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Ex H

**LT GOVERNOR LORRAINE T. HUNT
STATEMENT BEFORE THE
SENATE FINANCE COMMITTEE
FEBRUARY 5, 2003**

**GOOD MORNING CHAIRMAN RAGGIO AND
DISTINGUISHED COMMITTEE MEMBERS. FOR THE
RECORD, I AM LIEUTENANT GOVERNOR LORRAINE T.
HUNT. I AM DELIGHTED TO BE HERE TODAY TO
PROVIDE INFORMATION ON THE BUDGET FOR MY
OFFICE.**

**AS A CONSTITUTIONAL OFFICER, THE LT. GOVERNOR
SERVES AS PRESIDENT OF THE SENATE, AS CHIEF
EXECUTIVE WHENEVER THE GOVERNOR IS ABSENT
FROM THE STATE, AS CHAIRMAN OF THE COMMISSION
ON TOURISM AND THE COMMISSION ON ECONOMIC
DEVELOPMENT, AS VICE-CHAIR OF THE BOARD OF
DIRECTORS FOR THE DEPARTMENT OF
TRANSPORTATION AND AS A MEMBER OF THE**

EXHIBIT H Senate Committee on Finance

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EXECUTIVE BRANCH AUDIT COMMITTEE. GOVERNOR GUINN, SINCE TAKING OFFICE, HAS ALSO ENTRUSTED ME WITH ENHANCED RESPONSIBILITIES AS A MEMBER OF HIS CABINET.

AS LIEUTENANT GOVERNOR, MY COMMITMENT IS TO STRENGTHEN THE BASE WE HAVE BUILT IN NEVADA, A BASE OF TOURISM, AS WELL AS DEVELOPING A NEW BROAD BASE OF ECONOMIC DIVERSIFICATION OPPORTUNITIES, BY CREATING ENTREPRENEURIAL PARTNERSHIPS AND ENCOURAGING GLOBAL INVESTMENT.

ACROSS THE NATION, MANY OF THE STATES ARE STRUGGLING TO MEET THE ECONOMIC CHALLENGES BEFORE THEM. MANY HAVE HAD TO MAKE DEVASTATING CUTS IN THEIR PROGRAMS AND BUDGETS. AS OTHER STATES SEARCH FOR THE

ANSWERS TO ENHANCE AND DIVERSIFY THEIR
REVENUE STREAMS, THEY FIND THEMSELVES FACING
OPPOSITION TO CONVENTIONAL TAX INCREASES AND
SUPPORT FOR THE ESTABLISHMENT OF LOTTERIES AND
GAMING. IN NEVADA, WE ARE DOING JUST THE
OPPOSITE, LOOKING FOR TAX REVENUE BEYOND OUR
BASE.

WE MUST NOT, HOWEVER, IGNORE THE VALUE OF THE
VERY INDUSTRY THAT HAS PROTECTED US FROM
RECESSION TIME AND TIME AGAIN - TOURISM AND
GAMING.

THEREIN LIES THE CHALLENGE:

WE MUST PROTECT, DIVERSIFY, AND GROW OUR
TOURISM INDUSTRY BASE AND AGGRESIVELY PURSUE
ECONOMIC DEVELOPMENT OPPORTUNITIES.

DIVERSIFICATION IS EVEN MORE IMPORTANT TO NEVADA TODAY AS THE GAMING INDUSTRY FACES INCREASING COMPETITION . IN . MARKETS . FROM WHICH IT HAS TRADITIONALLY DRAWN, PARTICULARLY CALIFORNIA.

WHILE CONTINUING TO SUPPORT OUR TOURISM AND GAMING INDUSTRY, OUR BIGGEST CHALLENGE FOR ECONOMIC DEVELOPMENT AND DIVERSIFICATION REMAINS SHAKING THE OLD NEVADA IMAGE AND CREATING THE NEW NEVADA IMAGE AN AS IMPORTANT PLAYER IN THE GLOBAL ECONOMY.

