

## **\$15 million to help new businesses**

By Carl Keith Greene

SOMERSET - A London investment company now has more than \$15 million available to develop new businesses and create new jobs in Kentucky.

Kentucky Highlands Investment Corporation and an Oak Ridge, Tennessee, company called Technology 2020 have teamed up to operate the fund, called the Southern Appalachian Fund. Made up of government and private money, this fund is one of only six new market venture capital companies in the nation. The company will provide funds for equity capital investment as well as technical assistance such as marketing, accounting, legal and engineering help.

The availability of new monies for development of jobs was announced Monday by Congressman Harold "Hal" Rogers at a press conference held by KHIC at The Center for Rural Development. Rogers expressed thanks particularly to Ray Moncrief, the president of the Southern Appalachian Management Company and vice-president and CEO of Kentucky Highlands. "I can't tell you how I appreciate the work Kentucky Highlands has done over the years in creating thousands of new jobs in our part of the state, run by home-grown people, which makes it even more thrilling." He said KHIC has made "jobs available to keep our people at home."

"This new initiative is one more big positive step that's moving us forward in the effort to create those new jobs throughout southern and eastern Kentucky," he added.

Rogers said experience has taught entrepreneurs that major transportation and other facilities are not necessary for success in a business. "In this new high-tech world, all we need is a satellite dish, an Internet connection, and people willing to work to be in business and compete with the rest of the world." This region is growing as it has never before, said Rogers. One of those reasons is that businesses have been able to secure government contracts and get a "jump-start" on their businesses.

The new Southern Appalachian Fund will assist other companies to get that jump-start, he said. "At the beginning of this century, the future looks bright for this part of the country. We can compete with the whole world." Rogers said.

The fund will assist with job creation in Kentucky, Tennessee and certain counties in Alabama and Georgia.

Kentucky Highlands is no stranger to jump-starting startup companies. In its 35 years of existence Kentucky Highlands has developed more than 7,500 jobs that created more than \$800 million in salaries and invested more than \$106 million in 400 enterprises producing goods and services worth in excess of \$2 billion.

Bill Baxter, chairman of the Tennessee Valley Authority, told those present, "The prime mission of the Tennessee Valley Authority is development in the region." He cited the Southern Appalachian Fund as a tool for economic development and said manufacturing jobs in the Tennessee Valley have recently been on the decline. It's an alarming trend, nationally as well as in the Tennessee Valley, he said. The Tennessee Valley has lost more than 100,000 manufacturing jobs in the past 24 months, he said, adding when those jobs go away rural communities are particularly affected. The Southern Appalachian Fund will help find new jobs to help take up that slack. The equity money to invest, as well as the operating assistance, will be of great value in creating those jobs, he said. If the Southern Appalachian Fund "does its job," then this community and other communities can move beyond it and the Fund can move to other communities to assist their development, Baxter said. "It's a tool and a step in the process and it should have so much success that it is not needed anymore."