ARIZONA TECHNOLOGY COUNCIL
a place to connect and grow

2027
PUBLIC POLICY GUIDE

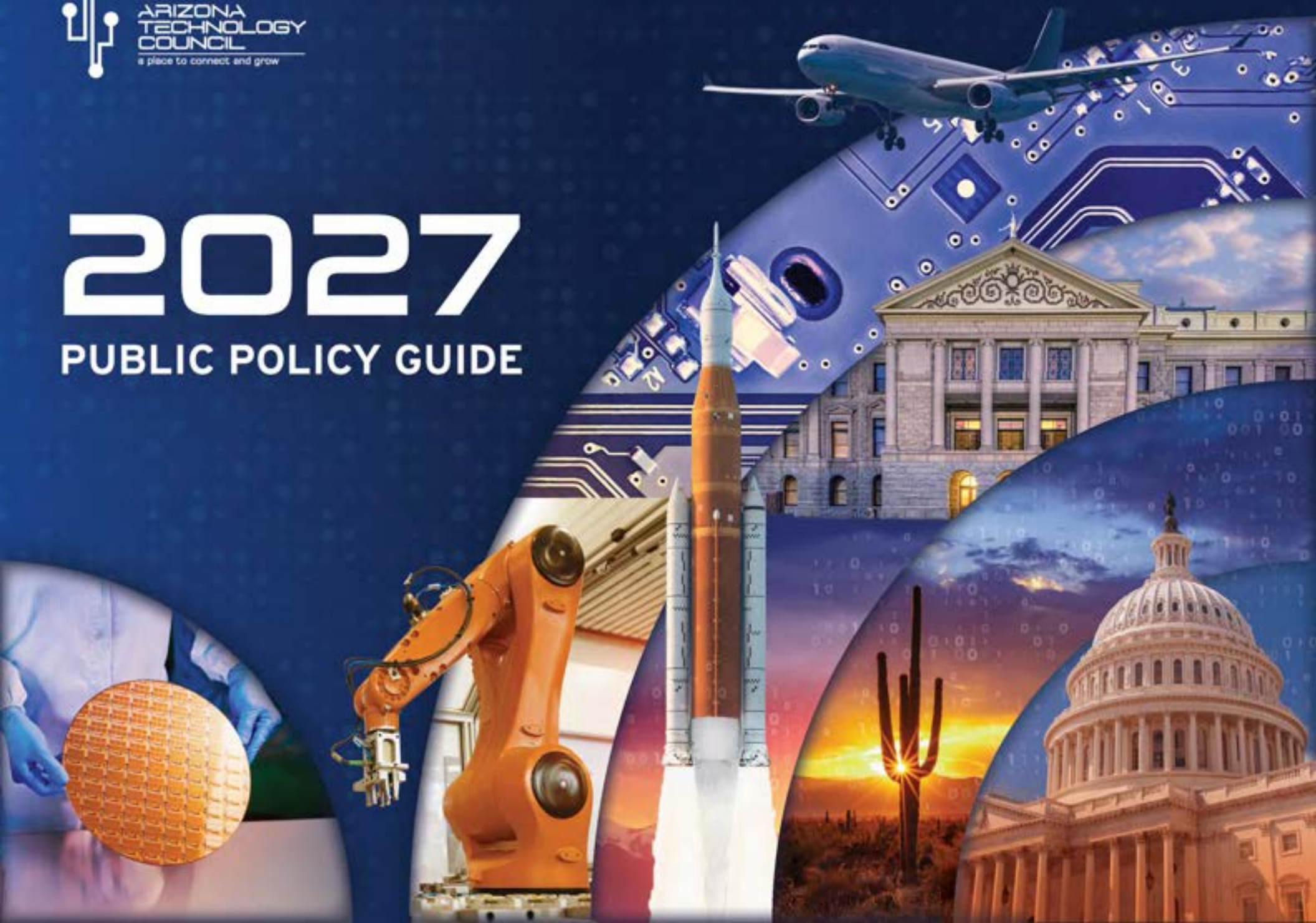


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PUBLIC POLICY GUIDE 2027

The Arizona Technology Council is the principal advocate for science- and technology-based companies in Arizona. The Council continuously monitors federal, state and local legislation and policies that impact the sustainability and growth of Arizona's technology industry. Through the collective strength of its members, the Council informs and educates policymakers on issues that are important to Arizona's technology sectors.

From Congress and the Office of the Governor to legislative committee rooms and city halls across the state, the Council serves as the voice advocating a technology-based, pro-growth and business-focused agenda.



The Council and its Public Policy Committee hereby submit the 2027 Public Policy Guide. In creating this document, the Committee relied heavily on the Council's mission by preparing key ideas, goals and legislative initiatives to:

- Improve the business climate for technology-based companies.
- Provide sources of risk capital that encourage entrepreneurship, including in underrepresented communities.
- Create an environment that supports science- and technology-related job retention and creation.
- Attract, train, retrain and retain the diverse talent required to compete in a global innovation economy.
- Foster awareness and support practices of Arizona's businesses through workforce excellence, inclusion and innovation that help to further Arizona's future competitiveness.
- Provide pathways for all Arizonans to participate and thrive in a vibrant, high-tech economy.

The committee first created a list of principles in several subject areas then established related positions to be used as the foundation of the Council's public policy efforts in 2027. In some cases, the positions will advance through the development and advocacy of legislation that will be introduced during the Arizona Legislature's 2027 session. In other instances, the positions will be used on an ongoing basis as policy makers introduce new regulations or changes to existing regulations pertinent to Council members. At all stages, the committee will be engaged in various efforts to advance the position of Arizona's technology companies. The following principles and positions will aid elected officials and other stakeholders at all levels of government and business as they craft legislation and policies that will affect Arizonans and the Arizona economy for years to come.

ARIZONA TECHNOLOGY COUNCIL LEGISLATIVE PRIORITIES

Protect and Strengthen Arizona's Technology Economic Development Tools

Preserve and enhance economic development programs that attract investment, create high-quality jobs and grow Arizona's technology economy. Restore a refundable Research and Development Tax Credit that is meaningful after the refundable portion was eliminated in 2026, as well as preserve the underlying R&D credit and other programs that support advanced manufacturing, semiconductors, aerospace and defense, bioscience, and emerging technologies. Oppose additional restrictions or repeal of effective economic development tools while modernizing existing programs to maximize their economic impact.

Expand Computer Science and Artificial Intelligence Education

Build on the creation of Arizona's State Seal of Computer Science Proficiency by increasing access to high-quality computer science education for students throughout the state. Develop a phased approach that provides high school students access to standalone computer science courses through their schools or approved online programs while integrating computer science, computational thinking and age-appropriate artificial intelligence literacy into earlier grades. Support funding for teacher preparation, curriculum and infrastructure necessary to expand access, particularly in rural and underserved communities.

Advance Arizona's Leadership in Advanced Air Mobility

Build on Arizona's existing advanced air mobility (AAM) planning and investments to position the state as a national leader in advanced aviation. Support policies and investments that enable development of vertiports, charging and energy infrastructure, communications, airspace integration, and other infrastructure necessary for commercial deployment of AAM technologies. Encourage collaboration among state and local governments, Federal Aviation Administration, tribal nations, universities and industry to attract AAM companies, manufacturing, research, testing and operations to Arizona while identifying applications that improve transportation, logistics, emergency response and connectivity in urban and rural communities.

Ensure Affordable, Reliable and Sustainable Energy for Arizona's Growth

Work collaboratively with the Arizona Corporation Commission, Legislature, utilities and industry to ensure Arizona has sufficient generation, transmission and energy infrastructure to support population growth, advanced manufacturing, semiconductors, data centers and other technology-intensive industries. Support an all-of-the-above energy strategy, excluding coal, that expands renewable energy, energy storage, nuclear power, energy efficiency and other innovative technologies while maintaining reliability and affordability. Ensure large energy users appropriately bear the infrastructure costs attributable to their demand without shifting costs to residential and small-business customers.

Protect Arizona's Ability to Support Data and AI Infrastructure

Use the three-year moratorium on tax incentive certifications for new computer data centers to evaluate and improve the program while opposing efforts to permanently eliminate the incentive or impose a broader moratorium on responsible data center development. Develop clear expectations regarding energy, water, infrastructure costs, transparency and community engagement while recognizing data centers are critical infrastructure for artificial intelligence, cloud computing, cybersecurity, advanced manufacturing and Arizona's broader technology economy.

Expand Arizona's STEM and Technology Workforce Pipeline

Support long-term, coordinated investments in science, technology, engineering and math education; career and technical education; apprenticeships; internships; work-based learning; reskilling and upskilling aligned with Arizona's highest-demand technology sectors. Strengthen collaboration among K-12 schools, community colleges, universities and employers to create clear pathways toward careers in semiconductors, advanced manufacturing, aerospace and defense, cybersecurity, artificial intelligence, bioscience and other technology industries. Expand opportunities throughout Arizona while ensuring workforce programs are responsive to demonstrated employer needs.



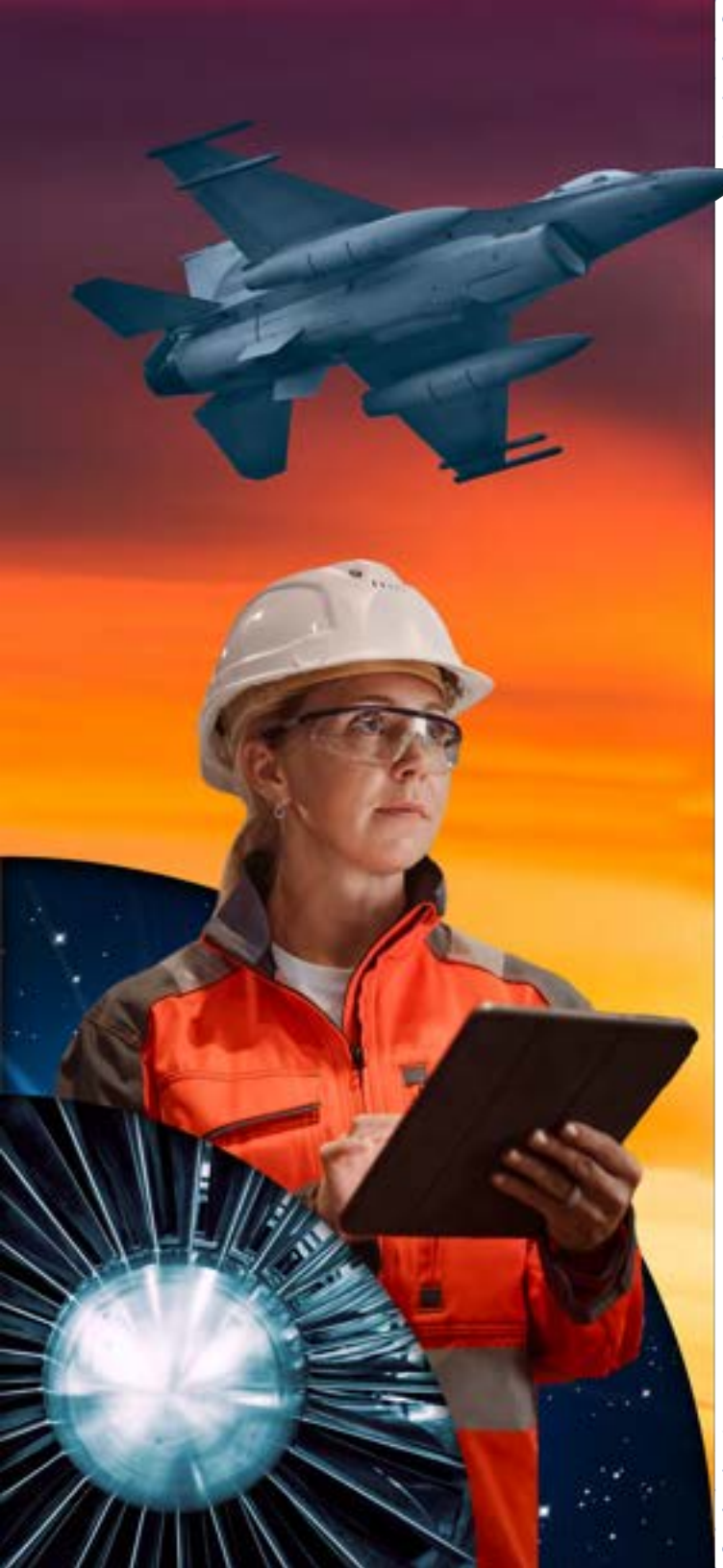


2027

PUBLIC POLICY GUIDE

STATE POLICIES AND POSITIONS





AEROSPACE, AVIATION AND DEFENSE

PRINCIPLE

Arizona continues to be a vital contributor to U.S. national security interests by fostering a pioneering spirit in aerospace, aviation and defense for generations. With more than 1,250 companies in aerospace and defense—including major prime contractors and space sector leaders such as Raytheon, Honeywell, Boeing, Lockheed Martin, General Dynamics, Northrop Grumman, Blue Origin and Virgin Galactic—Arizona boasts thousands of highly skilled technology workers with high-paying jobs.

Additionally, the state's military bases contribute nearly $11.5 billion annually to the Arizona economy, according to the 2017 "Economic Impact of Arizona's Principal Military Operations" study commissioned by the Arizona Commerce Authority (ACA) and prepared by The Maguire Company. The report also states that Arizona's six military installations and four National Guard operations are responsible for creating more than 76,000 direct and indirect jobs.

State leaders and members of the Legislature should develop, publish and implement strategies that will maintain, strengthen and grow the aerospace, space, defense, aviation, and unmanned-systems industrial base. In turn, this will give Arizona a competitive edge as a top state supporting U.S. national security objectives.

