Jan 7, 2019

Dear Legislator:

On behalf of the Northern Virginia Technology Council (NVTC) and our member companies and organizations, we would like to wish you a productive and successful 2019 legislative session. Please find NVTC’s 2019 Legislative Agenda attached to this letter.

NVTC represents organizations and business leaders who are focused on the broad business climate of Virginia. Our members are some of the largest employers in the Commonwealth and include many of the most successful technology companies in the world, as well as hundreds of promising small and growing entrepreneurial enterprises.

NVTC has worked for over 25 years in partnership with Virginia policymakers to advance a strong, innovative technology policy framework. We strongly advocate for policies and investments that drive competitiveness and economic strength, grow our technology workforce, and provide the infrastructure necessary to power Virginia’s technology and innovation ecosystem.

We expect that budget adjustments and tax policy will be key areas of focus during the 2019 legislative session. Ongoing economic uncertainty underscores the importance of continuing to advance policies and invest in programs and initiatives that will drive technology research, innovation, commercialization and high wage jobs in key areas where Virginia has existing strength and the most opportunity to compete globally.

Much of this opportunity is in data and the digital transformation of systems to extract value from the data: data analytics, data protection/cybersecurity, personalized medicine and health technologies, unmanned and autonomous systems, data transmission/wireless infrastructure and data storage and warehousing. These sectors provide synergies that can substantially differentiate Virginia’s expertise and capabilities and drive our economic growth and competitiveness.

Specific imperatives to grow Virginia competitiveness in data-driven sectors and expand our digital ecosystem include:

• Increasing statewide support for startup activity by consolidating research, commercialization and entrepreneurial ecosystem programs and initiatives under one authority and designating the Center for Innovative Technology as the managing non-profit for the consolidated authority and its programs.
• Maintaining and growing targeted initiatives, incentives and tax policies that have a successful track record in driving research and pre-company research grants, seed money to grow innovative companies and the funding ecology and support that is critical for a sustainable, entrepreneurial technology ecosystem

• Growing Virginia’s tech-talent pipeline and workforce in these areas by increasing the number of STEM-H certifications and degrees awarded statewide, expanding state support for apprenticeships, internships and other hands-on learning opportunities and making new performance-based investments

• Supporting the Commonwealth Cyber Initiative (CCI)

• Providing a permanent governance structure and appropriate resources to support Virginia’s Chief Data Officer (CDO)

• Maintaining Virginia’s competitive data center incentives

• Scaling the Virginia Telecommunications Initiative to increase private sector broadband deployment in unserved areas

• Maintaining recent laws which facilitate the deployment of wireless facilities, including 5G, cellular networks and Wi-Fi access points, by providing uniformity across local jurisdictions and streamlining in the permitting process and fee structure across the Commonwealth

We maintain a full-time presence in Richmond during the General Assembly session. If there is anything we can do to help you this session or any feedback we can provide, please feel free to contact NVTC Vice President of Policy Josh Levi, NVTC Director of Policy Troy Murphy, or Myles Louria of Hunton Andrews Kurth. Their contact information is included with our Legislative Agenda.

Thank you in advance for your consideration of NVTC’s 2019 Legislative Agenda. We look forward to working with you this session and hope we can count on your support.

Sincerely,

Bobbie Kilberg
President & CEO
Northern Virginia Technology Council

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The Northern Virginia Technology Council (NVTC) believes that central to Virginia’s future economic growth and vibrant technology ecosystem is an environment that aggressively promotes technology, entrepreneurship and innovation within a framework of forward-looking policies and investments that includes strong public-private partnerships and regulatory restraint.

In this effort, we urge Virginia policymakers to support during the 2019 legislative session and over the next calendar year, the following objectives and priorities relating to:

- Competitiveness and economic growth
- STEM education and workforce
- Infrastructure

## Competitiveness and Economic Growth

**NVTC advocates for a strong technology ecosystem through policies and investments that:**

- **Enhance Virginia’s ability to attract companies** seeking to expand, relocate, move corporate headquarters or establish research operations.

- **Support a comprehensive "Grow Your Own" strategy** to make Virginia a top destination for technology startups and scale-ups, entrepreneurs, early-stage investors, researchers and innovators.

- **Ensure Virginia maintains its status as a strong state for business** by minimizing taxes and regulation, preserving right to work, and avoiding negative signals that drive private enterprise away from the Commonwealth.

