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March 7, 2011

Dear Legislator:

On behalf of the members of the Utah Technology Council (UTC), I write to inform you that **UTC has taken a high-priority position to support S.B. 59 – School Grading System** (Sen. Niederhauser, W.).

Since education became our top priority in 2006, UTC has been at the forefront in advancing rigor and relevance in STEM education. We were the only organization who worked with the State School Board to increase high school requirements for math, science, and language arts and participated on the State Math Steering Committee and encouraged the approval of 12th grade math.

Following Clayton Christensen's thoughts in his book, *Disrupting Class*, on how disruptive innovation will change the way the world learns, this legislation will provide meaningful insight and information on where Utah students' abilities are currently and where we as a state can focus efforts to bring our students' education to a higher level necessary to compete in the global marketplace and **fill the current shortages for "hot" jobs.**

S.B. 59 would require Utah public schools to be graded on the same scale as students (A to F). The grade would be a measure of a school's student outcomes on a statewide assessment and a high school's graduation rate. This is a **high-priority** bill to us because:

- **Education Quality = Quality Workforce:**
Creating and maintaining a Quality Workforce is the technology industry's #1 issue. Technology companies understand the importance of rigor and relevance and STEM (Science, Technology, Engineering and Math) in both public and higher education. We expect that with clear and understandable measurement of each school's performance, students, parents, teachers, principals, administrators and the local community will focus on improving student performance, thus helping to produce a quality workforce to fuel Utah's innovative companies.
- **Accountability:**
By providing an objective formula for measuring quality based on student outcomes with a grading scale for schools, this bill establishes an accountability system that provides a transparent path for improvement. High expectations and clear accountability for student outcomes will serve as a catalyst for transformational change.

Representing over 5,700 high-tech, life science, and clean tech companies in Utah, UTC supports legislation that creates a quality workforce for these highly-innovative, high-growth companies. UTC feels that S.B. 59 will help to that end and respectfully asks for your support of this bill.

Sincerely,

A handwritten signature in black ink that reads 'Richard R. Nelson'.

Richard R. Nelson
Founder and CEO
801.718.3999



February 18, 2011

Dear Utah Legislator:

On behalf of the members of the Utah Technology Council (UTC), I write to inform you that **UTC has taken a high-priority position to support S.B. 65 – Statewide Online Education Program** (Sen. Stephenson, H.).

Since it became our top priority in 2006, UTC has been at the forefront in advancing rigor and relevance in STEM (Science, Technology, Engineering & Math) education. We were the only organization who worked with the State School Board to increase high school requirements for math, science, and language arts with Governor Huntsman and his GOED board. We also actively participated on the USOE Math Steering Committee and encouraged the approval of 12th grade math along with other recommendations critical to prepare our “underserved students” for the hot jobs in our industry.

Clayton Christensen, global thought leader, author of “Disrupting Class” and UTC national advisory board member, endorses increasing our online learning in high school and projects by up to 50% to meet the demands of the 21st century workforce by 2018. It provides a significant cost savings at a critical time. Our organization believes this legislation is critical to assuring the future economic growth of our state.

- It provides high-quality learning options for all students regardless of language, zip code, income levels or special needs;
- It provides greater access to self-paced programs enabling a high-achieving student to accelerate academically, while a struggling student can access additional time in order to gain competency;
- It provides students with a personalized educational experience; one which provides one-on-one tutoring, subject mastery, data-driven instruction, extensive access to the best materials, the technology skills necessary for success in a digital world and the flexibility to learn anytime, anywhere.

Representing over 5,700 high-tech, life science, and clean tech companies in Utah, UTC supports legislation that creates a quality workforce for these highly-innovative, high-growth companies. UTC feels that S.B. 65 will help to that end and respectfully asks for your support of this bill. I’d welcome hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Richard R. Nelson". The signature is written in a cursive, flowing style.

Richard R. Nelson
Founder and CEO
Mobile: 801.718.3999



March 18, 2011

The Honorable Jim Matheson
1323 Longworth HOB
Washington, DC 20515

Dear Congressman Matheson:

On behalf of the members of the Utah Technology Council (UTC), I write to inform you that the **members of UTC strongly support continued federal funding of innovation, as you well know, and specifically clean energy-related programs at levels needed to foster continued growth in these critical arenas.** In 2009, UTC added a clean tech sector, as we see this sector being the new, dynamic, rapidly-growing economic driver in our country. Utah has tremendous potential to reap the economic benefits of the clean tech sector. We are highly concerned over the recent budget proposals contained in the House of Representative's Continuing Resolution (as part of H.R. 1), which drastically cuts or eliminates funding for several critical energy efficiency, renewable energy, clean energy and STEM programs.