POSITIONS

Sustain Defense Spending

Create an environment that enables the sustainment and growth of defense contracting, military missions and related investment in Arizona. The state has enviable aerospace and defense assets and remains one of the nation's leading centers for defense manufacturing, testing, training and technology development. Arizona ranks among the top five nationally for the concentration of aerospace and defense manufacturing employment. The state also ranked third in PwC's most recent Aerospace Manufacturing Attractiveness Index, reflecting the strength of its industry, workforce, military assets and innovation ecosystem.

Through education and advocacy, we must continue to build an understanding of and appreciation for Arizona's critical military assets and their continuing contributions to national security and the state's economy. These assets include the Barry M. Goldwater Range, Fort Huachuca and its extensive protected electronic ranges, U.S. Army Yuma Proving Ground and Marine Corps Air Station Yuma, as well as U.S. Air Force training and readiness missions at Luke Air Force Base, which serves as a premier F-35 training installation for the United States and allied nations. At Davis-Monthan Air Force Base, the retirement of the A-10 mission in 2026 is being followed by significant new investment and mission growth, including the establishment of an Air Force Special Operations Command power projection wing supporting strike, mobility, intelligence, surveillance and reconnaissance, and air-ground integration missions. In addition, Davis-Monthan continues important rescue, electronic warfare and other operations.

Maintain and protect the unique airspace, ranges, electronic environments and surrounding land uses that enable testing and training involving command and control, intelligence, communications, electronic warfare, autonomous systems, weapons and advanced vehicle technologies without incompatible development, electronic interference or other encroachment. Protecting these irreplaceable assets while actively pursuing new and expanded military missions will strengthen national security, sustain Arizona's defense industrial base and position the state to capture emerging opportunities in next-generation defense technologies.

Shield Arizona's Military Bases

Shield Arizona's six military bases from development interference. Ensure military airspace provides unfettered access from the bases to military test ranges in the state without restrictions due to overdevelopment.

Expand Military Base Missions

Examine and advocate the future mission focus and growth of all six major military installations in Arizona. Work with local military support organizations, industry, universities, and state and federal leaders to protect existing missions and aggressively pursue new missions aligned with emerging national security priorities in areas such as:

- Artificial intelligence and autonomous systems
- Unmanned air and ground systems, and counter-unmanned aircraft systems (UAS) operations
- Robotics
- Cyber operations, electronic warfare and defense
- Pilot training and next-generation aviation
- Space and training and next-generation aviation

Specifically, protect and expand the missions of Fort Huachuca, including the U.S. Army Intelligence Center of Excellence, Network Enterprise Technology Command (NETCOM), unmanned aircraft systems training, Electronic Proving Ground, Joint Interoperability Test Command, and other intelligence, communications, cyber, electronic warfare, testing and training missions. Leverage Fort Huachuca's 946 square miles of restricted airspace, 2,500 square miles of protected electronic ranges and unique testing environment to pursue additional missions involving artificial intelligence, autonomous systems, counter-UAS, cybersecurity, electronic warfare, intelligence and multi-domain operations.

Support the successful transition of Davis-Monthan Air Force Base following the conclusion of the A-10 mission and aggressively pursue continued mission growth associated with the 492nd Special Operations Wing and other special operations, rescue, intelligence, surveillance, reconnaissance, electronic warfare and air-ground integration capabilities. Protect and grow Luke Air Force Base's role as the U.S. Air Force's premier fighter training installation and a global center for F-35 training for U.S. and allied pilots while supporting continued F-35 operations and training at Marine Corps Air Station Yuma.

Promote and expand U.S. Army Yuma Proving Ground as a premier location for testing and evaluating unmanned and autonomous systems,

counter-UAS technologies, advanced weapons, sensors, command and control, networked systems and other emerging technologies, while expanding opportunities for collaboration with private industry. Protect and expand the missions and capabilities of the Arizona National Guard, including the 161st Air Refueling Wing, 162nd Wing and Western Army Aviation Training Site, recognizing their important roles in national defense, pilot and aviation training, emergency response and Arizona's aerospace and defense economy.

Expand Unmanned Aerial Systems

Protect and expand the capabilities and missions of the U.S. Army's training center at Fort Huachuca, which remains the world's largest UAS training center and prepares approximately 2,000 soldiers annually across 12 programs of instruction. Actively advocate retaining and growing UAS training and related missions at Fort Huachuca by leveraging its unique assets, including restricted airspace, protected electronic ranges, extensive testing capabilities, and the presence of complementary intelligence, electronic warfare, communications and technology missions.

Seek additional missions and private-sector partnerships involving small and attritable UAS, autonomous systems, counter-UAS, electronic warfare, artificial intelligence and other technologies that have become increasingly critical to modern warfare. Build stronger partnerships with the nation's nine FAA-designated UAS test sites, including neighboring Nevada and New Mexico, to expand opportunities for Arizona companies and research institutions in testing, demonstration and commercialization. Promote Arizona's defense and aerospace industries as leaders in the development, production, testing and deployment of military, commercial and public-safety UAS technologies. In addition, support policies that enable the safe integration and expanded commercial use of UAS, including beyond-visual-line-of-sight operations, autonomous operations and advanced air mobility while positioning Arizona to capture the investment, companies and high-quality jobs associated with the rapidly growing autonomous aviation industry.

Build on Hypersonic Systems

Build upon Arizona's growing corporate, academic, research and advanced manufacturing infrastructure to position the state as a national leader in hypersonic and counter-hypersonic system development. Hypersonic technologies remain a critical national security priority as the United States works to accelerate the development, testing and production of both offensive hypersonic systems and defenses against increasingly sophisticated hypersonic threats.

Leverage Raytheon's decades of missile expertise and substantial investments in its Tucson operations, as well as The University of Arizona's expanding hypersonics research capabilities, to create an integrated ecosystem supporting research, engineering, testing, manufacturing and workforce development. Raytheon continues to advance hypersonic and counter-hypersonic technologies while investing in advanced manufacturing, automation, digital engineering, modeling and simulation capabilities in Tucson.

The Arizona Research Center for Hypersonics at the U of A brings together research in aerothermodynamics; propulsion; guidance, navigation and control; materials, structures and thermal protection; and hypersonic environments, supported by specialized facilities that include Mach 4 and Mach 5 wind tunnels and advanced computational fluid dynamics capabilities. Continued investment in these assets, stronger industry-university-government partnerships and expansion of Arizona's local supply chain and advanced manufacturing capabilities can establish the state as a national center for hypersonic research, development, testing and production.

Garner federal and state support to evaluate and pursue additional hypersonic flight-test capabilities in Southern Arizona, including the potential for a hypersonic test corridor or range leveraging the extensive military ranges, restricted airspace and testing assets between Sierra Vista and Yuma.

Support the Arizona Space Commission

Support the Arizona Space Commission and provide the resources necessary for it to fulfill its statutory mission, implement its strategic priorities and strengthen the state's position in the rapidly growing global space economy. The Commission provides an important statewide mechanism for bringing together industry, government, academia, research institutions and other stakeholders for a common vision of Arizona's space sector.

The Commission is charged with developing and advancing strategic plans to promote and expand space aeronautics and related economic activity in Arizona. Its work should focus on attracting, retaining and growing space-related companies; strengthening the state's skilled workforce pipeline; supporting research, innovation and commercialization; identifying infrastructure and policy needs; and increasing collaboration among Arizona's commercial, civil, military and academic space assets. The Commission also can play an important role in promoting Arizona nationally and internationally as a location for space-related investment, research, testing, manufacturing and operations. The Commission can build on Arizona's existing aerospace and defense strengths while developing a forward-looking strategy that reflects major changes in commercial space, national security, launch and satellite technologies, advanced manufacturing, autonomous systems and space-related research. By leveraging Arizona's unique assets that include leading aerospace and defense employers; world-class universities and research institutions; military installations; test and training environments; semiconductor and advanced manufacturing capabilities; and strong STEM education initiatives, the Commission can help ensure Arizona not only participates in the growth of the global space economy but emerges as one of its leading centers.

The Council strongly supports the Commission and will continue working closely with the Commission, and other partners to advance its work. The Council also will continue hosting the Arizona Aerospace Summit, which in 2026 brought together the former Arizona Space Summit, Advanced Air Mobility Summit and Arizona Aerospace, Aviation, Defense & Manufacturing Conference into a single statewide gathering focused on the increasingly interconnected aerospace, aviation, defense and space sectors.

Encourage Commercial Space Technology

Attract, encourage and nurture growth of commercial space market applications and companies in Arizona. Continue to support and expand high-profile research and development programs at NASA and other agencies for major end programs such as OSIRIS APophis EXplorer (APEX) and NEO Surveyor at U of A and Psyche mission at Arizona State University (ASU). Encourage a market research report on how to further attract commercial space activities and opportunities to Arizona. Benchmarking against other states that have passed legislation or promulgated rulemaking that supports commercial space activities can lead to faster growth in Arizona. According to a report published by the Space Foundation, the global space economy reached $613 billion in 2024, driven by strong momentum in the commercial sector that accounted for 78% of the total market value. Arizona continues to play a critical role across the commercial space value chain, with capabilities spanning launch vehicles, spacecraft, satellite communications, propulsion, avionics, advanced manufacturing, in-space servicing, space domain awareness, stratospheric systems and research. The state is anchored by major industry leaders such as Boeing, Viasat, Raytheon, Honeywell Aerospace, Blue Origin, Virgin Galactic and Northrop Grumman. In addition, a growing group of Arizona-based space companies including FreeFall Aerospace, Lunasonde, Phantom Space, Katalyst Space Technologies and World View—are developing technologies and capabilities that are expanding Arizona's role in the commercial, civil and national-security space markets.

Notable Additions & Updates:

- **Blue Origin (Phoenix):** Driving avionics, systems engineering and supply chain integration following New Glenn's 2025 orbital launch.
- **Phantom Space (Tucson):** Developing small-lift launch vehicles, with Daytona II (675-pound payload) and Daytona III (1,800-pound payload) actively booking missions for 2027 and 2028.
- **FreeFall Aerospace (Tucson):** Commercializing university-developed spherical antenna technology for wide-area satellite tracking and deep-space missions.
- **Katalyst Space Technologies (Flagstaff):** Advancing robotic in-space servicing, executing proximity operations under NASA contracts.
- **Lunasonde (Tucson):** Applying space-derived, remote-sensing technology to subsurface imaging, including a 2026 copper exploration initiative in Southern Arizona.
- **Ondas Sentinel (Tucson):** Integrating high-altitude sensing with autonomous and AI-enabled defense/commercial platforms following the stratospheric flight leader's 2026 acquisition by Ondas.

Diversify Commercial Spaceport Launch Sites

Develop a comprehensive statewide strategy to position Arizona as a hub for commercial launch, reentry, recovery, testing and other spaceflight infrastructure, recognizing the growing demand for more frequent access to space, smaller launch vehicles, reusable spacecraft and geographically diverse launch and reentry options. Current opportunities include:

- **Yuma Spaceport:** Advance the proposed vertical launch and testing site near Yuma, which is pursuing Federal Aviation Administration (FAA) Part 420 launch-site licensure and is strategically positioned for orbital and suborbital missions, testing and other aerospace activities. The project can leverage Yuma's favorable weather, low population density, extensive restricted airspace, proximity to the Gulf of California and existing military and testing assets, including Marine Corps Air Station Yuma and U.S. Army Yuma Proving Ground.
- **Sierra Vista Air and Space Port:** Support the City of Sierra Vista's effort to obtain FAA Part 433 licensure as a commercial spaceport reentry site at Sierra Vista Municipal Airport, a joint-use facility with Fort Huachuca's Libby Army Airfield. The city has completed its feasibility study, submitted major elements of its licensing application and anticipates licensure in 2027. The site also is attracting commercial space activity, including BlackStar Orbital's planned spacecraft research, development and manufacturing operations.
- **Coolidge Air and Space Port:** Continue evaluating Coolidge Municipal Airport as a potential horizontal launch and reentry location for commercial spaceplanes, air-launch systems and other emerging aerospace applications. Previous feasibility work identified Coolidge as the strongest candidate among evaluated Pinal County airports for future horizontal spaceport development, although additional runway, infrastructure, market and licensing work will be necessary before pursuing full spaceport operations.
- **Willcox Playa:** Protect and promote the Willcox Playa as a strategically valuable spacecraft reentry and landing location. The site has undergone environmental review for Boeing Starliner landings and remains one of the potential western U.S. landing locations identified for reusable spacecraft. Arizona should evaluate opportunities to support additional commercial, civil and national-security reentry, recovery, testing and turnaround activities that can leverage the site and its proximity to Fort Huachuca's testing assets.

Encourage international partnerships with allied nations, space agencies, commercial launch providers and research institutions to expand opportunities for technology exchange, joint research, testing, missions and investment. A coordinated network of complementary launch, reentry, recovery, testing and manufacturing locations would give Arizona significant differentiation in the U.S. commercial space market

while supporting economic growth, workforce development, research commercialization and the state's long-term competitiveness in the global space economy.

Fund SBIR/STTR

Champion and maximize Arizona's participation in the Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) programs to leverage the state's strengths in research, prototyping, commercialization and early-stage manufacturing in support of national security and advanced technology. Congress reauthorized SBIR/STTR through September 30, 2031, under the Small Business Innovation and Economic Security Act, providing greater long-term certainty for these critical programs while incorporating reforms intended to strengthen national security, accountability, commercialization and participation by innovative small businesses.

Capitalize on the renewed federal commitment by increasing the number of Arizona companies competing for and winning SBIR/STTR awards, and helping successful recipients move from research and prototyping into commercialization, Phase III contracting, production and scale. Deepen partnerships among Arizona companies, ASU, NAU, U of A, federal laboratories, military installations and major prime contractors to accelerate technology transfer, retain graduates, and align talent and research capabilities with priority sectors such as semiconductors, aerospace and defense, space systems, energy, photonics, biotechnology, advanced manufacturing, quantum technologies, cybersecurity and artificial intelligence.