We expect that budget adjustments and tax policy will be key areas of focus during the 2019 legislative session. Ongoing economic uncertainty underscores the importance of continuing to invest in programs and initiatives that will drive technology research, innovation, commercialization and high wage jobs in key areas where Virginia has existing strength and the most opportunity to compete globally. Much of this opportunity is in data and the digital transformation of systems to extract value from the data including: data analytics, cybersecurity, personalized medicine and health technologies, unmanned and autonomous systems, and data storage and warehousing.

These domains provide synergies that can substantially differentiate Virginia’s expertise and capabilities and drive our economic growth and competitiveness.
In determining changes to Virginia’s budget and tax policies, NVTC urges policymakers to:

- **Maintain a competitive tax climate in Virginia and mitigate increased tax burdens that may be imposed on Virginia businesses through the conformity process with the federal 2017 Tax Cut and Jobs Act and tax policy changes.**

- **Develop and execute an innovation strategy for Virginia** that includes consolidation, alignment, coordination and oversight over Virginia’s programs and investments related to research, commercialization, intellectual property transfer, entrepreneurship and startup formation, and capital investment. This strategy should:
  
  - **Maximize and leverage existing resources, structure, institutional expertise and a successful track record** by consolidating programs and initiatives under one authority and designating the **Center for Innovative Technology (CIT)** as the managing non-profit for the consolidated authority and its programs.

  - **Maintain and grow targeted initiatives, incentives and tax policies that have a successful track record in driving research and pre-company research grants, seed money to grow innovative companies and the funding ecology and support that is critical for a sustainable, entrepreneurial technology ecosystem.** These include the CIT GAP Funds, Commonwealth Research and Commercialization Fund, Virginia Research Investment Fund, Angel Investment Tax Credit, capital gains tax exemption, income tax subtraction for Virginia venture capital accounts, Virginia’s R&D Tax Credits, the Virginia Biosciences Health Research Corporation, MACH37, and the Smart City Actuator.

  - **Establish a streamlined process for businesses to engage with Virginia universities on research and intellectual property commercialization and technology transfer partnerships.**

- **Implement recommendations developed by the Virginia Data Sharing and Analytics Advisory Committee to provide a permanent governance structure and appropriate resources to support Virginia’s Chief Data Officer (CDO), a position established in 2018 to promote and facilitate the secure and appropriate sharing and use of data assets of the Commonwealth in support of data-driven policymaking, research, analysis, study, and economic development.**

- **Support critical economic development investments in the Commonwealth,** including Amazon’s major new corporate headquarters in National Landing ($2.5B investment, 25,000+ new jobs) and Micron’s major investment in its Manassas semiconductor manufacturing facility ($3B investment, 1100 new jobs), by **approving economic development incentives** in support of these projects.
• **Support the Commonwealth Cyber Initiative (CCI),** a network of cyber research, innovation and learning connecting dozens of states public universities, community colleges and businesses with the goal of building a state-wide ecosystem of cybersecurity innovation, commercialization and education. By supporting world-class research at the intersection of data, autonomy, and security; promoting technology commercialization and entrepreneurship; and educating the next generation of cyber technology leaders, CCI will further grow Virginia’s leadership as a cybersecurity center.

• **Support the GO Virginia initiative,** a business-led effort focused on providing incentives to localities and public and private entities to foster more regional collaboration among business, education and government to promote private sector growth, job creation and workforce development.

• Continue Virginia’s statewide competitiveness in attracting data center investment and jobs by **maintaining competitive data center incentives.**

• **Ensure that Virginia maintains a legal and regulatory environment that is conducive to maintaining existing businesses and attracting/supporting the formation of new businesses.**

  • **Maintain Virginia’s moratorium on local Unmanned Aircraft System (UAS) regulation** to provide a uniform and statewide policy framework. Virginia’s moratorium recognizes the important role of the Federal Aviation Administration (FAA) in regulating UAS and avoids a patchwork of local restrictions and regulations over commercial and private UAS operations.

  • **Support Virginia’s UAS Work Group,** managed by the Virginia Department of Aviation, where stakeholders from the aviation industry, the unmanned aircraft system industry, and other interested parties study issues related to unmanned aircraft system activities, in coordination with the FAA and other responsible federal agencies.

  • **Oppose legislation jeopardizing the operation, security and safety of digital products sold in Virginia** by requiring technology businesses to make available to independent repair providers and equipment owners the same diagnostic, schematics, access to parts and repair information made available to authorized repair providers.