We understand the difficult financial times you face as a lawmaker, but as the Senate and Congress work to adopt a long-term federal budget, **we respectfully request that you support continued funding for key clean energy-related programs, and we strongly urge you to reject the cuts to clean energy and STEM education contained in H.R. 1.** **If enacted, these proposed cuts will have a devastating impact on our national competitiveness, consumer energy savings, job creation and economic development.**

The proposed cuts to clean energy programs will cripple economic development, innovation and job creation

- Utah's energy efficiency, renewable energy, and clean energy industries support several hundred jobs across the state along with several million dollars in economic activity. These important industries benefit tremendously from existing federal programs that foster continued market transformation, and allow growing industries to compete on a level playing field with well-established technologies and industries.
- H.R. 1 proposes to **cut more than \$1.04 billion from the Office of Science and ARPA-E at the Department of Energy.** The proposed reduction is approximately \$886 million below the FY 2010 enacted level. This cut will result in the loss of approximately 5,400 jobs.
- **The nearly \$900 million cut to the Department of Energy's Office of Science** proposed by the House would significantly curtail fundamental research in areas of science that are a key to our nation's prosperity and to preserving America's place as the world leader in science and technology. ARPA-E, among other things, provides funding for transformational energy research,

which the market is unlikely to support due to high risk and serves as a bridge between basic energy research and developmental/industrial innovation.

- **National Science Foundation:** As you well know, the National Science Foundation (NSF) provides investments in basic scientific research and development that enables discovery, innovation, and new products and industries. The House proposal would cut funding to the NSF by \$778 million below the proposed FY2011 Omnibus level. The proposed reduction is \$359.5 million below the FY 2010 enacted level. This amount includes a **cut of \$174 million** below the proposed FY 2011 Omnibus level to the account **that funds science, technology, engineering and mathematics (STEM) education, building the next generation of STEM teachers, scientists and technicians who fuel the innovation economy.** Overall, the proposed cut to NSF will mean the Foundation makes about 1,950 fewer grants, and supports 27,300 fewer scientists, students, and teachers. Can we really afford to do this when the U.S. continues to fall behind other countries educationally when historically we have been the leaders in technology?
- **The \$768 million cut to the Department of Energy's (DOE) Energy Efficiency and Renewable Energy (EERE) program** is equivalent to more than one-third of the fiscal year's total program budget. At a time when the U.S. is rapidly losing the global clean energy race, these proposed cuts will compromise our nation's ability to compete globally, stifle innovation in clean energy, and curtail critical market transformation in these new sectors. These cuts would also weaken the effectiveness of research and development programs that are urgently needed to spur innovation for the next generation of clean energy technologies.
- **H.R. 1 eliminates funding for State Energy Programs**, which provide financial and technical assistance to states through formula and competitive grants. An Oak Ridge National Laboratory analysis shows that every dollar the federal government invests in the State Energy Programs yields \$7.23 in cost savings from reduced energy bills. These energy savings are then utilized in local economies, creating nationwide economic benefits.

Clean energy and clean tech are at the heart of our nation's global competitiveness, our energy security, our financial stability and longevity, and our quality of life. Over the coming weeks, as the U.S. Senate and the House of Representatives work to reach an agreement on a budget, **we strongly urge you to ensure that funding for our country's vital science (STEM), renewable energy, energy efficiency, and clean energy programs remains strong.**

Respectfully,



Richard R. Nelson
Founder and CEO

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Mangia Technologies
Todd Wolfenbarger
The Summit Group
Howard Young
Jones Waldo
†Member of Executive Committee
*Non-Trustee



January 25, 2011

The Honorable Jim Matheson
United States House of Representatives
2434 Rayburn Building
Washington D.C. 20515

Dear Congressman Matheson:

As you are aware, the Utah Technology Council represents the life science community in Utah. There are over 120 medical device companies in Utah that are part of that community. They are a vibrant part of the Utah economy providing high-paying, high-tech jobs for citizens of our great state. Many of these companies you would recognize immediately including Merit Medical, Dynatronics, WorldHeart, Aribex, Utah Medical, Edwards Life Science, Becton Dickinson, Watson Laboratories and Fresenius Medical Care.

The Governor of the State of Utah as part of his long-range economic plan has identified the life sciences, including medical device companies, as a targeted area of growth for the state of Utah. The state's economic growth initiatives recognize the importance of these industries to our future and the rich resources our state offers to companies operating in this market. The industry-specific taxes imposed by the 2010 Patient Protection and Affordable Care Act are of great concern to us as an industry association because of the impact these taxes could have in slowing economic growth in this targeted area.