Expand coordinated proposal assistance, technical support and outreach through the Arizona Commerce Authority and other partners, particularly for first-time applicants, rural companies and other innovative firms that have historically been underrepresented in the programs. Explore state matching funds and other complementary financing mechanisms that can leverage federal SBIR/STTR awards, help promising companies bridge commercialization funding gaps, and encourage recipients to build and scale their businesses in Arizona. The goal should be not simply to increase Arizona's share of SBIR/STTR awards but to use these programs strategically to create Arizona companies, intellectual property, high-quality jobs and technologies that strengthen both the state's innovation economy and the nation's security and technological competitiveness.





BIOSCIENCES AND HEALTHCARE

PRINCIPLE

Advocate collaboratively with Arizona stakeholders to support the discovery, development, commercialization, distribution and availability of bioscience innovations. These innovations are crucial for addressing current and future healthcare challenges, enhancing the lives of Arizonans and potentially reducing overall healthcare costs.

POSITIONS

Protect University Research Funding

Advance Arizona's bioscience and healthcare research enterprise by working collaboratively with the Arizona Board of Regents and the state's public universities to protect and expand funding for biomedical research, health innovation and commercialization. Maintain the Technology and Research Initiative Fund supported by the Proposition 301 sales tax and extended through 2041 as a critical long-term investment in university research infrastructure, faculty, students, technology development and economic growth. Protect state investments that enable ASU, NAU and U of A to compete successfully for federal and private research funding, particularly through the National Institutes of Health and other federal agencies supporting biomedical, health and life-sciences research. Use investments to leverage significantly greater federal, philanthropic and private-sector funding while accelerating discoveries in areas such as biotechnology, precision medicine, genomics, medical devices, diagnostics, digital health, artificial intelligence in healthcare, neuroscience, cancer research and infectious disease.

Strengthen partnerships among Arizona's universities, hospitals, health systems, research institutions and bioscience companies to move discoveries from the laboratory into clinical applications, new technologies, startup companies and commercial products.

Expand opportunities for undergraduate and graduate students from across Arizona to participate in bioscience and health research, strengthening the talent pipeline needed by the state's growing healthcare and life-sciences industries. Work to ensure Arizona's universities remain globally competitive research institutions while translating their discoveries into improved health outcomes, new companies, high-quality jobs and continued growth of Arizona's bioscience economy.

Support Arizona Health Innovation Trust

Strengthen the Arizona Health Innovation Trust (AHIT) created by the Legislature in 2022 by supporting increased funding and advancing the goal of a $200 million endowment. Until AHIT is self-sustaining, support legislation to fund pilot programs providing workforce development and entrepreneurial ventures that help Arizona health innovators attract angel and venture capital funding.

Internships

Support the development and funding of pilot science, technology, engineering and math (STEM) internship programs that reflect the diversity of Arizona's high schools, community colleges and universities, broadening access for underrepresented students.

Make Healthcare More Accessible

Ensure all Arizonans have equitable access to lifesaving and life-changing biotechnology and medical technology innovations while prioritizing cost-saving measures to reduce the total cost of care for patients.

Support Arizona Biomedical Research Centre

Support the Arizona Biomedical Research Centre at the Arizona Department of Health Services and its grant process, which funds high-impact bioscience research, education and innovation projects that directly benefit Arizonans.

Create Health Information Exchange

Support the creation of a nonprofit health information organization designated by the Department of Health Services as Arizona's official health information exchange. This entity would securely receive, use, and share immunization and communicable disease-related data in compliance with Health Insurance Portability and Accountability Act privacy standards.

Use Evidence-Based Public Health Practices

Encourage public health decisions that rely on evidence-based, peer-reviewed science and accepted methodologies. Focus efforts on prevention and reduction of disease to improve the overall health of Arizonans.



BIOSCIENCES AND HEALTHCARE: TELEHEALTH

PRINCIPLE

Telehealth and its integration into electronic delivery of healthcare should continue to be enabled and encouraged. Telehealth and its integration into electronic delivery of healthcare should continue to be appropriately adopted throughout Arizona based on clinical evidence, patient needs, accessibility, quality, safety and value. This includes advocating uniform deployment and enforcement of telemedicine laws at all levels, increasing awareness among providers and patients, and expanding the statewide telehealth infrastructure and ecosystem.

POSITIONS

Invest in Telehealth Infrastructure

Continue prioritizing investment in telemedicine infrastructure through expanding broadband access and deploying telehealth-capable devices in homes, community centers, community-based telehealth access points, libraries and clinics, especially in rural, frontier, tribal and medically underserved communities supported with reliable broadband, appropriate clinical technology, technical assistance, digital navigation and trained personnel. These upgrades and broader telehealth device availability support essential remote services such as social, behavioral and medical care, especially for isolated or underserved communities. Include investments in backup connectivity, digital navigation resources, accessibility enabling adaptive telehealth equipment, cybersecurity workforce training and technical assistance appropriate to telehealth environments, and training so remote medical, behavioral, and social services are

made widely available, remaining usable during outages and by patients with limited digital skills. Encourage collaboration among healthcare organizations, tribal health programs, public agencies, educational institutions and community organizations to develop sustainable regional telehealth networks.

Invest in Telehealth Workforce Development and Technical Assistance

Support statewide education, training and technical assistance for healthcare providers, administrators, technology staff and community organization to develop, implement, evaluate and sustain effective telehealth programs. Encourage workforce development initiatives that build telehealth competencies and support the adoption of evidence-based telehealth practices, particularly in rural and underserved communities.

Reduce Unnecessary Interstate Licensing Barriers

Support interstate licensure compacts and other appropriate mechanisms that allow qualified healthcare professionals to provide telehealth across state lines while maintaining professional standards, patient protections and regulatory accountability. Embrace and advocate additional compacts and enable reforms to increase flexibility for providers and improve availability and continuity of care.

Ensure Inclusive and Accessible Telehealth

Promote equitable access to telehealth regardless of geography, income, disability, age, language, digital literacy or access to technology. Encourage policies and programs that address barriers, including broadband availability, affordability, devices, digital navigation, language access, accessibility and culturally appropriate services.

Support Audio-Only and Adaptive Telecommunications Telehealth and Parity Laws

Continue defending and refining policies that ensure telehealth services, including audio-only and adaptive telecommunications equipment, are covered and reimbursed at a level that supports clinically appropriate telehealth services, as well as recognized by insurers for people who are deaf, hard of hearing or deafblind, or have speech-related disabilities. Empower providers to bill using appropriate codes and offer clarity on costs and consent. Regularly revisit and adjust existing parity and licensure regulations to reflect evolving clinical and equity needs.

Establish Predictable, Sustainable Telehealth Policy and Continuity of Access

Support federal and state policies that provide predictable, sustainable and evidence-based coverage and reimbursement for clinically appropriate telehealth services. Preserve appropriate home-based telehealth, audio-only and other assistive services, remote monitoring, behavioral health, rehabilitation, and other virtual care modalities. Allow policies to evolve as evidence, technology and clinical practice develop, and encourage continued investment in virtual-care technologies. Advocate stable, predictable state and federal telehealth policies that prevent abrupt disruptions in patient access, provider participation and reimbursement. Encourage policymakers to provide sufficient transition periods when telehealth regulations or coverage requirements change and to evaluate the impact of policy changes on rural, tribal, underserved and vulnerable populations.



CAPITAL FORMATION

PRINCIPLE

To keep Arizona competitive as a technology and innovation hub, attracting and retaining investment capital is essential. Arizona has achieved extraordinary success attracting large-scale corporate investment, particularly in semiconductors, advanced manufacturing, aerospace and defense, data centers and other intensive technology industries. In fiscal year 2026 alone, projects supported by the Arizona Commerce Authority and its economic development partners committed to more than $109 billion in capital investment and 26,225 projected new jobs. Arizona also benefits from a strong research and development ecosystem, major research universities, the Angel Investment Tax Credit, the Arizona Innovation Challenge and other economic development programs that have strengthened the state's technology economy.

Despite this success, access to seed and early-stage risk capital remains a significant challenge for many Arizona startups and emerging technology companies. National venture investment has increasingly become concentrated in a relatively small number of large transactions and companies, particularly those focused on artificial intelligence, making access to capital more difficult for many early-stage companies. Arizona must continue developing a deeper and more durable in-state capital ecosystem so promising companies can launch, commercialize technologies and scale here rather than relocating to markets where early-stage funding is more readily available. Losing these companies also means losing intellectual property, entrepreneurs and high-quality jobs Arizona works hard to create.

POSITIONS

Expand Angel Investment

Expand and strengthen the Angel Investment Tax Credit to better address Arizona's growing need for seed and early-stage capital. The Arizona Commerce Authority may certify up to $2.5 million in tax credits each fiscal year plus any unused credit capacity carried forward from prior years through June 30, 2031. Qualified investors generally receive a tax credit equal to 30% of an eligible investment in an Arizona qualified small business and 35% for qualifying

rural or bioscience businesses. The program helps reduce the inherent risk associated with investing in young companies and encourages private investors to provide capital that otherwise may not be available. Increase the annual authorization, extending the program beyond 2031 and periodically evaluating eligibility requirements to ensure the program continues supporting high-growth Arizona companies. The innovative businesses receiving these investments can create high-quality jobs, commercialize new technologies and contribute to the long-term diversification of Arizona's economy.

Continue the Research & Development Tax Credit

Protect, strengthen and explore making the current levels of Arizona's Research & Development (R&D) Tax Credit permanent. R&D incentives encourage businesses to conduct research, engineering, product development and commercialization activities in Arizona rather than other states or countries. The credits are especially important as Arizona competes for investment in semiconductors, aerospace and defense, artificial intelligence, advanced manufacturing, bioscience, energy and other research-intensive industries.

Evaluate opportunities to improve the ability of growing companies to use credits they have earned but cannot immediately utilize because they lack sufficient tax liability. These stranded credits can be particularly significant for technology companies investing heavily in R&D before becoming profitable. Explore responsible mechanisms for companies to access a portion of these credits while encouraging additional investment in state priorities such as workforce development, water innovation, advanced manufacturing and research commercialization. Consider reestablishing the refundable R&D tax credit program, allowing small early-stage companies to access these funds to reinvest into their companies during this critical point.

Increase Early-Stage Venture Capital

Boost seed and early-stage funding, which is critical for startups and emerging companies as they develop technologies, validate markets, hire employees and commercialize products. Although Arizona has developed successful entrepreneurial programs such as the Arizona Innovation Challenge, accelerators, university commercialization programs and other initiatives, the state continues to compete with markets that have significantly deeper pools of venture capital. Nationally, venture investment has become increasingly concentrated in a relatively small number of very large deals, particularly in artificial intelligence, making a strong local capital ecosystem even more important for companies outside those transactions.

Evaluate approaches used successfully by other states to leverage private capital rather than simply replacing it with public funding. Objectives should be to attract additional private investors and venture funds to Arizona, increase locally managed capital and give promising companies a greater opportunity to remain and grow in the state. Various funding models should be analyzed to determine which could be viable in Arizona.

Potential programs include:

Corporate-LP Attraction Program

Incentivize Fortune 500 companies, industry leaders and major Arizona employers to become limited partners (LPs) in Arizona-based or Arizona-focused venture capital funds.

Mechanics:

- Offer targeted tax incentives, co-investment opportunities or other performance-based incentives for corporate LP commitments in venture funds that deploy meaningful capital into Arizona companies.

- Prioritize sectors in which Arizona already possesses competitive advantages, including semiconductors, artificial intelligence, aerospace and defense technology, advanced manufacturing, bioscience, energy, water technology, and optics and photonics.
- Require participating funds to demonstrate meaningful Arizona investment activity rather than simply maintaining an address in the state.
- This initiative brings strategic capital into Arizona, accelerates commercialization, connects emerging companies with potential customers and partners, and embeds major corporate networks more deeply into the state's startup ecosystem.

Arizona Innovation Bonds

Explore a mechanism to mobilize long-term capital for Arizona's innovation ecosystem through bonds or other structured financing vehicles tied to measurable economic outcomes.

Mechanics:

- Direct proceeds toward eligible early-stage co-investment programs, research commercialization, accelerators, technology infrastructure and other initiatives that strengthen Arizona's innovation ecosystem.
- Structure repayment and risk-sharing mechanisms on clearly defined performance measures, such as private capital leveraged, company growth, job creation and taxable economic activity.
- Require rigorous underwriting, transparency and independent oversight to protect taxpayers and ensure public capital supplements rather than displaces private investment.
- Use of bonds could mobilize larger pools of patient capital for long-term economic development while maintaining fiscal discipline and tying public participation to measurable economic returns.

University Spinout Acceleration Fund

Create a dedicated capital pool to launch and scale companies emerging from research conducted at Arizona universities and research institutions in partnership with private investors, accelerators, corporate partners and R&D centers.

Mechanics:

- Co-invest alongside qualified private investors in startups commercializing intellectual property developed at Arizona State University, The University of Arizona, Northern Arizona University and other Arizona research institutions.
- Require participating companies to maintain a meaningful operational, research or headquarters presence in Arizona for an appropriate period.
- Use private-sector investment as validation and leverage public dollars rather than allow government to independently select companies for investment.

Establishing a fund retains valuable intellectual property and entrepreneurial talent in Arizona, translates academic breakthroughs into commercially viable companies and strengthens collaboration among universities, investors and industry.

Corporate-Innovation Matching Grants

Develop a competitive program in which Arizona provides matching support for qualified corporate investments in research, development, demonstration and commercialization projects involving Arizona-based startups.

Mechanics:

- Eligible projects must involve meaningful private-sector participation, such as joint development, pilot projects, customer validation, commercialization agreements or strategic investment between an established company and an Arizona startup.
- Require substantial private matching funds and establish appropriate caps to leverage rather than replace corporate investment.
- Prioritize technologies aligned with Arizona's strategic strengths, including semiconductors, aerospace and defense, artificial intelligence, advanced manufacturing, bioscience, energy and water technology.

Grants could encourage established companies to conduct innovation and commercialization activities with Arizona startups rather than sourcing those capabilities elsewhere, as well as reduce the risk associated with early customer adoption and help emerging companies establish the commercial relationships necessary to scale.