IN ORDER TO HELP CREATE AN ENVIRONMENT WHERE ECONOMIC DIVERSIFICATION AND ENTREPRENEURIAL ACTIVITY CAN FLOURISH, MY OFFICE LEADS THE NEVADA TECHNOLOGY PARTNERSHIP TO PROMOTE

**HIGH-TECH BUSINESS DEVELOPMENT AND PLANS FOR
THE FUTURE BY PROVIDING THE TOOLS NECESSARY TO
BUILD A SKILLED WORK FORCE IN OUR STATE.**

**SENATE BILL 558, WHICH I INITIATED, WAS PASSED
DURING THE 71ST LEGISLATIVE SESSION. THIS BILL
WAS DESIGNED TO BOLSTER THE BUSINESS
COMMUNITY AND INCREASE OUR SHARE OF NEW
BUSINESSES IN NEVADA BY PROVIDING ADDITIONAL
PROTECTION FOR TRADE SECRETS AND
INTELLECTUAL. IF NEVADA CAN BECOME A 'SAFE
HAVEN' FOR THE CREATORS OF INTELLECTUAL
PROPERTY, IT WILL BRING TALENT TO OUR STATE
THAT CAN ATTRACT VENTURE CAPITAL AND MAJOR
HIGH-TECH COMPANIES.**

**WE HAVE BEEN AGGRESSIVELY STRIVING TO MAINTAIN
AND ENHANCE NEVADA'S POSITION AS AN
INTERNATIONAL TOURISM DESTINATION AND TO**

**PROMOTE NEVADA AS THE HUB OF WORLD TRADE.
WORKING IN CONJUNCTION WITH THE COMMISSIONS ON
TOURISM AND ECONOMIC DEVELOPMENT, WE ARE
PLANNING A TRADE MISSION TO CHINA IN JUNE TO
LEAD A NEVADA DELEGATION TO HONG KONG,
SHANGHAI, AND BEIJING TO PROMOTE NEVADA AS A
TOURISM DESTINATION AND BUSINESS PARTNER.**

**AT A TIME WHEN MOST OF THE ECONOMIES IN THE
WORLD ARE RECESSIVE OR FLAT, CHINA IS GROWING
AT A RATE OF 7 TO 9 PERCENT ANNUALLY.**

**IN TEN YEARS, IT IS ANTICIPATED THAT A QUARTER OF
A MILLION TRAVELERS FROM CHINA, 250,00 PEOPLE
FROM A COUNTRY OF 1.4 BILLION PEOPLE, WILL VISIT
THE UNITED STATES. IMAGINE THE POTENTIAL FOR
NEVADA IF WE GET ONLY ONE PERCENT OF THOSE
VISITORS TO COME TO OUR STATE!**

I AM ALSO PROUD TO SAY WE HAVE TAKEN THE LEAD OF THE "TRUCKEE RIVER KAYAK AND RECREATIONAL PROJECT". I SERVE AS CHAIR OF THE 'TRUCKEE RIVER STEERING COMMITTEE' TO BRING THE 'FIRST' KAYAK RACING COURSE WEST OF THE ROCKY MOUNTAINS TO RENO. THIS WILL BE THE ONLY KAYAK RACING COURSE IN THE WORLD WITH AN URBAN CORE AT ITS CENTER AND THAT WILL BE DOWNTOWN RENO.

RECENTLY, THE NEVADA COMMISSION ON TOURISM LAUNCHED A BOLD NEW ADVERTISING CAMPAIGN: NEVADA "BRING IT ON," STRESSING THE ADRENALINE-RUSHING EXPERIENCES OF "NEVADA'S GREAT OUT-BACK" TARGETING THE ADVENTURE TOURIST IN OUTDOOR MAGAZINES, AN ADVENTURE GUIDE, AND VARIOUS WESTERN NEWSPAPERS.

**RURAL NEVADA IS ALSO A KEY COMPONENT IN OUR
OVERALL MARKETING STRATEGY. RURAL NEVADA
OFFERS HARD AND SOFT ADVENTURE, ONE OF THE TOP
TOURISM DRAWS IN THE UNITED STATES.**

**WE HAVE BARELY TAPPED THE GROWTH POTENTIAL IN
THIS TOURISM SECTOR.**

**AMONG THE NEARLY 100 MILLION ADULTS WHO HAD
NOT YET TAKEN AN ADVENTURE TRIP IN THE PAST FIVE
YEARS, ONE FOURTH SAID THEY WERE LIKELY TO DO
SO IN THE NEXT FIVE YEARS.**

**THIS MARKET HOLDS TREMENDOUS POTENTIAL FOR
OUR RURAL AREAS AND OUR UPCOMING ESPN
OUTDOOR GAMES IN JULY WILL PROVIDE US WITH
LITERALLY MILLIONS OF DOLLARS OF UNPAID MEDIA**

