

**ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY**  
100 Main Street, Suite 450, Little Rock, Arkansas 72201 (501) 324-9006

**MINUTES OF THE 65TH MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
LITTLE ROCK, ARKANSAS  
JANUARY 20, 1995**

**CALL TO ORDER**

The meeting was called to order at 1:30 p.m. by Dr. Donald Pederson, Chairman of the Board, in the fourth floor conference room, 100 Main Street, in Little Rock.

A quorum of Board members was present and included: Dr. Charles Hathaway, Dr. James Hendren, Mr. James Kelley, Mr. Michael Murphy, Dr. Phillip Rayford, Mr. John Troutt, and Mr. Jerry Webster.

Staff members present included: Dr. John Ahlen, Mr. Jim Benham, Dr. Joe Gentry, Dr. Dan Lattin, Mr. Chuck Myers, Ms. Melissa Adams, Ms. Susan Collins, Mr. Brock Patterson, Ms. Joyce Sadler and Ms. Julie Welch.

Visitors present: Ms. Carol Griffee from Editorial Services, Inc.

**RESIGNATION OF BOARD MEMBER**

The first order of business was the resignation of Board member Danny Ford. Dr. Ahlen stated that Mr. Ford resigned from the Authority's Board and would be accepting an appointment to the Board of the Department of Parks and Tourism.

Dr. Ahlen stated that since Mr. Ford was the Board secretary, a new secretary would have to be elected.

Mr. Troutt stated that the nominating committee met before the meeting and the committee recommended that Dr. Roberta Bustin be elected Secretary.

Dr. Hathaway made a motion that Dr. Bustin be elected Board Secretary by acclamation. Mr. Webster seconded the motion; the Board gave its unanimous approval.

#### **APPROVAL OF MINUTES**

Dr. Pederson presented the minutes from the November 18, 1994 Board meeting for approval. Dr. Hendren made a motion for the approval of the minutes. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

#### **PRESIDENT'S REPORT**

##### **EPSCoR**

Dr. Ahlen asked Dr. Dan Lattin, Vice President EPSCoR, to give a program update.

Dr. Lattin stated that the EPSCoR program was preparing a proposal that would be submitted to the Department of Energy.

Dr. Lattin also reported on the status of the state R&D plan that was being developed. Dr. Lattin stated that priority areas for research and development had been defined. The priority areas are: biotechnology and bioengineering; agriculture, food and life sciences; transportation and logistics; environmental sciences; manufacturing systems; and advanced materials.

##### **SOUTHERN TECHNOLOGY COUNCIL**

Dr. Ahlen and Dr. Hathaway reported on the recent Southern Technology Council meeting held in Charleston, South Carolina. Dr. Ahlen stated that Governor Tucker is the Chairman of the STC and he is co-chairman.

##### **LEGISLATIVE UPDATE**

Dr. Ahlen updated the Board on the legislative session and the status of legislation affecting the Authority.

An amendment to the Authority's legislation has been proposed that would allow three manufacturers to be added to the Board. The idea being twofold: (1) three manufacturers would add the voice of the customer to the Authority's Technology Development and Technology Transfer programs; and (2) for the purpose of seeking federal funds, it would make this Board of Directors industry dominated.

The staff is also following a bill that concerns the Arkansas School for Mathematics and Sciences. The bill would amend the governing structure of the school. It would streamline the chain of command by creating a Board of

Trustees for the school that would meet monthly. The Board would also be responsible for hiring the school's administrator and staff. Also, there is a provision that gives the Governor power to remove the Director of the school for cause.

The President of the Authority, the Directors of the Department of Higher Education and the Department of Education would be ex-officio members of the Board of Trustees.

There is also a bill to develop an Inventor's Assistance Program at the University of Arkansas at Little Rock.

