

3 PROF. BENGT SUNDELIUS: Thank you, both of you. We have
4 time for some comments and questions from the audience,
5 which is hard for me to see here. While you collect
6 your thoughts, I have a question. Different in
7 approach. Marco mentioned that the investments are
8 50 percent usually, and it's expected the provider
9 provide the other 50 percent. Now, you didn't mention
10 any such figure. I expect you provide hundred percent
11 for business or not. My second question is can North
12 American providers apply for grants for Marco's program
13 and can non-Americans apply for grants from the DHS? I
14 think those are two questions that are of interest to
15 the audience. You have microphones there.

16 MR. MARCO MALACARNE: The answer to the second question,
17 thank you, is very easy. Yes, North American partners
18 can apply in our program as partners, not as
19 coordinators. That is just a detail. They've always
20 been able to do so. The advantage of the implementing
21 arrangements and of the overarching S&T agreement which
22 is in the pipeline is that, if they do quarrel about
23 IPR, now we know we have a legal basis on which to
24 establish a duly (unintelligible) quarrel. Otherwise it
25 will be a bit of a mess.

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1 DR. THOMAS CELLUCCI: Yes, in reference to the
2 questions, we have no prejudice at all in terms of the
3 geographical location of people, for example, who would
4 like to participate in the innovative public-private
5 partnerships through what we'll talk about in detail
6 tomorrow called the SECURE program or the Future Tech
7 program. And commercialization, as I mentioned, is just
8 one tool of a variety of tools. We offer a myriad or a
9 plethora of different programs focused on small
10 business. We have what is called a long-range broad
11 agency announcement, 0905. Again, I suggest that you
12 email me. The one document of the three that I've
13 mentioned called a brief entitled "Opportunities For the
14 Private Sector in Public" delineates in detail all of
15 the programs available. Any restrictions. There are
16 some restrictions for smaller companies. I also like to
17 mention, this comes up often -- I travel regularly
18 throughout the world for the department -- people often
19 ask me about the Buy American Act. And we have an
20 article, one of the 21 I mentioned on our website
21 talking about our global S&T outreach, and you'll see a
22 whole paragraph dedicated to the Buy American Act, and
23 what you'll find is that the Buy American Act really
24 involves commodity purchases of things like paper,
25 pencils, things of that nature at very low procurement

1 rates. And in terms of the procurement levels that we
2 have, it doesn't play any real relevance. So I suggest
3 that you look on the www.DHS.gov website and look for
4 these articles. There are articles specifically
5 targeted for global outreach.

6 PROF. BENGT SUNDELIUS: Thank you. Question?

7 AUDIENCE QUESTION: Thank you very much. Dr. Cellucci,
8 I don't want to sell you a unique blanket around the
9 world. So I just want to put two humble questions to
10 you. First one, not only U.S., but we are experiencing
11 in the world a deep financial economic crisis. The
12 question is: Security research in your country is a
13 winner or a loser of this financial economic crisis?
14 The first question. The second: After Katrina you had
15 a lot of analysis about mistakes and how to make it
16 better next time. Which are your recommendation to
17 Europe in case of this major event like Katrina? Just
18 simple, if it's possible.

19 DR. THOMAS CELLUCCI: Don't worry, it will be simple.
20 In terms of the first question, in terms of research, I
21 will tell you that it's been my experience not only as a
22 government employee that small companies create the
23 innovation. That's true what we see. I would say that
24 research and technology development abounds in the
25 security region within the United States. There are

1 many businesses getting involved. In fact, we track on
2 a quarterly basis the number of small, medium and large
3 companies that come to U.S., and it's simply amazing how
4 many small companies are being developed quarterly,
5 going after the security market. As was mentioned by
6 some of our earlier speakers, there is growth in the
7 worldwide security market, and what we're also seeing,
8 as we'll talk about tomorrow when we talk about
9 commercialization, most of the companies, believe it or
10 not, that come to U.S. to partner with U.S. are smaller
11 companies. But they get strategic partners that tend to
12 be larger companies that have cash. They come and work
13 together. We've already had two companies who are now
14 being acquired by the big brother or big sister company
15 they came to our program with. They had the innovation;
16 the larger partner had the cash and the experience
17 working with the government. So quickly, to answer your
18 question, the research and technology development in the
19 security arena is robust, but as I mentioned during my
20 brief comments, that's both good news and not so good
21 news for those of you that are in the private sector.
22 Now that we're developing detailed requirements, giving
23 out potential available market estimates, the
24 competition has never been tougher. So you really need
25 to quickly explain your value proposition, and we'll
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1 talk about that tomorrow, and you'll see that in some of
2 the materials we send you.

3 In terms of Katrina, these are opportunities to learn,
4 and I am probably not the person to talk about in terms
5 of the lessons learned. I can tell you though that FEMA
6 has been very active with S&T and has really embraced
7 this concept of developing detailed operational
8 requirements, concept of operations, having learned the
9 lessons of Katrina. They value looking at detailed
10 scenarios, concept of operations ahead of time to be
11 prepared. And I will say of the 43, I believe it is,
12 detailed operation requirements we've worked on,
13 probably 30 percent of those originated from FEMA. So
14 they've been very proactive into getting out with the
15 users and the potential users based on their experiences
16 with Katrina.

17 PROF. BENGT SUNDELIUS: I thank you for that. I expect
18 that many of you have questions you wonder about the
19 so-called detailed requirements. My advice is to
20 pigeon-hole these two gentlemen during the rest of the
21 day here and tomorrow and ask your perhaps more private
22 or personal questions about the detailed requirements
23 and how I can fulfill them. I think one thing we can
24 agree on though is that the consortium composed of
25 European and North American partners is the most

1 competitive proposal. Right? Thank you very much.