**TO SHOW NORTHERN NEVADA RECREATIONAL
OPPORTUNITIES TO THE WORLD.**

**SENATE BILL 583, WHICH I INTIATED LAST SESSION,
ESTABLISHED A GRANT PROGRAM FOR THE
DEVELOPMENT OF PROJECTS RELATING TO TOURISM
THAT ASSIST RURAL COMMUNITIES WITH TOURISM
DEVELOPMENT NEEDS. THIS GRANT, THE FIRST OF ITS
KIND, IS EXTREMELY POPULAR AND IS BRIDGING THE
GAP BETWEEN ECONOMIC DEVELOPMENT
INFRASTRUCTURE AND TOURISM MARKETING
EFFORTS.**

**AS CHAIR OF THE COMMISSION ON ECONOMIC
DEVELOPMENT I, ALONG WITH A STATEWIDE
NETWORK OF 14 REGIONAL DEVELOPMENT
AUTHORITIES, WORK TO CREATE A STABLE
DIVERSIFIED ECONOMY AND TARGET BUSINESSES
SUITABLE FOR THE NEVADA ENVIRONMENT. TWO**

**SUCH INDUSTRIES HAVE EMERGED AS PRIME
PROSPECTS:**

**MULTI-MEDIA AND HIGH-TECH. NEVADA IS ALREADY
SEEING THE EFFECTS OF THE MULTI-MEDIA INDUSTRY
ON THE STATE'S ECONOMY. LITERALLY HUNDREDS OF
PRODUCTIONS FOR MOVIES, TELEVISION,
COMMERCIALS, MUSIC PROJECTS AND MORE HAVE
BEEN PRODUCED IN NEVADA. THE INCREASING
GLOBAL DEMANDS FOR THE PRODUCTS OF
ENTERTAINMENT AND OUR UNIQUE PLACE IN THE
WORLD POSITIONS NEVADA AS A MAJOR PRODUCER
AND EXPORTER OF HIGH-TECH MULTI-MEDIA
ENTERTAINMENT AND EDUCATIONAL PRODUCTS IN
THE 21ST CENTURY. IT ALSO PUTS US IN A UNIQUE
POSITION AS AN EXPORTER OF MANUFACTURING, R&D,
AND COMPUTER-BASED GAMING DEVICES TO THE
WORLD.**

AS PART OF MY DUTIES, I OVERSEE THE NEVADA FILM OFFICE, WHICH IS PRO-ACTIVE IN ESTABLISHING NEVADA'S REPUTATION AS THE MOST FILM FRIENDLY STATE IN THE NATION, ELIMINATING ROADBLOCKS TO PRODUCTION IN THE STATE. SINCE ITS INCEPTION IN 1983, THE FILM OFFICE HAS HELPED THE STATE BENEFIT FROM RECORD-BREAKING RECORDED REVENUES, SURPASSING ONE BILLION DOLLARS, FOR FILMING IN NEVADA.

COMPANIES FROM ALL OVER THE GLOBE ARE VISITING OUR STATE WITH A GENUINE INTEREST IN MOVING THEIR COMPANIES, THEIR BUSINESSES AND THEIR FAMILIES TO OUR STATE.

**FROM TRADITIONAL CORPORATIONS TO DOT COMS,
HIGH-TECH TO MANUFACTURING AND DISTRIBUTION
COMPANIES.**

**NEVADA IS NOW ON THE RADAR SCREEN OF THE
BUSINESS WORLD.**

**OUR RECENT AGGRESSIVE MARKETING EFFORTS AT
THE NEVADA COMMISSION ON ECONOMIC
DEVELOPMENT HAVE PRODUCED A NEW REPUTATION
FOR US IN THE HIGH-TECH WORLD. NEVADA NOT
ONLY MEANS GAMING AND HOSPITALITY – BUT NOW
NEVADA MEANS BUSINESS.**

**AS I'VE SAID IN ORDER TO REMAIN COMPETITIVE, WE
MUST EXPAND OUR TOURISM AND BUSINESS BASE. WE
SHOULD NEVER FORGET, HOWEVER, THAT TOURISM
AND GAMING WERE NEVADA'S NUMBER ONE**

INDUSTRIES LONG BEFORE OTHER STATES FOLLOWED
SUIT. WITH OUR HISTORY, KNOWLEDGE, AND
INFRASTRUCTURE.

WE ARE UNBEATABLE IN THOSE KEY REVENUE-
PRODUCING AREAS. IT IS MY VISION TO EXPAND THOSE
BASES, DIVERSIFY THEM EVEN FURTHER, AND
INCREASE REVENUE TO THE STATE.

NOW I WOULD LIKE TO DIRECT YOUR ATTENTION TO
THE BUDGET OF THE OFFICE OF THE LIEUTENANT
GOVERNOR.