

Creation of New Business Opportunities Through the Establishment of the Water Technology Innovation Cluster

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Publication Date: January 27, 2011

On January 18, 2011, the Environmental Protection Agency ("EPA") and the Small Business Administration ("SBA") announced the creation of the Water Technology Innovation Cluster ("WTIC"), a new collaborative effort that recognizes the importance of harnessing regional expertise to encourage economic development, as well as environmental and human health protection. The WTIC was designed to develop and commercialize innovative technologies to solve environmental challenges and spur sustainable economic development and job growth. While the initial focus of the WTIC is water technologies, it has the potential to expand into other environmental areas.

Initial Location and Emphasis

Aspiring for the success of silicon chip innovators and manufacturers in Silicon Valley, the WTIC aims at building and maintaining a vibrant, technology-driven economy in the Ohio, Kentucky, and Indiana region. This geographic region was chosen based on its high concentration of the major components of a successful technology cluster: universities, large corporations, emerging companies, federal government, state government, local government, and economic development associations. The WTIC intends to bring private businesses together with public utilities and research partners to create innovative environmental technologies to protect and best utilize America's water.

Funding

Although the WTIC is not a grant to the community, it will generate opportunities for participants that will allow them to be at the forefront of regional development and job creation. To help kick off this initiative, the EPA has invested \$5 million to assist the WTIC with conducting key studies and activities instrumental to its startup. Additionally, the federal government has committed to fund \$11.5 million to the WTIC over three to five years, to support and implement the WTIC and



develop a national innovation center for drinking water. Up to \$1.5 million of those funds has been dedicated to supporting private development in water technology innovation through the Small Business Innovation Research Program.

Focus Areas and Potential Activities

Currently, the WTIC is focused on using water technologies to improve water quality in communities and grow business from these efforts. In order to accomplish its goal, the WTIC has targeted specific areas for research and market development. These target areas include green infrastructure and rain gardens, water trading markets, and conservation and reuse matters. Key issues to be examined in these areas are, among other things, their cost-effectiveness to utilities and consumers, and their impact on public health protection. The WTIC also plans to create a regional database of research expertise to disseminate and report its findings related to critical current and future water challenges.

Maximizing Opportunities

Attorneys in Reed Smith's Public Policy & Infrastructure practice are actively monitoring the developments of the WTIC initiative and are prepared to assist clients interested in participating in the WTIC. Our attorneys are available to assist commercial businesses and educational institutions on how to become involved with the WTIC and how to maximize the opportunities that will result from participation. Please do not hesitate to contact Christopher L. Rissetto, Leslie A. Peterson, or any of the lawyers with our Public Policy practice with any questions.

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