CYBERSECURITY

PRINCIPLE

Arizona is home to thousands of businesses, organizations, government entities and educational institutions that are at daily risk of cyberattacks. The rate and severity of cyber incidents is on the rise, with an estimated 2,200 daily cyber events.

Malicious actors continue to deploy sophisticated techniques, such as social engineering, and exploit system vulnerabilities to access protected networks. In 2026, AI-enabled social engineering attacks and deepfakes, identity-based attacks, and multi-extortion ransomware are the most prominent types of cyber intrusions. Small and medium sized businesses (SMBs) are particularly vulnerable to cyber threats. Approximately half of all cyberattacks target small businesses, 70% of which are unprepared to deal with such attacks.

As cyberattacks increase, so do the costs. Cyberattacks in 2026 are estimated to result in more than $900 billion in total costs nationwide while the costs associated with investigating a breach have increased to roughly $11.5 million per incident. In 2026, Arizona ranks in the top ten states for financial losses due to cybercrime at a staggering $600 million.

Arizona is a national cybersecurity leader in attracting prominent cyber and technology companies and talent, and promoting robust cyber preparedness for our public and private sectors. The state has launched innovative cyber response capabilities, including the Arizona Cyber Command, the Statewide Cyber Readiness Program and a public-private partnership for cyber intelligence sharing developed collaboratively with ACTRA (Arizona Cyber Threat Response Alliance). With this growth comes an increasing demand for a skilled workforce. There are currently more than 12,500 vacant cyber and IT jobs across Arizona.

The Statewide Cyber Readiness Program is quickly gaining prominence as a national model for enhancing state, local and tribal cyber preparedness. Federal and state funding has facilitated the delivery of critical cybersecurity tools to more than 200 government agencies, as well as school districts and other public entities. Together with the Readiness Program, Arizona's Regional Security Operations Centers (RSOCs) bring together cybersecurity experts, educators and students to provide critical cybersecurity services to small government agencies. The RSOC

model, most recently launched at Glendale Community College and Paradise Valley Community College, is a creative solution to address the state's workforce and the cybersecurity needs of small political subdivisions.

POSITIONS

Cyber Resiliency

Support Arizona Cyber Command and the Statewide Cyber Readiness Program and promote additional innovations to address emerging cyber threats. Arizona's public and private sectors should continue to take a proactive approach to cybersecurity improvements. Cyber preparedness is key to staving off escalating cybersecurity costs.

Education and Workforce

Support ongoing expansion of Arizona's RSOC model, funding tosupport cybersecurity education for students, and expansion certification programs and postsecondary degrees in information technology and cyber curricula. Increase opportunities for educator training and professional development in this critically important area, including internships, externships and apprenticeships to provide real world experience.

Laws and Regulations

Be a thought leader in responsible state laws and local regulations that promote cyber awareness, education and preparedness for Arizona's private and public sectors, and offer cyber resources and training for SMBs to help alleviate financial barriers to cybersecurity improvements. Support incentives for private sector investment in advanced research and development, particularly focused on artificial intelligence and machine learning to use as defenses against cyberattacks.





DATA CENTERS

PRINCIPLE

The digital age has exponentially increased our reliance on data. As businesses and communities become more data-driven, there is a growing demand for reliable and efficient data centers. Our region now ranks as one of the nation's top markets for data centers. Arizona is appealing due to its low risk of natural disasters, affordable real estate and proximity to technology hubs in Texas and California.

Data centers are the backbone of America's digital infrastructure and critical to our national security. Data centers are key to digitalization, facilitating data driven decision-making and supporting a broad spectrum of industries and services. They are as vital components of the modern infrastructure. Arizona's leadership gives us a competitive edge, positioning us to attract high-tech companies, drive innovation and build a future-ready economy. Without robust domestic data center capacity, we risk having sensitive national security information vulnerable to foreign actors and cyber threats. Every new data center strengthens our digital sovereignty, as well as our state and national resilience. By fostering a favorable climate for these facilities, we not only attract these investments but also create a ripple effect throughout our tech ecosystem, encouraging the growth of related industries, creating high-skilled jobs and solidifying Arizona's position as a leading tech hub.

Data centers foster an expanded business ecosystem and create new opportunities for education and skill development to help local employees reskill and find higher-paying, high-demand careers in Arizona's advanced manufacturing economy. Each project can require hundreds of construction professionals such as electricians, carpenters, pipefitters and HVAC technicians while a facility is being built. Once operational, a data center may employ 100 or more employees and contractors with technical knowledge and skills across a variety of roles. A recent PwC report highlighted that in 2023 Arizona's data centers supported more than 81,000 jobs across the state and that each job inside a data center supports six jobs elsewhere in the economy.

As artificial intelligence evolves and becomes more ingrained in everyday life, the demand for data storage and computing power will only increase. Arizona's data center industry must

continue to grow as tech innovations demand more space, more power and more storage. The digital economy runs through data centers, and these data centers increasingly run through Arizona.

POSITIONS

Encourage Responsible Land Use Policies

Advocate responsible and transparent local land use regulations and policies, with reasonable setback requirements, definitions, and measurable noise regulations in Arizona cities and counties. Support land use regulations that do not unduly hinder data center development and construction and provide cities with sufficient flexibility to establish exemptions to regulations when necessary. Proactively encourage partnership with local governments to identify how data centers can help address local challenges, such as workforce development programs, infrastructure improvements, or sustainable water management practices that benefit both the facility and surrounding areas.

Support Diversification of Energy to Power Data Centers

Support more reliable, carbon-free energy and improved energy efficiency initiatives to help sustainably power data center operations since secure, dependable and affordable energy resources are critical. Advocate the state and utilities to prioritize solar, wind and battery storage, as these energy supplies represent the cleanest, lowest-cost and fastest-to-deploy resources available to meet growing electricity demand in Arizona. These resources enhance grid reliability and flexibility, supporting large, energy-intensive loads while limiting rate impact and reducing emissions. Support partnerships between data centers and incumbent electric utilities to develop new generation resources. Advocate the development of co-located energy generation options including but not limited to safe, small modular nuclear reactors (SMRs) at data center sites. Nuclear power plants typically generate power at relatively low operating costs, with a single reactor generally having a capacity of 800 MW or more. Nuclear power plants also produce electricity without directly emitting carbon dioxide, a consideration for technology firms investing in energy-intensive data centers that are trying to meet self-imposed emissions reduction goals.

Develop Responsible Water Use Technologies

Encourage local data center innovation regarding water recycling utilization of closed loop systems and other water-saving technologies. Discover and support funding opportunities for implementation of water-saving technologies at data centers.

Promote Economic Development

Continue positioning Arizona as a welcoming environment for data center development. Support reopening the Computer Data Center (CDC) Program, established in 2013 and administered by the Arizona Commerce Authority in conjunction with the Arizona Department of Revenue, and currently paused until June 30, 2029. Support protecting existing transaction privilege tax and use tax exemptions at the state, county and local levels on qualifying purchases of CDC equipment. Encourage data center owners and operators to continue investing in their local communities by developing educational programs, sustainable energy options and other exciting services for the region. Data centers foster an expanded business ecosystem and create opportunities for education and skill development to help local employees reskill and find higher-paying, high-demand careers in Arizona's advanced manufacturing economy.

Large Load Tariffs

Secure policies that ensure large-load customers pay the full cost of the infrastructure, grid upgrades, and resource investments necessary to serve their demand.



DIGITAL INFRASTRUCTURE

PRINCIPLE

Arizona citizens benefit from improved safety, enhanced mobility, reduced travel time, and bolstered commercial opportunities through multimodal corridors linking the state to Mexico, Canada, the Intermountain West and neighboring states, particularly California. The corridors should include roadways and telecommunications pathways coupled with rail and energy rights-of-way when appropriate.

There remain major gaps and deficiencies in the availability, reliability and affordability of broadband internet connections, especially in rural and tribal areas, as well as low-income neighborhoods and other disadvantaged communities necessitating investment in new infrastructure, advanced technology solutions and support services to help close these gaps.

All Arizona citizens require affordable devices such as computers, tablets and smartphones; digital literacy and digital skills training, including responsible use of artificial intelligence; quality technical support; access to useful content and applications; and help with cyber safety and security. Arizona should advocate full restoration of the federal Digital Equity Act's capacity and competitive grant programs while building durable state, local, private-sector and philanthropic support so digital inclusion does not rise and fall with federal grant cycles. When citizens can afford and confidently use reliable digital resources, quality of life improves and businesses and institutions thrive.

POSITIONS

Support Emerging Technologies

Continue policies that foster Arizona's technology sector and position the state as a leader in emerging communications, mobility, computing technologies, and leveraging emerging AI capabilities. Support Arizona Commerce Authority initiatives that promote testing, commercialization and responsible deployment, including the Institute of Automated Mobility and other public-private innovation platforms.

Promote growth in fiber and advanced wireless networks, 5G and early 6G research, private networks, Internet of Things (IoT), autonomous and connected vehicles, smart communities and places, artificial intelligence, edge and cloud computing, data centers, direct-to-device and low earth orbit satellite services, augmented reality and high-capacity mobile content. These technologies require abundant and redundant backhaul, resilient power, flexible spectrum access and scalable middle-mile infrastructure.

Promote policies that encourage emerging technologies and further establish Arizona as a global innovator. Regulatory policy should provide appropriate safety, cybersecurity, privacy, resilience and consumer protections while remaining predictable, technology-aware and proportionate so it does not discourage investment, experimentation or market entry.

Encourage Broadband Regulatory Reform and Support Policies

Remove unnecessary costs, delays and inconsistent requirements that inhibit privately funded, public-private, cooperative, tribal and municipal broadband infrastructure. Coordinate rights of way, pole attachments, utility locates, environmental reviews and permitting across jurisdictions. Promote dig-once and broadband-ready construction in a fair manner that doesn't give competitive advantages to any one company. Use transparent timelines, fees and engineering standards. Protect safety, reliability and public funds without duplicative reporting or retroactive rule changes, recognizing broadband's high fixed costs, spillover benefits, lengthy deployment cycles and rapid technological change.

Advanced Wireless: Evolve the Arizona 5G Roadmap

Broaden the Arizona 5G Policy Roadmap to address 5G-Advanced, early 6G development, private wireless, fixed wireless, Wi-Fi, Citizens Broadband Radio Service, direct-to-device and satellite connectivity. Support a complementary mix of licensed, shared and unlicensed spectrum; fiber-rich backhaul; and resilient edge infrastructure. Design Broadband Equity Access and Deployment (BEAD) Program and other middle-mile and last-mile investments so towers, community anchor institutions and aggregation points can efficiently support mobile and fixed wireless capacity.

Support field tests and living-laboratory opportunities for advanced wireless, dynamic spectrum sharing, connected transportation, precision agriculture and public-safety communications. Encourage reasonable standards for microtrenching and shallow-depth construction, and streamline siting of towers, small cells, distributed antenna systems and private-network facilities. Support fast and predictable local processes while protecting safety, environmental and historic resources, and legitimate community interests.

Make suitable public buildings, water tanks, towers, streetlights and other vertical assets available to providers on reasonable, nondiscriminatory terms supported by a statewide inventory. Fund transportation agencies for broadband-enabling conduit, fiber, power and access points along strategic corridors and require coordination during roadwork so public projects do not repeatedly reopen the same rights of way.

Leverage State Government Broadband Planning and Initiatives

Support the Arizona Commerce Authority (ACA) coordinating BEAD with the statewide middle-mile strategy, Smart Highways, tribal and local plans, and the Interagency and Community Broadband Advisory Council as Arizona moves from BEAD planning and selection to grant execution, environmental review, permitting and deployment. Make program decisions transparent and performance-based, prioritizing scalable fiber where feasibility supports it while allowing reliable fixed wireless and satellite solutions for high-cost locations. Use open-access middle mile and adequate backhaul to increase competition and leverage every public dollar.

Maintain an integrated affordability strategy after the Affordable Connectivity Program. Support a permanent federal broadband benefit, strengthen Lifeline enrollment and outreach, enforce BEAD low-cost options, encourage provider and foundation programs, and consider state or local assistance for households that remain priced out. Make digital navigators available through libraries and other organizations to help residents compare plans, enroll in benefits and avoid hidden fees while policymakers track adoption and affordability.

Use broadband standards that account for download and upload speed, latency, reliability, outage recovery, cybersecurity, affordability and capacity growth—not merely advertised peak speed. Require publicly funded networks to be scalable for telehealth, education, artificial intelligence, business, entertainment and IoT demand while accounting for Arizona's geography, extreme heat, wildfire exposure, tribal lands and high-cost rural areas.

Support Arizona Department of Transportation and ACA in expanding and commercializing the state's open-access highway broadband conduit and fiber network on fair, nonexclusive and nondiscriminatory terms. Fully leverage the existing Smart Highway Corridor Trust Fund to reinvest revenues from telecommunications leases, fiber access and rights of way into broadband infrastructure along Interstate 10, Interstate 8 and other strategic corridors. Continue public-private investment that extends middle-mile capacity to rural communities, supports wireless and 5G deployment, connects data centers and economic-development assets, and enables intelligent transportation and connected-vehicle applications. Consider regulatory reform and incentives that further drive rural broadband deployment by electric cooperatives.

Maintain public state broadband mapping that integrates Federal Communications Commission availability data with verified service, fiber and middle-mile routes, grant-funded projects, community anchor institutions, pricing, adoption, speed-test and reliability information. Provide open, privacy-protective data and usable interfaces through the AZGeo Clearinghouse so communities, providers and policymakers can identify gaps, avoid duplicate funding, measure outcomes and plan resilient routes.

