethics committee is, is a story for another day.

**The Problem with the Big 3:** You may know that I spent 25 years in the retail car business before I lost my mind and went into politics. During that time, I held GM franchises including Saturn, Saab, Buick and GMC Trucks and Ford Franchises including Ford, Lincoln, Mercury and Mazda (partly owned by Ford). So, I know a little bit about the industry and these companies. And although I will not comment on whether or not they should receive government loans, I will comment on what they need to make money again, with or without the loans.

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First of all, the current environment is the worst for the car business since the depression without a close second. And not just the American car companies are hurting. Toyota and Honda are way down and not making money in North America right now either. In my car business life, I have lived through recessions, credit crunches and gas crises, but never all 3 at one time. That is what is happening now, and it is really hurting sales, which by the way, makes it a great time to buy a car. But I digress....

GM will still sell nearly 12 MILLION cars and trucks this year. They are the number one automaker in North America. They are also number one in China and Russia. They are always in the top 3 in Europe and every other major or emerging market on earth. They are still the 2nd biggest automaker on the globe just recently having fallen behind Toyota. That is huge market success. Why can't they make money with that kind of market success?

You hear about their union contracts or the number of brands they have or a lack of small cars as reasons the Big 3 are losing money. All of those have some effect. But to me, there's one reason that is as great as all of them that no one talks about. It is the culture in those companies. GM just had its 100th anniversary. Ford has been around longer. Walter P. Chrysler started a little later. GM in the 50s had a motto - 60-60 60. It stood for 60% market share; \$60/share stock price by 1960. They almost made it. All 3 have been enormously big and powerful entities for a long time. Unfortunately, they think they still are.

They need to stop acting like the all-knowing biggest industrial companies on earth and start being scrappy companies with great brands that are making every sacrifice and trying every new idea to survive: less arrogance; more enterprise. Will this fix them on its own? No, but I'm not sure they can recover without it. And I say this as a car guy who truly has gasoline in his veins. I love cars, and I love the great American cars: the Fords, Lincolns, Cadillacs, Chryslers and Chevys that are icons of American life and American culture. It is hard for me to imagine an America without them. But with or without government loans, they will have to do it on their own at some point. I hope they do.

Until next time, I remain respectfully,

***Congressman John Campbell***

***202-225-5611***

***<http://campbell.house.gov>***

***We would like to Thank and Honor of All of Our Military who are Defending Our Freedom and Democracy. This Season we would like to Spotlight the United States NAVY and the Navy SEALS who are serving Our Great Nation Around the World.***

***To learn more about these Heroes visit: <http://www.navyseals.com/seal-ethos>***

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**SACRAMENTO REPORT**

Economic conditions have changed radically since the Governor signed the 2008 Budget Act. The volatility of our nation's financial markets has affected our budget, leaving the state with a shortfall of more than \$11 billion, which could grow up to \$28 billion over the next 18 months. To address our budget issues and help stimulate the economy, the Governor called a special session of the Legislature.

The Governor's budget recommendations include a combination of \$4.5 billion in cuts across a variety of programs, plus \$4.7 billion in additional revenues. And to further stabilize the housing market, he is proposing a 90-day stay of the foreclosure process, teamed with incentives to make loan modifications and recommendations to ensure responsible lending and prevent another mortgage crisis. In addition to addressing the shortfalls, the Governor has also unveiled a plan to boost our economy, help retain jobs and create as many new ones as possible. His proposals include clarifying and reforming labor laws, expediting reviews for hospital construction, accelerating bond spending and infrastructure projects, reducing barriers to public-private partnerships, and providing incentives to keep film and TV production in California. He, along with the rest of the nation's governors, is working to ensure the incoming presidential administration understands the importance of investing in infrastructure.

The Governor has also achieved key reforms this year. The Rainy Day Fund and mid-year cutting authority achieved in this Budget is the best process to limit spending and prepare for future revenue shortfalls. And the recent passage of Proposition 11 – championed by the Governor – will change the way legislative boundaries are drawn in California, increasing competitiveness in legislative races and restoring public confidence in state government.

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### PROUDLY SUPPORTS



April 27-29, 2009 • The Beverly Hilton • Los Angeles

These are historic - and unsettling - times. Everyone is anxious to know: When will the volatility end? Which markets will be the first to recover? How do you transform today's financial challenges into opportunity?

In April, the Milken Institute will bring together 470 panelists - the world's most knowledgeable and influential leaders - to answer these pressing questions at the **12th Annual Global Conference**.

Given today's economic circumstances, the 2009 conference will be an unforgettable event, crucial to understanding today's markets and what could well be a new global financial architecture. In addition to the economy, you'll learn about the newest developments in technology, education, energy, health care and medical research. And you'll hear expert outlooks on emerging and developed markets in Asia, Europe, Latin America, Africa, Middle East and North America. Never has the Global Conference been more important to understanding where the world is headed.

Due to a record level of interest in the 2009 Global Conference, we have opened registration. This is your opportunity to take advantage of the **early registration discount, which offers \$700 off regular admission.** This is the *only* individual discount offer that will be available. Early registration will close on January 16, 2009, much sooner than usual. The 2009 Global Conference will sell out early, so we strongly encourage you to act now and secure your spot among the 3,000 attendees. We hope you will join us in Los Angeles for this pivotal event. Visit <http://www.milkeninstitute.org>

**Watch for The Save-The-Date Announcement for Technolink Association's Presidents Club Spring Forum to be held in March 2009.**

*Happy Holidays and a Glorious New Year to All...Reach Out and Share The Gift of Kindness this Holiday Season with Others .....*

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