  • **Prevent new barriers and remove existing barriers to entry for adoption of disruptive technology and gig economy business models**
STEM Education and Workforce

In addressing STEM Education and Workforce issues in Virginia, NVTC advocates for policymakers to:

- **Boost Virginia's technology workforce through a robust science, technology, engineering and mathematics (STEM) education pipeline, by increasing the number of STEM certifications and degrees awarded statewide, expanding state support for apprenticeships, internships and other hands-on learning opportunities, and advancing policies that ensure Virginia businesses and universities can hire the best and brightest and that all Virginians can participate in the growing technology economy.**

- **Enact state legislation to extend basic job protections by prohibiting employers from discriminating based on sexual orientation.** In addition to fostering fair treatment in the workplace, such legislation would benefit technology employers by promoting employment and retention of a critical talent pool as well as higher education institutions in their recruitment and retention of faculty and researchers who train the workforce and help drive our innovation economy.

- **Increase funding for the "New Economy Workforce Credentials Grant Fund,"** which aligns community college workforce training programs with the needs of business and industry by targeting credentials in high demand fields (including cybersecurity and other technology areas).

- **Support ADVANCE, a George Mason University and Northern Virginia Community College Partnership** that guides NOVA students through program pathways to degree completion at Mason. This initiative will work in collaboration with Northern Virginia employers to adapt and create workforce programs to fill the region's critical high-demand positions.

- **Confirm and implement Virginia’s commitments to invest in the tech-talent pipeline to support Amazon’s major new corporate headquarters and meet the need of other technology businesses across the Commonwealth through:**
  - Performance-based investments in bachelor's degree programs in computer science and related fields;
  - Performance-based investments in new master's degree programs in computer science and related fields at George Mason’s Arlington campus and for Virginia Tech to establish a new Innovation Campus in Alexandria; and
  - Investment in K-12 technology education and internship programming to connect college students to tech jobs.

- **Support the Virginia Values Veterans (V3) Program and other targeted workforce initiatives to provide training and job opportunities for veterans, transitioning service members and military spouses.**
Infrastructure

NVTC advocates for improvements to transportation, broadband, transportation, energy and other infrastructure to support economic development and help Virginia businesses compete.

- **NVTC is a signatory to the Northern Virginia Transportation Coalition’s 2019 Policy Statement**, a comprehensive policy statement supported by many Northern Virginia business advocacy associations. We support a strong, efficient regional transportation network that is essential to our future economic competitiveness, security, and quality of life.
  - NVTC believes that Metro is a core statewide asset, and a well-maintained, safe, reliable and fiscally sustainable Metrorail system is essential to Northern Virginia’s and the Commonwealth’s economic competitiveness.
  - NVTC supports the Northern Virginia Transportation Authority (NVTA) and recognizes the essential role NVTA plays in funding critical regional transportation priorities and the importance of ensuring NVTA is resourced to do so.
  - NVTC believes the focus of the Commonwealth Transportation Board and the NVTA should be on the investment of regional, state, federal, and private sector transportation dollars for highway and transit improvements, and intelligent transportation systems to:
    - Move the greatest number of people throughout the region;
    - Reduce congestion and travel time between major regional employment centers and communities;
    - Increase network reliability region-wide while producing the best long-term return on investment;
    - Promote regional economic development and growth; and
    - Enhance regional security.

- **NVTC supports offshore wind generation and the increased deployment of utility scale solar projects across Virginia to provide technology businesses with greater access to renewable energy.** Availability of renewable energy is a key economic development driver for many businesses, including large technology infrastructure businesses. Demand for renewable energy is rapidly increasing and renewable energy facilities present an important economic development opportunity across the Commonwealth, including in rural areas.

- Broadband and telecommunications infrastructure also is a key economic development driver. NVTC Supports:
  - Funding to scale the Virginia Telecommunications Initiative, a public-private initiative that leverages public funding to increase private sector broadband deployment in unserved areas.
Maintaining changes made to Virginia's wireless broadband statutory framework over the past two years to continue facilitating the deployment of wireless facilities, including 5G, cellular networks and Wi-Fi access points. This framework provides for more uniformity and streamlining in the permitting process and fee structure across the Commonwealth for this critical infrastructure, and is necessary to meet growing demand for wireless data, attract businesses that require ultra-fast and reliable network connections and recognize the full potential of Internet of Things (IoT)-related solutions in healthcare, transportation, Smart Cities and other important areas.