Leverage Broadband Grants

Support the State Broadband Office in executing BEAD projects on time and with accountable, workable grant agreements. Continue state infrastructure and digital inclusion funding after BEAD through appropriations, revolving or low-cost financing, loan-loss reserves, matching assistance and targeted grants for high-cost areas, tribal communities, middle mile and resilience. Preserve reliance on merit-based awards, protect properly obligated grants from arbitrary rescission, and allow eligible BEAD savings or non-deployment funds to support adoption, workforce and digital inclusion when federal law and guidance permits. Provide mechanisms for making state matching funds available to help eligible schools and libraries maximize E-Rate.

Expand Digital Access

Advocate prompt restoration of both the national Digital Equity Competitive Grant Program and the State and Territorial Digital Equity Capacity Grant Program. Continue implementing its digital equity plan through state, tribal, library, education, workforce, healthcare, nonprofit and private-sector partnerships. Digital inclusion includes affordable and reliable service, appropriate devices, digital navigators, skills and technical support, accessible content, cybersecurity and safe use of artificial intelligence. E-Rate and other community anchor institution programs should cover modern cybersecurity needs and enable institutions to serve as trusted access and support hubs.

Build a durable statewide digital inclusion ecosystem with technical assistance, local planning, device refurbishment and distribution, digital navigator services, multilingual and accessible training, cyber safety, AI literacy and outcome measurement. Retain libraries as front-line hubs for skills, job search, telehealth, hotspot lending and technical support.

Consistent with Connect Humanity's sustainable-funding approach, encourage co-investment by health systems, workforce agencies, housing providers, educational institutions, telecommunications providers, employers and philanthropy when digital adoption produces measurable savings or economic value for those sectors.

Use Arizona's digital equity plan as an implementation roadmap, updating it with measurable goals for adoption, affordability, devices, skills, technical support and safe participation. Establish a long-term state strategy and diversified funding base that can sustain effective community programs after individual grants end. Funding should be locally informed, outcomes-focused and available to organizations with trusted community relationships.

Modernize and Sustain Commission Funding

Modernize the outdated funding mechanism for the Arizona Commission for the Deaf and the Hard of Hearing through a broader, technology-neutral revenue base or alternative dedicated structure that preserves statutory obligations, supports program modernization and expansion, minimizes consumer impact, is workable for service providers, and is budget neutral where feasible. The commission promotes accessible communication, language acquisition and literacy, information and referral, ADA accommodations, interpreter licensing and workforce development, Arizona Relay Service/7-1-1, and specialized telecommunications equipment for Arizonans who are deaf, hard of hearing or deafblind, or have speech-related disabilities. The commission receives no state general fund appropriations and relies primarily on the Telecommunications Fund for the Deaf financed by a 1.1% surcharge on declining landline telephone revenues as consumers migrate to mobile services, creating a projected deficit by FY2028.

Deepen Arizona's Community Role in Broadband

Support regional and local broadband action teams that coordinate deployment, rights of way, pole access, permitting, adoption and resilience planning. Teams should include providers, tribes, governments, residents, businesses, utilities, schools, libraries, health organizations and nonprofits; use asset maps and performance data; and develop localized digital inclusion plans. Leverage Federal Reserve Community Reinvestment Act activity, community-benefit agreements and other place-based financing where appropriate.

Focus on Cyber Safety and Security Strategy for Consumers

Fund a coordinated consumer strategy that pairs connectivity and devices with practical protection from scams, identity theft, account compromise, misinformation, synthetic media and AI-enabled fraud. Treat cyber safety for end users as a core component of digital inclusion and literacy, alongside institutional cybersecurity and network resilience. Students, families, seniors and first-time users need accessible training, privacy tools, secure-device configuration and trusted assistance.

Evolve the Arizona Universal Service Fund

Examine modernizing the Arizona Universal Service Fund, which remains oriented toward legacy telephone support in high-cost areas. Any reform should support affordable access to broadband-capable networks, ongoing operations and resilience where market revenues are insufficient; coordinate with federal high-cost and Lifeline support; avoid duplicate funding; use transparent eligibility and performance standards; and consider a sustainable, competitively neutral contribution base. The fund also could provide state match or targeted support for community, tribal and cooperative projects.

Adopt Digital-Government Best Practices

Adopt digital-government best practices for internal operations and delivery of services while driving the increased use and adoption of high-capacity digital connectivity and technologies across major application sectors, including education, healthcare, public safety, e-commerce,



e-government, remote work, and mobile enablement. State, local and tribal government should continue to migrate to cloud services and use platform as a service (PaaS) and software as a service (SaaS) offerings to provide staff and operational efficiencies at lower cost while ensuring reasonable cybersecurity and data privacy protections are in place.

Leverage National Public Safety Broadband Network

Leverage FirstNet-driven infrastructure improvements to strengthen interoperable public-safety communications and rural broadband, including fiber extensions, towers, small cells, backup power and hardened facilities. Support timely permitting and rights of way, broad adoption by public-safety agencies, roaming and interoperability, and coordinated resilience planning so public investments provide extended benefits to rural and tribal Arizona.

Examine modernize the Arizona Universal Service Fund, which remains oriented toward legacy telephone support in high-cost areas. Any reform should support affordable access to broadband-capable networks, ongoing operations and resilience where market revenues are insufficient; coordinate with federal high-cost and Lifeline support; avoid duplicate funding; use transparent eligibility and performance standards; and consider a sustainable, competitively neutral contribution base. The fund also could provide state match or targeted support for community, tribal and cooperative projects.



ECONOMIC DEVELOPMENT

PRINCIPLE

Arizona must have many competitive economic development tools available while encouraging innovation, as well as business attraction, retention and growth because we are competing with other states and countries. Arizona has become a well-known technology hub in the nation after creating, attracting and growing many technology companies in the past 20 years due to its favorable economic climate. The state has been recognized as a national leader in advanced manufacturing. However, we must ensure continuation of programs that assist this process rather than adopting policies that could be detrimental to the state's economic growth and reputation.

POSITIONS

Promote the Arizona Commerce Authority's

Advocate Arizona Commerce Authority's (ACA) programs, including the extension and replenishment of the Arizona Competes Fund. Support the ACA's mission to grow and strengthen Arizona's economy and facilitate the creation of quality jobs for its citizens by expanding and attracting businesses in targeted, high-value industries throughout the state. Encourage support for the many ongoing ACA initiatives focused on enhancing Arizona's innovation ecosystem. Support the Arizona Office of Economic Opportunity's mission to increase the state's workforce quality and business climate through use of economic, demographic and regulatory data; policy development; and relationships with key partners.

Support Global Competitiveness

Support the increase of resources dedicated to Arizona's State Trade and Export Promotion (STEP) program from the ACA and U.S. Small Business Administration. This would help ensure small businesses are able to compete internationally on a level playing field. The Arizona Technology Council will participate in trade missions around the world to provide economic opportunities for its members. Encourage support for RevAZ, which is the Arizona Manufacturing Extension Partnership (MEP) center created through a partnership between the ACA and the National Institute of Standards and Technology. The goal of RevAZ is to become the central resource for technical assistance and all things manufacturing for Arizona's existing community of small and mid-sized manufacturers.

Encourage Infrastructure Investment

Support the development and expansion of tools to facilitate public and private investment in infrastructure necessary to competitively enable high-tech manufacturing investments and growth, including improvement of necessary public infrastructure in jurisdictions tosupport manufacturing. Ensure access to essential infrastructure, such as broadband, is available across the state to ensure Arizonans can work from anywhere in the state.

Foster Local Efforts

Foster local economic development by supporting local entrepreneurs who engage with the global economy to deliver goods and services around the world. Encourage and support initiatives to make Phoenix, Tucson and other Arizona communities more supportive of startups and innovation, and promote increased investment and expanded tax credits for employment in federally certified opportunity zones. Ensure local governments do not create ordinances that serve as roadblocks to doing business in their jurisdictions but instead support streamlined processes when possible. Promote access to opportunities, credit, funding, investors and mentors since studies show these challenges can severely limit growth.

Reduce Regulations

Continue to reduce the number of regulations that discourage companies from relocating to or growing in Arizona. Maintain robust support from the Legislature and the business community to streamline rules and craft policies that stimulate economic growth rather than stifle it. This approach is particularly vital for emerging, innovative and disruptive technologies that challenge traditional industry models, ensuring that new ideas and industries are not overly regulated as laws and frameworks evolve.

Elevate Targeted Industries

Advocate and support policies focused on creating, attracting and retaining those employers that pay the highest wages. Wage studies routinely show that many technology fields employ the highest-paid employees. In particular, the Council recommends efforts to target the following industries: health and bioscience; semiconductors and electronics; IT and cybersecurity; energy; aerospace (including commercial space); aerospace and defense; telecommunications; optics; and medical, financial and educational technologies. Support Arizona's efforts to establish a leadership position that encourages adoption of new, innovative and disruptive technologies such as blockchain, artificial intelligence, machine learning, additive manufacturing, autonomous vehicles and the Internet of Things.

Boost Access to Capital

Work to provide opportunities for border-based businesses to have access to needed capital. Much has been made of the border flight by the three biggest U.S banks—Chase, Bank of America and Wells Fargo, respectively—leaving many border-based businesses without access to working capital and lines of credit.

Support Underrepresented Entrepreneurship

Support business efforts to boost underrepresented entrepreneurship by increasing supply chain diversity, creating pitch competitions and mentoring assistance, and providing additional access to capital in order to ensure existing funding opportunities include startups and growth of underrepresented or largely underrepresented businesses. Support federal reauthorization of the Federal and State Technology (FAST) Partnership Program and Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR).

Protect and Expand Economic Development Programs

Ensure economic development programs essential to the attraction and growth of advanced manufacturing in Arizona are not eliminated, which could hurt continued expansion. Some of these programs are becoming targets for some organizations, as well as approaching or hitting their caps due to the growth Arizona's technology industry has experienced during the past several years. Look for opportunities to broaden these programs to meet the existing needs of the state.

Restore Repealed Economic Development Tools

Establish strategy and support policies to restore key economic development programs, such as the Refundable R&D and the Quality Jobs tax credit programs. These programs have helped businesses put valuable resources back into their companies to support growth through additional research and development or through the creation of additional high-quality, high-paying jobs. These tools were proven to not only incentivize the behaviors desired but also returns on investments that benefited the state.





EDUCATION, WORKFORCE DEVELOPMENT AND WORKPLACE

PRINCIPLE

The lack of skilled talent continues to be one of the greatest barriers to business growth, innovation and economic competitiveness in Arizona. At the same time, a disconnected education-to-workforce system costs the United States an estimated $1.1 trillion annually through inefficiencies, missed opportunities and unrealized human potential.
Arizona cannot meet future workforce demand by relying on population growth or drawing skilled workers from other states. Long-term economic success depends on developing, attracting and retaining talent; strengthening Pre-K through postsecondary education and workforce development; and creating permeable pathways among K-12, career technical education (CTE), apprenticeship, higher education and employment.

Education, workforce, industry, economic development and community partners must form an essential talent infrastructure. A connected statewide ecosystem can better align talent with opportunity, maximize public investment and generate workforce intelligence to guide policy and investment decisions.

POSITIONS

Statewide Workforce Strategy

Strengthen career awareness and expand access to education and workforce pathways aligned with Arizona's high-growth industries. Increase postsecondary attainment through industry-recognized credentials, dual enrollment, and work-based learning. Invest in statewide workforce

connectivity infrastructure that improves coordination across Arizona's education, workforce, industry and community partners while generating actionable workforce intelligence. Expand access to future-ready learning through STEM, computer science, artificial intelligence, cybersecurity, broadband connectivity and digital literacy, with AI embedded as a cross-cutting competency across occupations. Remove barriers to employment, strengthen talent mobility and improve Arizona's economic competitiveness by connecting individuals to education, training and career opportunities. Create new platforms and effective messaging to attract and retain diverse and strengthen Arizona's position as a national technology and innovation hub.

Arizona has invested in a workforce strategy through Pipeline AZ, together with initiatives such as the Shared Skills Competencies and Jobs Framework of SciTech Institute (Arizona Technology Council Foundation). The goal is to strengthen alignment between education and industry while supporting a more connected, data-informed talent ecosystem that advances long-term economic competitiveness. The Council supports the State 48 Graduate Profile and related future-ready frameworks led by the Arizona Institute for Education and the Economy.

Career Exploration

Promote career awareness and ensure all students have access to education and workforce pathways aligned with Arizona's high-growth and emerging industries. Increase participation in industry-recognized credentials, microcredentials, certificates and degrees aligned with employer demand. Expand access to internships, pre-apprenticeships, apprenticeships and other employer-connected learning, with stronger connections to CTE and postsecondary credit where appropriate. Increase high school completion, postsecondary attainment and participation in credit-bearing coursework leading to high-wage, high-demand careers. Invest in adult education and innovative models that enable adult learners to simultaneously earn high school equivalency credentials and workforce-aligned postsecondary credentials. Designate My Future AZ powered by Pipeline AZ as the official statewide Education and Career Action Plan (ECAP) platform. Support postsecondary pathways and credential attainment.

Arizona's economic competitiveness depends on early access to career awareness, as well as connected education and workforce pathways aligned with the state's current and future needs. Career exploration, STEM and CTE learning, work-based learning, and industry-recognized credentials, certificates and degrees should function as a connected talent pipeline better preparing Arizonans for high-demand careers.

Workforce Pathways

Expand access to CTE, dual enrollment, and advanced placement (AP) to increase attainment of workforce-aligned credentials and degrees. Restore and increase financial support for dual enrollment, AP and other workforce-aligned postsecondary opportunities. Expand educator capacity by strengthening certification pathways, including Arizona Teachers Academy, dual enrollment certification, alternative certification pathways, and professional development in STEM, computer science and artificial intelligence. Support innovative instructional models such as high-quality remote learning, particularly in rural and underserved communities. Restore ninth grade and adult education eligibility for Career and Technical Education Districts (CTEDs), reauthorize CTED participation through age 21, and provide adequate transportation funding. Expand integrated education and training models that enable adult learners, including 16- to 24-year-olds neither in school nor employed, to earn workforce credentials while completing adult education. Expand credit for prior learning and competency-based policies—including recognition of military training, apprenticeship and workforce experience—to accelerate credential attainment, degree progression and workforce entry. Support education and workforce investment and accountability.

