



**TESTIMONY OF CHARLES HOSLET
BEFORE THE SPECIAL COMMITTEE ON AIRPORT AUTHORITIES
September 27, 2006**

Chairman Stone, members of the committee,

Thank you for inviting me to testify before the committee today. My name is Charlie Hoslet and I serve as Senior Special Assistant to the Chancellor and Managing Director of the Office of Corporate Relations at UW-Madison. I was asked to speak about how the university uses air service, what sort of service we would like to see and what changes would make it easier for the university to do business and be successful.

Let me start by telling you a bit about the Office of Corporate Relations. My office is charged with serving as the front door to the UW-Madison campus for Wisconsin companies and entrepreneurs. In addition to generally informing companies about the various resources that exist on campus, we spend much of our time facilitating interactions between industry and different people and departments on campus. As you will see from the brochure I'm sending around that describes our office, we help businesses with a variety of needs:

- Recruitment of students for internships and full time employment
- Continuing education and professional development programs for their employees
- Helping them identify faculty and staff that have expertise they might need in business, engineering, agriculture, health care, etc.
- Connecting them to more than 200 research centers, research institutes, and industrial consortia on campus ranging from HVAC and Refrigeration to Small Engines to Dairy Research

Office of Corporate Relations

- Identifying new technologies developed on campus that could be applicable to their business, and
- Providing information about doing business in other countries around the world.

In the last fiscal year we had more than 500 company contacts and received more than 400 requests for information and assistance. I would be pleased to provide any of you additional information on our office and the business resources at UW-Madison if you would like.

As part of my job I represented the campus and the Madison business community in talks with Delta Airlines last summer. Our goal was to persuade them to add non-stop service from Madison to Atlanta and other Delta hubs. We were successful in getting the Atlanta route added, which came on line December 1 of last year. It is because of my involvement in those discussions that I was asked to testify before you today.

Convenient, reliable air service is important to UW-Madison - and to the Greater Madison area as a whole – for a variety of reasons. For example, companies created based on UW-Madison technologies and discoveries, and the growing high tech sector in the Madison area generally, are increasingly being noticed by venture capitalists and other investors from the East and West coasts. They will make frequent trips to Madison to look for investment opportunities if they have easy connections, and preferably non-stop service. Seven of the 10 most active venture funds in 2005 were based in California; the other 3 were in New York, Baltimore and Boston. Direct flights to Madison from key cities on the East Coast and in California would increase the opportunity to get additional investment dollars from outside of Wisconsin into the state.

UW-Madison is also blessed with a very large alumni base – there are more than 350,000 living alumni around the world. We have large concentrations of alumni – as in thousands of people - in cities such as New York, Boston, San Francisco, and Washington DC. Having convenient, reliable air service from Madison to these cities would make it easier for our alumni to come back and visit, which helps the state

economy. Similarly, because UW-Madison is ranked as one of the top research institutions in the country – the most recent rankings had us #4 in R&D spending nationally – we have the opportunity to host literally thousands of meetings, seminars and conferences on campus each year with visitors from all over the world. Again, making it easy for travelers to get to Madison is important.

I can also tell you that senior executives from large corporations with which UW-Madison has significant relationships – such as Pfizer and IBM on the East Coast and Hewlett-Packard and Sun Microsystems on the West Coast – have commented that they wish it was easier to get to Madison. These companies have provided millions of dollars to the campus over the years through gifts, research funding and equipment donations. With no direct flights west of Denver, and only a few options going east, it is difficult for executives to commit the time necessary to take two and sometimes three planes to get here for meetings and events. Getting these people to campus is a critical part of building a strong relationship with these companies.

There are also a large number of Madison area companies that rely on air travel as an important part of their business. American Family Insurance, Spectrum Brands, Epic Systems, and the Credit Union National Association all have headquarters in the Madison area and are all frequent users of the Dane County airport. All of these companies, and many others, have talked about the importance of attracting direct flights to key destinations, and have been willing to step up financially to support such flights.

So clearly my message today is that we need more direct flights out of Madison, as a way to attract more visitors, more company interaction and more investment. What can this committee do about that? One thing I would recommend you consider is whether there are incentives that the state can provide, perhaps in concert with local government and the local business community, to entice airlines to set up direct flight routes to important cities. I learned during our discussions with Delta that airlines are being asked to create direct flights by many, many communities – there is stiff competition. And they will of course look to those cities that make the most sense financially. An oft-cited example is

how many years ago the City of Austin, Texas pulled together funding and convinced one of the airlines to create a direct route between Austin and the Silicon Valley in California. After several months the flight became profitable for the airline, and the result was that California investors could easily get to the up-and-coming biotech community in Austin. Today of course Austin is considered one of the biotech and high-tech hotspots in the country. Is the direct flight that was created between Austin and the Silicon Valley the only reason the biotech community in Austin took off? Of course not. But it was a key part of the equation, an equation that we would like to replicate here in Madison and elsewhere in the state of Wisconsin.

Thanks for inviting me to testify. I would be happy to answer any questions you might have.