#### **MATERIALS HANDLING RESEARCH CENTER**

Dr. Ahlen reported that the Authority had received two reports from the Materials Handling Research Center (MHRC). The center received support from the Board a couple of years ago. Dr. Ahlen reported that MHRC continues to do good work for companies. Mr. Troutt asked if the Materials Handling Research Center was in the Authority's current funding request.

Dr. Ahlen had stated that the Board had included MHRC with the Centers for Applied Technology. But, MHRC was dropped from the executive recommendation. Dr. Ahlen thought it was an oversight rather than the Governor's lack of support.

Mr. Troutt stated that during the Board's November meeting in Fayetteville, the Center was looking for funding and hoping that the Authority could help. Mr. Troutt asked if there was anything that the Board or staff could do to assist the MHRC with funding. Mr. Troutt asked if the Board could take a position on this issue.

Dr. Pederson stated that the Center does need funding. They do a lot of work with companies and have tremendous support from manufacturers. It would be very helpful if the Board took a position on it.

After further discussion, Mr. Troutt made a motion that the Board support and encourage the staff in their efforts to explore additional funding opportunities for the Materials Handling Research Center. Mr. Webster seconded the motion; the Board gave its unanimous approval.

#### **TELECOMMUNICATIONS**

Dr. Ahlen reported that the Telecommunications Project Team had completed its initial work on a plan for the state and had submitted a letter to the Governor with a list of options for the future. Dr. Ahlen shared that letter with the Board.

**INVESTMENT COMMITTEE**

Mr. Troutt called the Board's attention to the FY95 General Fund Expenditure Report for the quarter ending December 31, 1994. Mr. Benham noted that the Investment Fund Reports were not yet completed and would be mailed to the Board at a later date.

Mr. Troutt made a motion for the acceptance of the General Fund Expenditure Report. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

**DRAFT RESOLUTION 95-21**

Draft Resolution 95-21 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) Projects funded since November 18, 1994.

Mr. Troutt made a motion for the approval of Draft Resolution 95-21. Dr. Rayford seconded the motion. Dr. Pederson stated that all three projects were submitted by UAF, the institution of his affiliation. The Board gave its unanimous approval.

**DRAFT RESOLUTION 95-22**

Draft Resolution 95-22 provides for the seed capital investment in Vector, Inc. which is located in Fayetteville, Arkansas.

Mr. Troutt stated that the Board approved monies for Vector in July, 1994 to develop a prototype. The prototype has been developed and sales of the product have begun. Mr. Troutt also stated that the Investment Committee did request that personal guarantees be secured before the seed capital investment was made.

Mr. Benham stated that one machine had been sold to a company in Northwest Arkansas and other contracts are on line. Vector has identified small- to medium-sized machine tool manufacturers. Their product is a PC software driven machine that helps to increase the efficiency of machine tools.

After further discussion, Mr. Troutt made a motion for the approval of Draft Resolution 95-22. Dr. Rayford seconded the motion; the Board gave its unanimous approval.

**RESEARCH COMMITTEE**

Dr. Rayford stated that the Research met on January 3, 1995 and recommended to the Board the following resolutions.

Draft Resolution 95-23 provides for the funding of one applied research grant:

PROPOSAL NO. 95-A-03, "Regeneration, Evaluation and Commercialization of Spinach Genetically Engineered Virus Resistance," by Dr. Edwin J. Anderson and Dr. Teddy E. Morelock of the University of Arkansas, Fayetteville, in the amount not to exceed \$13,500.00. This project is cosponsored by the Allen Canning Company in the amount of \$13,302.37.

Dr. Rayford made a motion for the approval of Draft Resolution 95-23. Dr. Hendren seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

Draft Resolution 95-24 provides for the funding of one Basic Research Grant proposal.

PROPOSAL NO. 95-B-49, "Imaging of Solar Flare Gamma-Rays," by Dr. Andrew T. Sustick of Arkansas State University, in the amount not to exceed \$29,955.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-24. Mr. Troutt seconded the motion; the Board gave its unanimous approval.