Achieving affordable, high-quality post-secondary education and workforce training aligned with employer demand requires strengthening CTE, dual enrollment, AP, credit for prior learning and workforce-aligned credentials to accelerate educational attainment and prepare more Arizonans for high-demand careers. Arizona should continue building a seamless education-to-workforce continuum where learners can carry forward competencies, credit and credentials. Stackable pathways should connect non-credit training, industry credentials, apprenticeship and credit-bearing certificates and degrees without unnecessary loss of time.

Invest in Education

Develop sustainable funding models across Arizona's Pre-K-20 education system to achieve the state's progress meter goal of 60% of working-age adults holding a postsecondary degree or credential. Provide sustainable funding for My Future AZ's statewide ECAP platform to ensure every student has access to consistent career planning while generating standardized workforce intelligence that enables Arizona to measure student interests, education pathways and alignment with employer demand across the priority industries. Modernize accountability systems through consistent, transparent statewide reporting of education and workforce outcomes aligned with the progress meter. Permanently eliminate or modernize the Aggregate Expenditure Limit. Increase investment in educator compensation, recruitment, and retention. Strengthen funding for students from low-income families and students requiring special education services. Restore and expand the Arizona Promise Program funding and eligibility to include community colleges, and restore community college operating support. Modernize community college funding formulas to recognize workforce-focused and part-time learners who comprise two-thirds of Arizona community college learners. Modernize workforce funding to recognize the higher instructional and capital costs of high-demand STEM and technical programs, including labs, faculty, industry-standard technology and rapidly changing AI-enabled tools. Establish rapid response workforce funds that allow community colleges and eligible training partners to respond quickly to major employers, strategic industries, emerging technologies and urgent skill shortages. Maximize federal high-tech and workforce investments by coordinating state agencies, education providers and employers around CHIPS for America workforce and R&D investments, National Science Foundation STEM and technician-education opportunities, U.S. Department of Labor (DOL) apprenticeship and workforce funding, and other federal programs supporting semiconductors, advanced manufacturing, AI infrastructure, cybersecurity and related technical occupations. Leverage DOL's Pay-for-Performance Incentive Payments Program by connecting eligible Arizona apprenticeship sponsors and employers to national awardees, using the opportunity to strengthen apprentice retention, progression and completion in priority industries. Increase investment in adult education, English language acquisition, and workforce upskilling. Support future-ready stem learning and digital infrastructure.

STEM Ecosystem

Continue investing in the Final Mile Project to deliver educational broadband directly to students' homes in rural areas. Maximize federal E-Rate funding for high-speed school and library connections, internal networks and eligible cybersecurity services, plus provide state matching funds to leverage additional federal support. Support the Office of Digital Learning and the Academic Standards Department at the Arizona Department of Education to help close the digital divide. Expand programs like Connect Arizona and the Arizona Rural Broadband Development Grants to improve broadband access and digital literacy statewide. Establish durable state funding to replace the Emergency Connectivity Fund and address gaps left by the loss of E-Rate-supported off-premises hotspots and school-bus Wi-Fi, with accountability for devices, service and technical support. Sustain libraries as community broadband, device, digital navigator, telehealth, cybersecurity and technical-support hubs, including mobile and outreach services for remote communities. Expand access to digital learning tools and educator professional development that support effective technology integration.

Strengthen Arizona's STEM ecosystem through sustained collaboration among education, industry, workforce and economic development partners, with shared priorities for strategic industries and coordinated pursuit and implementation of federal STEM and technology investments.

Digital literacy, broadband, computer science, AI and cybersecurity are increasingly foundational across occupations. Because the Federal Communications Commission rescinded E-Rate support for off-premises hotspots and school-bus Wi-Fi, Arizona should maintain and expand state solutions for the homework gap while supporting congressional clarification allowing carefully controlled off-campus connectivity. Broadband remains foundational to education, workforce pathways, telehealth and economic opportunity, especially in rural and underserved communities.

Artificial Intelligence, Cybersecurity and Emerging Technologies Education

Expand access to high-quality computer science education for all Arizona students, maximizing Arizona's new State Seal of Computer Science Proficiency. Integrate AI literacy and applied AI competencies across Arizona's Pre-K-20, CTE and workforce systems so learners can responsibly use, evaluate and adapt AI tools. Recognize computer science and artificial intelligence coursework as eligible to satisfy appropriate high school graduation requirements. Invest in educator professional development to integrate AI and computer science into instruction. Recognize and support the Arizona Institute for Education and the Economy's statewide leadership in advancing responsible, future-ready approaches to artificial intelligence in education. Advance responsible AI policies that promote innovation while protecting privacy, cybersecurity, transparency, intellectual property and well-being, with appropriate student and family engagement. Strengthen partnerships among education, industry, government and research institutions to accelerate AI innovation, commercialization and workforce development. Support competency-based workforce strategies that prepare students and incumbent workers for occupations transformed by AI, using it to upskill, reskill and augment talent, and accelerate development of early- and entry-level workers.

Workforce Development, Participation and Economic Mobility

Arizona's economic growth depends on a workforce system that responds to employer demand, removes barriers to participation and creates multiple pathways to economic mobility. State policy should emphasize skills first, competency-based talent practices, lifelong learning and coordinated use of federal and state workforce resources.

Childcare Support

Increase workforce participation by expanding affordable childcare, transportation and other support that remove barriers to training and employment. Help employers leverage the enhanced federal Employer-Provided Child Care Credit (Section 45F). Treat childcare as economic infrastructure by expanding provider capacity and the childcare workforce. Encourage regional or employer-pooled models serving shift workers and high-growth employment centers. Support second-chance employment policies that reduce unnecessary barriers to workforce participation while maintaining appropriate public safety protections.

Childcare shortages impose significant costs on Arizona employers and families and constrain both workforce participation and postsecondary attainment. Arizona should treat childcare as workforce infrastructure by expanding supply, strengthening the childcare workforce, supporting care during nontraditional work hours, and helping employers, especially small and midsized businesses, use Section 45F.



ELECTRIC VEHICLES

PRINCIPLE

Arizona recognizes the future of personal mobility is increasingly electrified. Automakers globally are planning an estimated $1.2 trillion in investment through 2030 to develop and manufacture battery-powered vehicles, including investments in new assembly plants and battery factories, as well as retooling and modernizing existing facilities. Consumers also have more choices than ever, with 164 electric car, utility vehicle, pickup truck and van models available for sale in the U.S. as of the fourth quarter of 2025. These include battery electric, plug-in hybrid and other electrified technologies offering greater range, capability and choice across a growing number of market segments and price points.

Electric vehicles represented approximately 7.8% of new U.S. vehicle sales in 2025, according to Kelley Blue Book estimates. While EV sales slowed after the expiration of federal consumer tax credits in September 2025, it remained the second-highest year on record for U.S. battery-electric vehicle sales. Arizona continues to see significant adoption, with approximately 141,800 registered battery-electric vehicles in 2025, up from approximately 111,200 in 2024, in addition to 33,900 plug-in hybrid electric vehicles. As the market continues to evolve, policy should remain focused on consumer choice, affordability and infrastructure availability, and ensure Arizona is positioned to benefit from continued innovation and private-sector investment in transportation technologies.

Despite the growing number and variety of EVs available, consumers are unlikely to purchase vehicles they cannot conveniently and reliably charge. Although most EV charging occurs at home, additional options are needed to support consumers who cannot charge at home, as well as longer-distance travel and commercial fleets. This includes affordable and readily available charging infrastructure, reliable fast-charging networks, easy-to-understand utility rate structures that encourage charging when the grid has available capacity, and continued improvements in charging speed and vehicle range. Consumers consider all these factors when deciding whether EVs meet their transportation needs.

Arizona is already making significant investments in infrastructure. Through the National Electric Vehicle Infrastructure program, the state is eligible to receive $76.5 million in federal funding to establish up to 69 publicly accessible fast-charging stations along designated

alternative fuel corridors. Construction on the first phase began in 2026, with additional stations planned along interstate and state highway corridors. Continued deployment should emphasize reliability, geographic coverage, interoperability and leveraging private investment wherever possible.

The shift toward greater transportation electrification also creates expanded roles for utilities, energy regulators, automakers, charging providers and other stakeholders while creating opportunities for new and existing Arizona businesses. Public policy should encourage viable business models, attract private capital, stimulate competition and innovation, and ensure infrastructure investments are aligned with actual consumer and market demand. Arizona should pursue an approach that supports innovation and consumer choice rather than mandates any single vehicle technology. With focused collaboration and sustained public- and private-sector investment, Arizona can capture the economic, environmental and technological benefits of an increasingly electrified transportation system while maintaining affordability, reliability and choice for consumers.

POSITIONS

EV Accessibility and Advancement of Electrification

Provide no-compromise mobility for EV drivers and fleets by rapidly scaling access to reliable charging infrastructure at home and work, around town, and on the highway. EV drivers need access to convenient, accessible, affordable and reliable charging wherever they live, work and travel. Public and private investments should help charging networks reach sustainable scale and ensure infrastructure is available in more challenging settings, including multifamily housing, underserved communities and rural areas. Infrastructure deployment should be responsive to consumer demand and designed to maximize private-sector participation and competition.

EV Public and Private Partnerships

Accelerate the pace of infrastructure deployment through public-private partnerships and collaboration across government entities, utilities, industries and stakeholder groups. Work together across all sectors to leverage private capital, improve charging reliability and accessibility, and minimize costs to taxpayers and utility customers for infrastructure deployment.

EV Charging Rates and Affordability

Adopt utility rates and programs for EV charging that ensure charging remains affordable, appropriately compensates EV drivers or fleet operators when they provide valuable grid services, support fleet electrification and enable viable high-powered charging business models. Set rate structures that encourage charging during periods when the grid has available capacity and electricity costs are lower. Utility rate design can significantly affect the business case for fleet electrification and deployment of charging infrastructure, particularly high-powered fast charging. Utilities and the Arizona Corporation Commission should address this potential barrier while ensuring that infrastructure costs are allocated fairly among customers.

Grid Improvements to Support EV Adoption and Consumer Confidence

Prepare for timely, cost-effective grid upgrades to support growing EV charging demand while maintaining reliability and affordability for all customers. EV drivers and fleet operators need confidence that grid infrastructure is reliable, resilient and capable of accommodating their charging needs. Collaboration among utilities, automakers, EV charging companies, fleet owners, local governments, regulators and other stakeholders will be critical to anticipate demand, improve interconnection and permitting processes, and ensure grid upgrades occur in a timely and financially sustainable manner.



Utility Cost-Saving Efforts and Consumer Equity

Ensure transportation electrification produces benefits for utility customers and communities while protecting customers without EVs from cost shifts. Transportation electrification at scale can offer benefits, including transportation cost savings for EV drivers, more efficient utilization of existing grid infrastructure, valuable grid services, reduced vehicle emissions and improved air quality in high-traffic areas such as fleet depots, ports and freeways.

Favorable Building Codes to Advance Electrification Efforts

Encourage building codes and development standards that cost-effectively prepare new residential, multifamily, workplace and commercial parking facilities for EV charging. Installing electrical capacity and charging infrastructure during initial construction is generally more cost-effective than retrofitting existing buildings and parking facilities. Building requirements should reflect anticipated demand, differences among building types and local conditions while avoiding unnecessary construction costs. Increasing the availability of EV-ready parking, particularly in multifamily housing where residents may not otherwise have access to home charging, can remove a significant barrier to EV ownership and reduce the future cost of deploying charging infrastructure.



ENERGY

PRINCIPLE

Arizona's technology economy and its energy system are inseparable. Abundant, affordable, reliable and increasingly sustainable energy is essential to attracting investment, retaining and growing companies, creating high-quality jobs and maintaining Arizona's economic competitiveness. Every major technology cluster—from semiconductors, data centers and aerospace to advanced manufacturing, bioscience and artificial intelligence—depends on sufficient generation, transmission and energy infrastructure as electricity demand grows rapidly. Arizona should pursue an all-of-the-above energy strategy, excluding coal, that supports nuclear power, natural gas, solar and other renewable energy, energy storage, energy efficiency and emerging technologies. Policy should encourage innovation and private investment, expand generation and transmission capacity, protect reliability, keep costs competitive, and provide the energy resources necessary to support Arizona's continued growth.

POSITIONS

Grid Reliability & Transmission Optimization

Support policy reforms that streamline the siting and construction of both transmission and generation facilities that power Arizona's economic engines including:

- Encourage deployment of grid-enhancing technologies that support reliable, affordable and sustainable electric service.
- Expand co-location and uprating opportunities to facilitate transmission planning, improve permitting timelines and comply with environmental protections.
- Create a central point of contact for permitting and develop guidance for developers to navigate state and local county permitting requirements.
- Create state incentives, such as tax incentives, state investment, grants, bonding authority, or credit enhancement tools that can reduce upfront capital requirements and attract private investment, particularly during early development phases when risk is highest.
- Develop a statewide map of state assets that can support future planning and siting efforts in Arizona.

Leverage Federal Energy and Infrastructure Investments

Maximize Arizona's ability to compete for and utilize available federal energy, grid, infrastructure and advanced technology funding and incentives. Work through the Governor's Office of Resiliency and other state agencies to identify opportunities that can lower energy costs, expand generation and transmission capacity, improve grid reliability and resilience, support emerging energy technologies, and attract private investment to Arizona.

Clean Capacity & Peak-Shaving

Improve the diversity, reliability and affordability of Arizona's energy portfolio by expanding cost-effective solar, energy storage, distributed energy resources, demand response and other clean energy technologies. Encourage deployment of resources that generate and store electricity, improve energy efficiency, reduce or shift demand during critical peak periods, and make better use of existing grid infrastructure.

Support deployment of cost-effective short- and long-duration energy storage, including emerging storage technologies, to enhance grid reliability, integrate carbon-free resources , and meet peak and extended energy needs.

