

## **New 'greenprint' could map way for next boom Regional plan for Silicon Valley economy unveiled at 'State of the Valley' conference Friday**

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A new leadership group is poised to steer Silicon Valley into a "green-tech revolution" that could keep the valley from being displaced by other regions around the world, speakers said at the 2009 State of the Valley conference at San Jose's Parkside Hall Friday.

Energy is the only field offering the same range of opportunities as information technology, speakers said at a conference of several hundred business and government leaders, co-sponsored by Joint Venture: Silicon Valley Network and the Silicon Valley Community Foundation.

The aim of a new "Greenprint Project" is to develop a new, 21st-century energy system that would displace the oil-dependent economy and create a second Industrial Revolution, they said, referring to the massive social and economic shift of the mid-1800s.

Joint Venture co-chairs, Chris DiGiorgio of Accenture, Inc. and San Jose Mayor Chuck Reed, unveiled the Greenprint Project, described as a blueprint-type initiative to turn global climate change into a thriving local industry.

The "greenprint" plan will seek ways to build a new infrastructure from the ground up, they said. The initiative would attract or train talent to meet needs of the new industry; retrain workers from industries that are contracting; invent new energy technologies to replace the oil-dependent economy; and build a support for improved housing, health care, education and ancillary services that will keep people coming to or staying in the Bay Area.

The conference convened leaders in education, local government, venture capital, high-tech, medicine and emerging technologies.

Speakers said a "climate prosperity" strategy will be more than hot air -- turning talk into a tangible industry.

Jonathan Pickering, Applied Materials senior vice president, announced a \$300,000 donation over the next two years to fund a "director of climate prosperity" position for the Greenprint project.

"Leading any initiative takes horsepower," he said, adding he hopes many other companies would follow.

Introductory remarks from Russell Hancock, president and CEO of Joint Venture, sounded a warning that the national economic woes have begun to impact the valley, which had been relatively insulated from the worst effects. More bad economic news should be expected throughout the year as companies continue to contract, he said.

Implementing a regional infrastructure -- such as building a network of charging stations and retrofitting the 90 percent of existing homes and offices with energy-efficient technologies -- will allow the new energy products to be used seamlessly, DiGiorgio and Reed said.

The regional collaboration hopes to encompass business, government, academia, labor and community organizations.

Money -- totaling nearly \$1.9 billion in 2008 -- is starting to come into the area for green technology. Venture capital investment in clean technology in Silicon Valley increased 94 percent in 2008, speakers said.

And long-established firms such as Cypress Semiconductor, Applied Materials and PG&E are investing in the growing solar and smart-metering and plug-in markets.

Reed said San Jose's "green vision" aims to show the world how energy efficiency and the new clean technologies can stimulate the economy and bring financial returns.

Within 15 years, San Jose plans to create 25,000 clean-tech jobs and reduce per capita energy use by 50 percent. The city wants to build or retrofit 50 million square feet of green buildings and ensure that 100 percent of public fleet vehicles will run on alternative fuels. All of the city's electrical power is expected to come from clean renewable resources, he said.

Keynote speaker Fareed Zakaria, international editor at Newsweek, said Silicon Valley must bolster its social and support network if it hopes to remain a global player. The seeds of how the country and the valley are now faring were sown three decades ago, when the Soviet Union collapsed and American capitalism became the only viable economic model for other nations, he said.

But "powerful and phony growth bubbles" fueled the economy and were not backed by real productivity, leading to the current economic meltdown, he said. Unless a new and aggressive model is developed, Silicon Valley could see other emerging nations usurp its global position.

Zakaria said everywhere he has gone in the world -- in China, Korea and Singapore -- he saw America slipping from having the biggest or best, from Ferris wheels and shopping malls to gambling centers. The world's most lucrative gambling center is now in China, not Las Vegas, he said.

"To stay ahead on the new global racetrack, Silicon Valley will have to get away from the prevailing belief that has swayed the country since 1979: that America has a unique place in the global economy, he said.

While funding from the federal stimulus package and other energy policies by the new administration is expected to help kick-start the new industry, Silicon Valley must be prepared to take advantage of the opportunity by improving a flagging social network, Hancock said.

Home ownership is elusive for many and has squeezed the middle class into an "hour-glass" demographic of the rich and the poor, with only a small percentage in the middle. Only 29 percent of residents can afford a median-priced home in Silicon Valley, compared with 45 percent statewide, Hancock said.

Zakaria agreed.

Silicon Valley will have to offer services and community infrastructure that will continue to attract workers to the area -- affordable housing, good education, adult-worker retraining and affordable health care. Otherwise, the best and brightest will flock to other countries that offer a better way of life, Zakaria said.

To be successful, Silicon Valley can't invent the infrastructure in a vacuum -- it will take large infusions of cash and policy support from a well-managed government to achieve dominance in the new world order, he warned.

Otherwise, "we won't have another boom," he said.

And that would be ironic, he added.

"Imagine 100 years from now. Imagine the irony that would strike (analysts). We've gone around telling people to 'open yourselves up ... to the American way of life.' America has managed to fulfill its great historical mission. It globalized the world; it just forgot to globalize itself," he said.