

UNITED STATES SENATE
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

“Harnessing Small Business Innovation:
Utilizing Small Business Research and Technology for Gulf Coast Oil Cleanup”

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Thank you, Chairwoman Landrieu, Ranking Member Snowe and members of the Committee for inviting me to testify this morning on what is becoming a significant issue. My name is Eric Smith and I am a Clinical Professor and Associate Director of the Tulane Energy Institute at Tulane University in New Orleans, Louisiana.

The Problem: Lack of Capacity at the Federal Level to Evaluate the Deluge of Proposals Related To Oil Spill

Recently a number of us at Tulane, and at other universities along the Gulf Coast, have been inundated by pleas for help by small business persons who believe that they have good ideas related to the oil spill, ranging from innovative approaches to stopping the spill to various methods for mitigating the effects of the spill on both the coastal and marine ecosystems of the Gulf Coast. The one thing all of these people emphasize is that they feel they are being ignored or stalled by the authorities at the Unified Command Center, at BP, at the MMS, at the Coast Guard, and at other State and Federal agencies involved in spill response activities.

Despite well publicized telephone numbers and web sites that provide forms for proposing solutions, the sheer volume of ideas coming into these organizations argues against prompt responses and seems to have overwhelmed the ability of agency personnel to answer citizens in

a timely manner. In truth, the people most capable of responding to these ideas are burning the candle at both ends, working on solving the immediate problem—stopping the oil. To expect them to drop everything to consider thousands of new ideas is unrealistic. However, these ideas cannot and should not be ignored as it could potentially limit the clean-up and recovery of the spill.

My personal experience during this crisis has exposed me to multiple ideas ranging from mechanical solutions for plugging rogue wells in deep water to fairly detailed proposals for high tech absorbents for use in clean up operations. At the same time, I have also heard from more than one source about the possibility of using a nuclear solution, if necessary, to blow the well a part. Clearly, I would expect these to be a sampling of what I can only imagine the Federal government is receiving a on a daily basis.

When practitioners and the Federal government's response team are up to their *derrieres* in alligators it sometimes falls to the academic community to take the long view and worry about draining the swamp at some point in the intermediate future.

One Solution: A National Clearinghouse for Evaluation and Assessment of Research and Technology Related to the Oil Spill

As we all know, having good product ideas is only half the battle. The balance of commercialization involves the sometimes arcane activities of establishing intellectual property rights, passing certification requirements, getting on bid lists, winning bids, developing supply chains, and establishing overall economic and financial viability. In response to the oil spill and the complexity of navigating the Federal research landscape, Tulane University's administration has assembled a team of faculty experts in a number of energy, environmental, public health exposure, and economic disciplines to support America's small businesses as they work to provide products that will prevent future oil spills and mitigate the after-effects of current and future spills on ecology and our communities.

The overriding goal of this group is to ultimately create a single clearinghouse where new ideas related to the oil spill, or to its effects, can be screened; grant proposals can be formulated to support promising innovations; new business ideas can be incubated; and successful routes to market introduction can be realized. In addition, and perhaps most importantly, this clearinghouse would provide prompt responses to citizens who feel they are being ignored by the corporate-governmental infrastructure.

Tulane has considerable experience in precisely this role as a result of providing support to the wider community during the aftermath of Hurricane Katrina. In addition, Tulane has a strong history and ongoing efforts of outreach to the business community to assist start up entrepreneurs, including those involved in oil and gas service activities. The University is also an established research university with experience in both public and private funding enterprises—including most Federal agencies involved with the oil spill effort. And finally, Tulane University is dedicated to public service, social innovation, and social entrepreneurship—elements that will be essential in addressing the potential public health, economic, and environmental fallout from this disaster.

Assuming we are successful in collaborating with the Federal government in organizing this clearinghouse, we will begin immediate assessment and evaluation of new technologies and innovative ideas through field tests and laboratory demonstrations. The end result of our review in some cases will be a letter explaining what is and is not technically possible and what is and is not economically practical about certain proposals. Ideas that fail this initial screening will still be responded to with a customized, thoughtful letter explaining why we believe they will not work in this specific situation.

Those ideas that do show potential will be forwarded, along with a technical critique, similar to those used in academic peer reviews, to designated government entities. The report will include a concise description of the intellectual property in question, development budget, a business plan, and a recommendation on how to proceed toward full commercialization. In many cases, these reports will outline a need for additional research or certification that we or other universities would be interested in performing. It is important to note that although Tulane provides the initial screening service, it does not mean that Tulane has any exclusive right to pursue Federal funding for these proposals—instead that would fall to the initial applicant.

Tulane's Action and Next Steps

In addition to assembling this internal working group comprised of experts from across Tulane, our faculty are serving as a resource for federal, state and local officials by testing water, soil and air; recommending ways to reduce the oil's impact and researching the effects of this disaster. Tulane is also pursuing grants to further investigate the immediate and long-term consequences of this disaster and assisting in providing health care for many of the fishermen idled by the oil leak. Tulane students, in addition to standing ready to assist in the clean-up, are helping track the oil's landfall.

Tulane University, because of its capabilities and experience, is ideally suited to provide a clearinghouse to vet ideas for Federal agencies. A clearinghouse would allow the Federal government more time to focus on stopping the spill and clean-up, while at the same time focusing Federal financial support on the best projects from across the country that can ultimately move new unproven ideas to practical solutions to pressing cultural, economic, ecological, and public health problems along the Gulf Coast.

Tulane University is prepared to spend a small amount of our own seed money developing the framework for a clearing center for proposals related to the oil spill and brought forward by small businesses, NGOs and individuals. While we know that we cannot fund 100% of this effort, we are willing to start this process, recognizing time is of the essence, and ideally form a Federal partnership in the near future. However, we cannot expend these limited funds without the assurance that Federal funding will be available to fully execute a professional examination of the more promising ideas that are uncovered by the process.

For the record, I've attached copies of two brochures which describe some of the existing efforts at the A.B. Freeman School of Business as well as a recent white paper describing the interdepartmental unit we would propose as an effective way to radically reduce the backlog of unanswered ideas that have inundated the governmental agencies. As you might imagine, Tulane University has personal experience in recovery from catastrophic disasters and in rebuilding stronger than before.

Thank you for your time and I will be happy to answer any questions the Committee may have.