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No innovative sparks as Baker, Coakley address tech audience

Candidates' generalities don't satisfy attendees

By <u>Callum Borchers</u> | GLOBE STAFF SEPTEMBER 29, 2014

CAMBRIDGE — Charlie Baker talked about his "favorite" collaboration between Harvard and the Massachusetts Institute of Technology — but couldn't remember the name of it.

Martha Coakley implied that describing a high-tech innovation as "disruptive" was a bad thing, even though startups wear the label like a badge of honor.



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Martha Coakley and Charlie Baker spoke at a forum in Microsoft's Cambridge office. Neither Coakley nor Baker has taken a position on noncompete clauses.

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Those were but two examples of how the two major-party candidates for Massachusetts governor seemed unable to connect Monday to an audience of about 150 members of the state's technology community at a gubernatorial forum.

Baker and Coakley each often spoke in generalities, sidestepped questions about employee noncompete agreements — a major hot-button issue in the tech sector — and left attendees craving substance.

"It was terrible," said Axel Scherer, a software architect at Cadence Design Systems in Chelmsford. "They said nothing. Just empty suits going, 'blah, blah, blah.'" As the fast-growing tech sector emerges as one of the state's most critical economic drivers, a conversant knowledge of central issues will likely be an increasingly essential skill for an aspiring governor. The winner in November will be tasked with working hand-in-hand with industry leaders, while selling the state as tech-friendly.

The apparent disconnect was striking, given the setting: The Innovation & Policy Center at Microsoft Corp.'s Cambridge offices. The center was launched last year partly in response to the "tech tax" fiasco that highlighted the poor relationship between the state's burgeoning technology industry and Beacon Hill.

Last summer, Governor Deval Patrick signed into law a 6.25 percent sales tax on software services to help raise money for transportation improvements. Many in the tech industry felt blindsided and quickly lobbied to have the measure repealed. A contrite state Legislature swiftly undid the tax, while business leaders promised to establish a higher presence on Beacon Hill.

Coakley, the Democratic nominee, on Monday called the tech tax "a mistake that shouldn't happen again" and pledged improved communication with industry leaders. She asked attendees to do some "homework" — and make a list of 10 things they want the new governor to do.

Baker, the Republican nominee, also promised to listen closely to tech workers and seek their help in modernizing government services. He joked that one of his first acts as governor would be to show up to MIT with a case of Red Bull to fuel a redesign of the state's website.

Both Democrat and Republican said they recognized the technology industry is one of the state's most important — up there with health care, higher education, and financial services. The workers in attendance Monday represented companies with a combined 67,000 employees in the state, according to the Massachusetts Technology Leadership Council.

But as the candidates took the floor one at a time, in 10 minutes of prepared remarks and 20 minutes of prescreened questions, both Baker and Coakley were short on specifics. The first question for each was about their stances on noncompete clauses a topic Patrick thrust to the forefront in April when he proposed an outright ban on contract restrictions that prevent workers from leaving one company to join a rival without a waiting period.

Noncompetes are polarizing in the tech sector. Many established firms contend they help safeguard intellectual property, while startups generally argue they stifle innovation and put Massachusetts at a competitive disadvantage. California, the national leader in high tech, does not enforce noncompete agreements.

Despite multiple State House hearings and active lobbying by tech firms on both sides of the issue, neither Coakley nor Baker has developed a position.

"I am interested to hear from everybody about this," Coakley said. "I'm open to looking at how we can change it."

"My view is this is an issue we should resolve," Baker said. "I don't think we're that far apart."

The vague responses left Jean Hammond, a prominent investor in local startups, thinking Baker and Coakley had been coached to duck pointed questions. "I thought that both were instructed, 'Do not answer this here,'" she said.

The event's moderator, Tom Hopcroft, president of the leadership council, didn't press the two for details and said at the outset of the forum that, "we're not looking to make news, be controversial, or force them to take a position. . . . Today is really to further the relationship between the tech sector and the candidates."

Later, , Baker flubbed a comment about a collaboration between state government and local universities. "One of my favorite collaborations going on right now is in online education between Harvard and MIT," he said. "I think it's called Next. NextEd? EdNext?"

Crowd members called out the correct name, edX, referring to the platform for free online courses the two universities launched in 2012.

"I know what it is!" Baker responded, laughing at himself. "I just can't spell it."

Meanwhile Coakley was thrown off by an inquiry that referred to Uber, a popular car service, Airbnb, the online lodging rental company, and Tesla, the electric car maker, which a questioner described as "disruptive" technologies.

"Does the use of disrupt telegraph how you feel about these?" Coakley asked, suggesting a negative connotation.

The questioner clarified that his definition of disruptive is "improving the delivery of services to consumers."

Coakley, realizing the misunderstanding, replied that she is "old enough that disrupt was usually a bad thing.

"But I know that it's a good thing," she said. "I've learned that."

Most of the crowd left after Coakley and Baker's remarks. But Scherer stayed to hear the two independents running for governor and came away impressed by both Jeff McCormick and Evan Falchuk's ability to converse on the issues. He walked out with a McCormick sign under his arm.

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