Therefore, we strongly support the Protect Medical Innovation Act that Congressman Paulsen has introduced. The removal of this unfair and onerous tax will assure the continued growth of jobs and innovation in this important market sector. The imposition of an excise tax is particularly burdensome for our small companies here in Utah that operate on less-than-average profit margins. To take 2.3% of sales as an excise tax would render some companies unprofitable and significantly reduce the profitability of most – not to mention the catastrophic effect this tax would have on companies that are already not profitable. If a medical device company is operating on a 5% net profit margin, the excise tax represents the equivalent of a 50% income tax. Such a tax takes money that would otherwise be deployed in new jobs, R&D, capital equipment and reinvestment in product lines and redirects it to an entitlement program. It may seem a small percentage of sales, but as a percentage of pre-tax profits, this could range from 25% to well over 100%. That is simply unacceptable and unwise tax policy – especially in the current environment that is already struggling to produce jobs and economic vitality.

Just as important as the effect on current companies is the impact on investment capital. This new tax will have a chilling effect on investors who will likely redirect their capital to other industries not so burdened with industry-specific taxes. Few investors will appreciate the fact that the government gets paid tax dollars from sales before investors can be paid from profits. It is a paradigm that creates significant disincentives for investment. Without capital investment, job creation and innovation suffer.

We not only support this legislation to repeal the medical device tax imposed by the 2010 Patient Protection and Affordable Care Act, we feel it is essential to protecting an industry vital to Utah's present and future economic growth. We hope you will assist this vital sector of our economy by supporting the Protect Medical Innovation Act. We are eager to hear your stance on this legislation.

Sincerely,

Richard R. Nelson
Founder & CEO

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Jones Waldo
†Member of Executive Committee
*Non-Trustee



January 25, 2011

The Honorable Orrin G. Hatch
United States Senate
104 Hart Office Building
Washington D.C. 20510

Dear Senator Hatch:

As you are aware, the Utah Technology Council represents the life science community in Utah. There are over 120 medical device companies in Utah that are part of that community. They are a vibrant part of the Utah economy providing high-paying, high tech jobs for citizens of our great state. Many of these companies you would recognize immediately including Merit Medical, Dynatronics, WorldHeart, Aribex, Utah Medical, Edwards Life Science, Becton Dickinson and Fresenius Medical Care.

The Governor of the State of Utah as part of his long-range economic plan has identified the life sciences, including medical device companies, as a targeted area of growth for the state of Utah. The state's economic growth initiatives recognize the importance of these industries to our future and the rich resources our state offers to companies operating in this market. The industry-specific taxes imposed by the 2010 Patient Protection and Affordable Care Act are of great concern to us as an industry association because of the impact these taxes could have in slowing economic growth in this targeted area.

Therefore, we strongly support the Medical Device Access and Innovation Protection Act that you are introducing. The removal of this unfair and onerous tax will assure the continued growth of jobs and innovation in this important market sector. We appreciate the fact that you have recognized the need for this statutory change. The imposition of an excise tax is particularly burdensome for our small companies here in Utah that operate on less than average profit margins. To take 2.3% of sales as an excise tax would render some companies unprofitable and significantly reduce the profitability of most – not to mention the catastrophic effect this tax would have on companies that are already not profitable. If a medical device company is operating on a 5% net profit margin, the excise tax represents the equivalent of a 50% income tax. Such a tax takes money that would otherwise be deployed in new jobs, R&D, capital equipment and reinvestment in product lines and redirects it to an entitlement program. It may seem a small percentage of sales, but as a percentage of pre-tax profits, this could range from 25% to well over 100%. That is simply unacceptable and unwise tax policy – especially in the current environment that is already struggling to produce jobs and economic vitality.

Just as important as the effect on current companies is the impact on investment capital. This new tax will have a chilling effect on investors who will likely redirect their capital to other industries not so burdened with industry-specific taxes. Few investors will appreciate the fact that the government gets paid tax dollars from sales before investors can be paid from profits. It is a paradigm that creates significant disincentives for investment. Without capital investment, job creation and innovation suffer.

We not only support this legislation to repeal the medical device tax imposed by the 2010 Patient Protection and Affordable Care Act, we feel it is essential to protecting an industry vital to Utah's present and future economic growth. We lend our full support to your efforts.

Sincerely,

Richard R. Nelson
Founder & CEO

Good News!

A huge thanks to all of you who wrote emails to help with funding for Centers of Excellence and World Trade Center Utah. Things look quite promising for these two programs. We also appreciate emails sent in behalf of S.B. 65.

Because of your efforts, S.B. 65 Statewide Online Education Program (Stephenson, H.) was passed in the Senate and has moved on to the House. We are contacting you to ask for your help getting it approved by the House as well as S.B. 59 School Grading Bill (Niederhauser, W.). The UTC Public Policy Forum has voted to give both of these bills high priority as we feel they are important to help provide a quality workforce for our industry. We have attached our letters of support for these two pieces of legislation.

CALL TO ACTION: Please call and send an email to your legislator telling them that you are a constituent and a member of UTC and these bills will help provide a higher quality workforce for the future to meet your company's hiring needs and your reasons why.

We would appreciate being bcc'd on your email and/or feedback from your phone calls to info@utahtech.org.

With great appreciation,

Judy Young
Executive Director, Utah Technology Council