



GOVERNOR'S COMPETITIVENESS COUNCIL

August 6, 2008

The Honorable Rick Perry
Governor of Texas

Governor Perry:

In November 2007, you created and charged the Governor's Competitiveness Council with formulating recommendations to enhance the state's economic footing in emerging industry clusters in Texas. The Council recognizes competitiveness as an imperative in a global economy and is committed to equipping the state with the tools necessary to better Texas' government, education, and business. This commitment to improving the state's competitive edge helped shape the recommendations in this document.

While the rest of the nation is struggling to overcome large economic hurdles, currently Texas is in a comfortable economic position, attracting new companies and workers with its business-friendly climate, and a fair regulatory and tax structure. While nationwide unemployment is rising, Texas continues to lead the nation in job creation.

Although these economic indicators currently measure well in the Lone Star State and are encouraging in a turbulent national economy, they may also provide Texas with a false sense of economic security. Instead, the Council believes that we must view the recent changes in our country's economy as a reminder that the global marketplace is becoming increasingly competitive and moving faster than ever. We cannot assume the momentum of our past economic successes will allow us to coast along as others push to improve their competitive position. In fact, there is increasing competition to become the global leader in innovation, and emerging markets and technologies.

The Council believes the economic future of Texas depends on a coordinated effort by state, education, and industry leaders with a common goal to enhance the state's competitive position. We support your efforts to begin a culture of change in the state that will help cultivate current and attract new talent to Texas, as well as emerging industries. We also support your commitment to evaluate the economic impact of forthcoming legislation and to urge state agencies to consider the economic impact of their rulemaking processes.

Following months of research, competitive positioning assessments, outreach to the public and private sector, and deliberation, we submit two documents for your consideration: the Council's Report to the Governor and the 2008 Texas State Energy Plan. Together both documents aim to better align state resources with the needs of industries, and to ensure a prosperous future for the state's economy and all Texans.

Sincerely,

Governor's Competitiveness Council