Draft Resolution 95-25 provides for the funding of one Basic Research Grant proposal.

PROPOSAL NO. 95-B-50, "A New Method for the Preparation of Enantimerically Enriched 5-Alkyl-2-cyclohexene-1-ones," by Dr. Cheryl F. Lichti of Lyon College, in the amount not to exceed \$18,400.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-25. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

Draft Resolution 95-26 provides for the funding of two Basic Research Grant proposals.

PROPOSAL NO. 95-B-48, "Molecular Mechanisms of Nicotine Induced Exocrine Pancreatic Injury," by Dr. Parimal Chowdhury of the University of Arkansas for Medical Sciences, in the amount not to exceed \$31,500.00

PROPOSAL NO. 95-B-54, "Peripheral and Central Modulation of Respiratory, Locomotor and Cardiovascular Control," by Dr. P. Tim Wall of the

University of Arkansas for Medical Sciences, in the amount not to exceed \$32,880.00

Dr. Rayford made a motion for the approval of Draft Resolution 95-26 and noted that UAMS was the institution of his affiliation. Dr. Hathaway seconded the motion; the Board gave its unanimous approval.

Draft Resolution 95-27 provides for the funding of two Basic Research Grant proposals.

PROPOSAL NO. 95-B-56, "Relative Humidity Fluctuation Effects on the Transport of Volatile Organic Chemicals in Dry Soils," by Dr. Greg J. Thoma of the University of Arkansas, Fayetteville, in the amount not to exceed \$29,557.00

PROPOSAL NO. 95-B-60, "Laser Drilling of Diamond for Application to Multichip Modules," by Dr. Matthew Gordon of the University of Arkansas, Fayetteville, in the amount not to exceed \$22,274.00.

Dr. Rayford made a motion for the approval of Draft Resolution 95-27. Dr. Hathaway seconded the motion. Dr. Pederson stated that UAF was the institution of his affiliation. The Board gave its unanimous approval.

#### **OLD BUSINESS**

Dr. Pederson presented to the Board Draft Resolution 95-28, providing for the commendation of Mr. Jerry Webster for his work as a Board member and as Chairman of the Board.

Dr. Rayford made a motion for the approval of Draft Resolution 95-28. Dr. Hendren seconded the motion; the Board gave its unanimous approval.

#### **NEW BUSINESS**

##### **BOARD ATTENDANCE**

Dr. Ahlen reviewed the Board attendance policy. The policy states that the secretary is required to notify the Governor's Office when a Board member misses two consecutive meetings. If the member misses three consecutive meetings, the secretary notifies the Governor's Office that the position is vacant.

##### **STATEMENT OF FINANCIAL INTEREST**

Dr. Ahlen reminded the Board that their Statement of Financial Interest forms are due in the Secretary of State's office by January 31.

**NEXT BOARD MEETING**

Dr. Ahlen stated that the Board had been invited by Dr. Win Thompson, President of the University of Central Arkansas, to meet on the UCA campus in March. The invitation had been accepted.

Dr. Hendren stated that after reviewing the telecommunications letter to the Governor, he found that there were significant recommendations listed that would help keep Arkansas competitive.

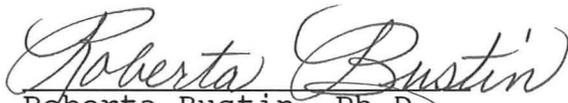
Dr. Hathaway suggested that the Board in some way endorse this project.

After further discussion, Dr. Pederson asked that the staff draft a resolution expressing the Board's support for the telecommunications project.

**ADJOURNMENT**

With no further business to conduct, the meeting was adjourned at 2:18 p.m.

Respectfully submitted,

  
Roberta Bustin, Ph.D.  
Secretary  
Board of Directors

APPROVED by the Board of Directors  
on this 17th day of March, 1995.

  
Roberta Bustin, Ph.D.  
Secretary  
Board of Directors