Expand deployment of virtual power plants and other demand-response technologies that aggregate customer-owned resources such as batteries, smart thermostats, electric vehicles and distributed generation to provide measurable grid capacity, reduce peak demand and lower system costs.

Strategic Use of Natural Gas as a Transition Bridge

Recognize modern, efficient natural-gas generation as an important component of Arizona's diverse energy portfolio, providing flexible and dispatchable power that supports grid reliability as electricity demand grows and additional renewable resources are deployed. Support appropriate natural-gas generation and infrastructure alongside nuclear, renewable energy, energy storage, demand response and grid-enhancing technologies to ensure Arizona maintains affordable, reliable and increasingly lower-carbon electricity. Encourage continued improvements in generation efficiency, emissions reduction and operational flexibility while ensuring sufficient firm generation is available to support population growth and energy-intensive industries such as semiconductor manufacturing, data centers and advanced manufacturing.

Support Nuclear Energy

Protect and extend the operation of the Palo Verde Generating Station, the second-largest nuclear power plant in the nation and a critical source of reliable, around-the-clock, carbon-free electricity for Arizona and the Southwest. Support efforts to extend Palo Verde's operating licenses into the 2060s while advancing development of additional nuclear generation to meet Arizona's rapidly growing energy needs. Encourage efforts by Arizona utilities to evaluate sites and technologies for new nuclear generation, including both large-scale reactors and small modular reactors (SMRs). Support efficient, predictable and safety-focused permitting and licensing of advanced nuclear technologies, including SMRs and microreactors, that can provide reliable power for the grid and energy-intensive industries such as semiconductor manufacturing, data centers and advanced manufacturing.

Support Clean and Renewable Energy

Maintain a competitive and predictable policy environment that enables continued investment in cost-effective clean and renewable energy technologies, including rooftop and utility-scale solar, wind and other emerging resources.

Position Arizona as a leader in clean energy generation, manufacturing and innovation by leveraging its exceptional solar resources, competitive tax environment, available land, skilled workforce and existing energy infrastructure. Ensure energy policy changes are made thoughtfully and

transparently with input from utilities, consumers, industry, communities and other affected stakeholders.

Support market-driven deployment of clean and renewable resources that contribute to affordability, reliability and Arizona's growing electricity needs.

Develop Clean Hydrogen

Support development of hydrogen and related technologies that can provide cost-effective solutions for energy storage, industrial processes, transportation, manufacturing and grid resilience. Encourage research, demonstration projects and private investment that can leverage Arizona's renewable energy resources, universities and advanced manufacturing capabilities while allowing emerging hydrogen technologies to compete based on economics, performance and market demand.

Support Solar and Wind Energy Siting Efforts

Advocate policies that provide reasonable and predictable processes for siting solar, wind and associated transmission projects. Oppose overly restrictive local moratoriums or land-use policies that unnecessarily prevent responsible energy development while recognizing legitimate community, environmental, agricultural and property-rights considerations. Renewable energy projects can provide important investment, tax revenue and economic opportunities, particularly in rural Arizona.

Support the Development of Energy Storage Solutions

Encourage strategic investment in short- and long-duration energy storage to strengthen grid reliability, manage peak demand and make more efficient use of Arizona's generation and transmission infrastructure. Support technology-neutral deployment of battery and emerging storage technologies based on reliability, performance, safety and cost effectiveness. Storage can provide critical flexibility as Arizona adds generation and responds to rapidly growing electricity demand.

Embrace Energy Efficiency

Support voluntary, cost-effective energy efficiency and demand-side management programs that demonstrably reduce peak demand, lower system costs and help defer unnecessary generation and infrastructure investments. Encourage programs to be evaluated based on measurable benefits, customer value and avoidance of unreasonable cost shifting among ratepayers.

Promote Onsite Power Generation

Support appropriate behind-the-meter and co-located generation that enables large energy users to meet a portion of their electricity needs while reducing pressure on the broader grid. Encourage flexible approaches that can incorporate solar, energy storage, natural gas,fuel cells, microgrids and other technologies while ensuring reliability, safety, fair allocation of infrastructure costs and appropriate coordination with utilities.

Grow Electric Transportation

Support continued development of market-driven electric vehicle charging infrastructure that strengthens Arizona's advanced transportation and vehicle-manufacturing industries while expanding consumer and fleet transportation choices. Support cost-effective charging infrastructure for personal, commercial fleet, transit, delivery and school vehicles where market demand demonstrates a need. Encourage charging rate designs and managed-charging technologies that minimize peak demand, make efficient use of grid infrastructure and protect non-EV customers from cost shifts.



FINANCIAL SERVICES: BANKING, CREDIT UNIONS & FINTECH

PRINCIPLE

Arizona's financial services and financial technology (fintech) sectors are among the most promising and fastest growing in our technology community. The broad and robust financial services and fintech communities offer a diverse range of products and services with the potential of disrupting traditional financial services companies and markets. Arizona has shown leadership in breaking down regulatory barriers that could inhibit fintech innovation and emerging business models. To continue cultivating a fintech-friendly environment, our goal is to help drive state regulatory reform, allowing use of virtual currency and innovative fintech offerings that meet the needs of Arizona's fintech sector where innovations primarily rely on this type of currency. Arizona must provide a robust, streamlined regulatory experience for virtual currency and non-bank firms that is transparent, allows or encourages innovation, provides a level playing field for businesses that does not favor larger players over small ones, and appropriately protects consumers from harm. With the GENIUS Act (Guiding and Establishing National Innovation for U.S. Stablecoins Act) establishing a federal framework for stablecoins and Congress advancing digital-asset market-structure legislation, Arizona has a renewed opportunity to lead the states in responsible tokenization, supporting tokenized deposits, programmable payments and real-world-asset applications that keep innovation and the jobs it creates in Arizona.

POSITIONS

Banking and Credit Unions

Support state policy that keeps Arizona a competitive home for chartered depository institutions as financial services digitize. Community banks and credit unions are among the state's largest employers and the primary source of local lending.

Strengthen Charter Competitiveness

Modernize bank and credit union charters and resource the Arizona Department of Insurance and Financial Institutions to act as a responsive, innovation-friendly regulator that encourages de novo formation of state-chartered institutions.

Keep Deposits Working in Arizona

Expand public-deposit and linked-deposit programs that place state and local government deposits with community banks and credit unions, keeping capital in Arizona to fund local businesses and housing.

Enable Safe Bank and Credit Union–FinTech Partnerships

Provide clear third-party-risk and sponsor-institution guidance so Arizona banks and credit unions can partner with fintechs to deliver modern products rather than lose customers to unregulated providers.

Extend the Sandbox to Regulated Institutions

Allow Arizona banks and credit unions to test tokenized deposits, programmable payments and other innovations within the fintech and proptech sandboxes, not only non-bank startups.

Protect Consumers on Non-Bank Products

Require clear disclosures so Arizonans understand when a digital product, such as a stablecoin, is not an insured deposit.

FinTech and Digital Assets

Adopt Digital Signatures and Smart Contracts

Continue easing regulatory hurdles by updating Arizona statutes and regulations to enable and encourage broad adoption and use of digital signatures, as well as drive innovation in smart-contract applications. Traditional paper contracts can be quite inefficient and prone to fraud, which is why digital contracts tied to immutable blockchains are emerging as an alternative. Arizona lawmakers previously enacted groundbreaking legislation that amended the Arizona Electronic Transactions Act to include digital signatures recorded on a blockchain, enshrining their validity and enforceability for records or contracts, and additionally empowering use of blockchain technology for state corporate filings. These regulatory innovations have helped Arizona emerge as a choice location for companies that develop applications utilizing blockchain and smart-contract technology. Arizona should continue to evolve and reform our fintech regulatory environment to stay at the forefront.

Expand Benefits of Fintech Regulatory Sandbox

Broaden the benefits of the fintech sandbox. Startups are disadvantaged by the difficulties and costs of complying with conventional state money transmission licensing regimens. In 2018, Arizona created the nation's first state-level regulatory sandbox allowing limited access for testing innovative financial products or services without first obtaining full state licensure or other required authorization.

Innovative initiatives are allowed to germinate through creation of an on-ramp or regulatory sandbox with exceptions to licensing rules for new companies based on low volumes or limited business activities that pose a lower risk to consumers. To date, more than a dozen companies have participated in testing a wide array of innovations. The Arizona Technology Council will work with the Bankers Fintech Council, a joint venture between the Arizona Bankers Association and CCG Catalyst Consulting, to publicize the sandbox to help attract new participants and

leverage successful outcomes while supporting further efforts of the state attorney general and the Legislature to evolve and improve the program over time. For example, the fintech sandbox should be expanded to permit testing of select insurance offerings and other financial products and services that can benefit from technological innovation. The sandbox also should be used to pilot next-generation use cases, including bank-issued tokenized deposits, programmable payments and stablecoin-adjacent services, so Arizona institutions can test them under state supervision as the federal framework takes shape.

Improve Proptech Regulatory Sandbox

Help improve and evolve the property technology, or proptech, sandbox so Arizona can continue to lead in fostering innovation across the real-estate industry. Continue to allow the Arizona Commerce Authority (ACA) to operate the proptech sandbox that enables companies to test innovative products or services in the real estate and smart-property industries in a lighter regulatory environment. Approved in 2019, Arizona established the nation's first proptech sandbox. By reducing costly barriers to entry, the sandbox promotes the development of disruptive technologies affecting the way Arizonans rent, sell, buy, develop, and manage commercial and residential property.

Fund Blockchain Research

Continue to allocate state funds for the ACA's Applied Research Centers and Institutes program and Blockchain Research Grant Program toward development of applied research in and support of defined blockchain products or services for commercial use to help drive research and innovation.

Engage the Arizona Corporation Commission (ACC)

Encourage the ACC to work towards utilizing blockchain for corporate records and filings that initiate trials and pilots to develop capabilities, gauge future direction and, when appropriate, inaugurate full-scale initiatives. Examine the potential to issue and trade securities on a blockchain platform. The ACC has an open docket for examining use of blockchain technology in Arizona's energy industry to help manage distributed power generation and storage, transactive energy with more granular transactions, renewable energy credits, tokenization, Internet of Things, cybersecurity, and other applications for distributed ledger technologies on the grid.

Examine State Government Records

Assess potential use cases and drive the application of blockchain by the Arizona executive branch for the management and storage of state government records for cost, efficiency and security considerations through initiating trials and pilots to develop capabilities, gauging future direction and, when appropriate, inaugurating full-scale initiatives. Offer leadership and assistance to Arizona's cities, counties and tribes in digitizing, normalizing and consolidating property records following best practices and ensuring compatibility with other jurisdictions and open-data protocols.

Achieve Regulatory Reciprocity Between States

Join the Multistate Licensing Agreement for Financial Services Companies to eliminate redundancies in state licensing of money-service businesses, which streamlines cumbersome regulations relating to virtual currencies. Arizona stakeholders should engage with other state and national organizations working to establish common multistate money transmitter licensing and virtual-money regulation and licensure that would ensure legal and regulatory reciprocity between participating jurisdictions. Companies involved in virtual-currency activities are multi-jurisdictional by nature. Any artificial restraints on their ability to operate without regard to geographical boundary within the United States adversely impacts the significant cost-effectiveness and efficiencies that their business models offer to other companies and consumers.

Craft Decentralized Corporate Structures

Continue to craft a foundation for decentralized companies and initiatives that break many of the legacy tenets of traditional corporate structures, identity frameworks and governance constructs, and help transcend legacy geographic boundaries. Our global economy and enterprise ecosystem have been pushed into a new realm of decentralization as conducting commerce and organizational interactions through a daily routine of virtual communications and media increases. As contemporary decentralized constructs emerge and attempt to reconcile with legacy centralized constructs (e.g., cryptocurrency versus fiat currency) across the globe, it is important that Arizona continues to form alliances strengthening trade and technology bonds with foreign municipalities and sovereignties, such as those formed with Israel, Germany, Mexico and Taiwan, and which should be emulated and expanded going forward. States such as Wyoming, Texas and Nevada have announced their commitments to be leaders in the blockchain and decentralized Web 3.0 realms, so Arizona should continue to drive deregulation, fund research and encourage industry innovation to sustain a competitive advantage in attracting commerce from around the world as organizations actively seek policy-friendly locations with clearly defined and innovation-enhancing public policy where they can establish and grow fintech businesses.





OPTICS, PHOTONICS AND ASTRONOMY

PRINCIPLE

Optics, photonics—the science of light and light-based technologies—and astronomy are important economic drivers for Arizona. Optics and photonics technologies are critical for a host of other industries, including medicine, mining, aerospace and defense, smart cities, and autonomous vehicles.

The University of Arizona (U of A) is internationally recognized for its leadership in optics, photonics and astronomy, driving research and development (R&D) that drives discovery and innovation across science and industry. The university was ranked No. 1 in the National Science Foundation rankings for research dollars expended in astronomy and astrophysics from 1998 to 2022 and was No. 2 nationally in 2023. That ranking represents more than $146 million spent in the state by U of A in FY 2023. Less than 10% of the investment came from state funds while substantial federal, international and philanthropic contributions were attracted to this highly visible scientific enterprise. U of A is home to the Richard F. Caris Mirror Lab, which fabricates the largest mirrors in the world and has contributed to multiple bleeding edge ground-based telescope projects including the Vera C. Rubin Observatory and the Giant Magellan Telescope.

There are also large and notable departments in astronomy and planetary science at Arizona State University and Northern Arizona University. The three state universities, the state's many affiliated and independent observatories, and the numerous entities in related fields attract and retain world-class technical talent. The output from optics R&D enables development of leading products and technologies that support the many applications that drive robust Arizona companies. Space exploration is renowned for its degree of spin-off technologies that improve society.

The optics industry in Arizona is represented by the Arizona Technology Council's Optics Valley Committee, whose mission is to enhance Arizona's optics and photonics communities by fostering collaboration, amplifying visibility and promoting growth across Arizona and beyond.

POSITIONS

Focus on Workforce Development

Support funding for and participation in community college programs directed at education for optics and photonics technicians, including those at Maricopa Community Colleges and Pima Community College. Continue to support Joint Technology Education District (JTED) and Career and Technical Education programs at the high school level, including Pima JTED's launch of optics classes for preparation through community college and university programs, as well as direct entry into the workforce. Encourage high school STEM education programs to include optics and photonics and support teacher training programs specific to the two fields. Support the SciTech Institute.

Enforce Dark and Radio-Quiet Sky

Establish statewide dark-sky standards and support the state's multi-billion optics, photonics and astronomy industry. Advocate and encourage dark-sky sensitive and appropriate use of light-emitting diode (LED) technology, specifically the adoption of increasingly efficient phosphor-converted amber, for outdoor lighting as its use becomes increasingly widespread. Support deployment of active lighting control technologies to reduce lighting levels to the minimum required for safety and visibility based on actual use by time of night. Support regional approaches to reducing and stopping the growth of artificial light negatively impacting observatories and the natural environment. Support suborbital and orbital missions specifically designed to avoid the negative impact of excessive reflected sunlight on astronomical observing facilities. Support efforts of observatories working collaboratively with operators of large satellite fleets to minimize their impact on ground- and space-based astronomy. Support the efforts of the growing number of Arizona communities working toward the official International Dark Sky Places designation awarded by DarkSky International headquartered in Tucson. Ensure state and federally supported wireless connectivity initiatives coordinate with the state's premier radio observatories to minimize interference.

Grow University Research and Development

Strengthen opportunities to grow the impact of world-class research and development at Arizona's universities. Nurture the next generation of scientists by growing research partnerships with community colleges, where more than 50% of postsecondary students take STEM courses such as introductory biology and a large, diverse body of students is enrolled.

Collaborate and Advocate a Stronger Local Ecosystem

Encourage government agencies, academic institutions and corporate stakeholders to actively collaborate with one another to ensure the continued growth and competitiveness of our region's industry. By working together, we can build a more resilient innovation ecosystem that attracts investment, develops talent, and accelerates technological advancement in optics and photonics. We urge all partners to openly share, where possible, their technical needs, workforce demands and strategic roadmaps through local and regional forums. Increased transparency and alignment will foster stronger partnerships and support the development of targeted education, training and infrastructure to meet emerging challenges.

Advocate National Representation

Encourage Arizona's representatives to join and participate in the Congressional Optics & Photonics Caucus.

Support the Reauthorization of the National Quantum Initiative

U of A is a leader in quantum technology and heads the Center for Quantum Networks (CQN), a National Science Foundation-funded Engineering Research Center. U of A also established the Arizona Quantum Initiative (AQuI), which is focused on building Arizona a world leader in quantum information science and engineering.

Efforts should be made to support and expand the mission of CQN and AQuI as they drive toward product commercialization and application acceleration.



PRIVACY/DATA BREACH NOTIFICATION

PRINCIPLE

Economic expansion and technology innovation increasingly depend on the responsible collection, use and protection of data. Innovative business models, artificial intelligence, cloud computing, digital commerce and other technologies require trusted, secure and accessible internet-based platforms. Data policies should protect consumers while allowing responsible uses of data that support innovation, competition and economic growth. Because digital commerce and data routinely cross state and national boundaries, consumers, businesses and the technology economy benefit from predictable and uniform expectations for protecting personal data and providing notifications when security breaches occur.

The United States still lacks a generally applicable national standard governing consumer data privacy and data-breach notification. Instead, businesses must navigate a growing and increasingly complex patchwork of state requirements. As of 2026, 20 states have comprehensive consumer privacy laws in effect, with additional states having enacted laws that will take effect in future years. In addition, all 50 states, the District of Columbia and U.S. territories maintain their own data-breach notification requirements. Businesses operating internationally also face requirements imposed by other jurisdictions, including the European Union's General Data Protection Regulation. The resulting regulatory environment creates significant compliance costs and complexity, particularly for small and midsized businesses operating across state lines, while providing consumers with different protections depending on where they live.

Arizona has its own data-breach notification law, which generally requires affected individuals to be notified within 45 days after determining a breach has occurred. When a breach affects more than 1,000 Arizona residents, notification to the state attorney general and the three largest nationwide consumer reporting agencies also is required. While states have played an important role in establishing consumer protections, the continuing expansion of differing state privacy and breach-notification requirements strengthens the case for a clear and comprehensive federal framework that establishes meaningful consumer protections while providing businesses with consistent national rules.

POSITIONS

Preemption of State Law

Support a comprehensive federal privacy and breach-notification law to preempt substantially similar state requirements where appropriate to reduce compliance burdens, particularly for small and midsize businesses, while preserving state authority when federal law does not provide equivalent protection. Without meaningful preemption, the growing state-by-state patchwork of differing definitions, consumer rights, notification deadlines, compliance requirements and enforcement standards will continue to increase costs and regulatory uncertainty. A national framework should provide consumers with consistent protections regardless of where they live.

Take Other Laws into Account

Recognize existing federal privacy, cybersecurity and breach-notification requirements to avoid imposing duplicative or conflicting obligations on organizations already subject to comparable federal standards, including requirements under the Health Insurance Portability and

Accountability Act, Gramm-Leach-Bliley Act and Fair Credit Reporting Act. Federal legislation should harmonize requirements wherever possible while ensuring that consumers remain appropriately protected.

No Fixed Data Security Requirements

Establish risk-based security obligations rather than prescribe specific technologies, products or technical standards in statute. Encourage organizations to maintain security programs appropriate to the nature and sensitivity of the data they maintain, the risks they face, and the size and complexity of their operations. Cybersecurity threats and defensive technologies evolve rapidly, and requirements considered state-of-the-art today can quickly become outdated. Recognized frameworks such as the National Institute of Standards and Technology Cybersecurity Framework 2.0 can provide adaptable guidance without locking businesses into technologies or practices that may become obsolete.



Narrow and Plainly Understandable Definition of Personal Information

Define personal information clearly and technologically neutral with appropriate exclusions for publicly available, de-identified and other low-risk data. Focus notification requirements on sensitive information whose compromise creates a meaningful risk of identity theft, fraud, financial harm or other significant consumer harm. Distinguish appropriately among personal, sensitive personal and publicly available information so consumers receive meaningful notifications rather than excessive notices that contribute to notification fatigue.

Safe Harbor Designation

Provide appropriate liability protections to organizations that demonstrate good-faith compliance with recognized cybersecurity frameworks, industry standards and reasonable security practices but breaches occur despite those safeguards. Protections include affirmative defense from certain government monetary penalties while frameworks feature substantial alignment with the NIST Cybersecurity Framework 2.0 or other widely recognized risk-based standards. Safe-harbor provisions still should preserve accountability for negligence, willful misconduct or failure to address known material risks.

SEMICONDUCTORS

PRINCIPLE

Arizona's history of advanced manufacturing, along with historic investments from the federal government and the private sector, have solidified Arizona's place as the nation's leading semiconductor hub. While a strong semiconductor ecosystem is growing with exciting new advancements that strengthen our education system and diversity of jobs, policy decisions must ensure our state can attract the top talent and skilled workforce to meet the current and future demand.

POSITIONS

Business Climate

Continue advocacy for a business climate with reduced burdensome regulations that impede growth and innovation. It is imperative that federal, state and local regulations regarding air quality align with the need to grow an economy that supports the jobs needed for one of the most important industries in our country. The semiconductor industry and advocacy groups will work closely with elected officials and county, state and federal environmental quality departments to ensure our priorities are aligned.

Workforce

Protect STEM education and community college and university funding imperative to meet the workforce needs. To compete globally, investments are needed to build a pipeline of highly skilled workers, technicians and trades. Arizona's universities and community colleges are working closely with the semiconductor industry to align with the industry's needs. Postsecondary schools need continued investments to ensure their curricula, labs, research and faculty are state-of-the-art. With innovation in the semiconductor industry happening quickly, it's important to link students to internships and training. A strong K-12 public education system with STEM activities that are accessible to all students is crucial to success. A recent Semiconductor Industry Association (SIA) report projects jobs in the semiconductor industry will grow by 33%. However, 58% of new jobs are at risk of being unfilled at current degree completion rates. SIA estimates a shortfall of 67,000 workers by 2030 based on current graduation rates.

Infrastructure

Support the vast ecosystem of suppliers, vendors and customers that are critical to the industry's success through investments in infrastructure. Access to energy, utilities, water, reliable transportation and broadband are all essential components of a strong and competitive semiconductor ecosystem.



SMART CITIES

PRINCIPLE

Arizona's competitiveness and quality of life depend on accelerating the adoption of integrated, secure and sustainable smart city and smart community technologies that improve livability, economic competitiveness, infrastructure efficiency and long-term resilience. By supporting innovation while tailoring strategies to Arizona's unique environment and communities, the state can position itself as a national leader in smart technology deployment.

Smart community development requires coordinated investment, regional collaboration and proof-of-concept testing that build toward scalable statewide solutions. At its core, this effort must combine modern infrastructure, effective governance, cybersecurity, workforce training and transparent accountability to ensure technology benefits communities across Arizona—urban, suburban, rural and tribal.

POSITIONS

Integrated Long-Term Planning

Promote comprehensive smart community plans for cities and towns, avoiding piecemeal or siloed deployments and ensuring state funding supports integrated, interoperable andscalable strategies.

Regional Collaboration

Support multijurisdictional innovation organizations such as The Connective in Greater Phoenix and Pima Association of Governments' Smart Region initiative in Greater Tucson while encouraging development of a similar collaborative structure for Northern Arizona.

Innovation Sandboxes

Designate zones where emerging technologies can be rapidly tested using real infrastructure and data, supported by streamlined regulatory processes and appropriate safety, cybersecurity and privacy protections.

Shared Procurement

Enable cooperative purchasing agreements across jurisdictions to speed deployment, reduce costs and allow smaller communities to benefit from economies of scale.

Regional Data Collaboration

Promote interoperable data standards, shared governance models and secure cross-jurisdictional data exchange. Protect privacy and security through -aligned cybersecurity practices, appropriate access controls and responsible data governance.

Governance Structure

Establish a statewide smart communities coordinating structure with representation from regional organizations, local governments, industry and academia to coordinate planning, funding, standards and evaluation. Encourage regional hubs in Greater Phoenix, Southern Arizona and Northern Arizona while leveraging Arizona's three state universities for research, evaluation and workforce development.

Funding and Implementation

Support state resources for smart community planning and implementation, with particular attention to small, rural and tribal communities. Aggressively pursue available federal funding through programs supporting smart transportation, broadband deployment, infrastructure resilience, advanced energy systems and other smart community technologies, including U.S. Department of Transportation Strengthening Mobility and Revolutionizing Transportation (SMART) grants, National Institute of Standards and Technology broadband programs, Federal Emergency Management Agency hazard mitigation programs and Department of Energy grid modernization programs. Explore state matching resources to improve Arizona's competitiveness for federal awards.

Pilot-to-Scale Lifecycle

Follow a four-phase model:

1. Plan: Support communities with integrated smart city and smart community plans.
2. Pilot: Deploy and test promising technologies in real-world environments.
3. Evaluate: Assess pilots using measurable performance, cost and community-benefit criteria.
4. Scale: Use shared procurement and regional collaboration to replicate successful solutions statewide.

Workforce Development

Invest in training for connected infrastructure, internet of things technologies, artificial intelligence, cybersecurity and data analytics while expanding the technical capabilities of local governments to deploy, secure and manage increasingly sophisticated infrastructure.

Measurement and Transparency

Promote public reporting mechanisms that measure outcomes such as service efficiency, infrastructure reliability, public safety, economic impact, cost savings and community benefits while protecting sensitive, proprietary and security-related information.



STATE BUDGET

PRINCIPLE

The state of Arizona's fiscal health was in a more challenging position at the end of the 2026 legislative session with the adoption of the federal H.R. 1 policies in the FY2027 budget. With federal funding changes nearing full implementation, Arizona's budget outlook remains uncertain as the state absorbs increased costs associated with changes to SNAP and Medicaid, while also navigating the fiscal impacts of the 2.5% flat income tax and higher-than-anticipated participation in the universal Empowerment Scholarship Account program. With the cuts done in the 2026 budget, the state expects to be facing tight budgets for the next couple of years. This budget dynamic means continued work to ensure key programs and agencies of importance to the technology industry have the funding to accomplish core missions and functions. Also, if funding is available, there will need to be reinvestment in some programs to better support the state's growth.

POSITIONS

Protect Angel Investment Tax Credit Program

Protect funding for the proven and highly successful Angel Investment Tax Credit and look for opportunities to expand the program, which is discussed more in the Capital Formation section. This program has faced some legislators trying to eliminate it in recent years, but those efforts have been thwarted.

Support ACA Programs and Funding

Restore some of the funding for the Arizona Commerce Authority (ACA), which did not escape the budget sweeps and cuts in recent legislative sessions. Discourage the Legislature from further sweeping any funds not used in a particular fiscal year by the ACA and its various programs, including the Arizona Competes Fund. Ensure flexibility as warranted within the ACA's funding for programs to help it achieve its mission.

Prioritize Education Funding

Prioritize increased and sustainable funding of the state's public education system consistently at all levels—including pre-K, full-day kindergarten, K-12 and postsecondary—and with accountability in a dedicated and sustainable revenue stream. Short-term reforms should include finding a sustainable and dedicated revenue source for education funding that does not endanger the state's economic climate. The reforms should include funding of K-12 education with a formula like that of Proposition 301, which positions Arizona at a minimum with mean-level funding among the 50 states. Additionally, reforms should consider alternative ideas to appropriately fund pre-K and full-day kindergarten, K-12, Career and Technical Education, equal-access dual enrollment courses, universities and community colleges. Restoring previous cuts to district additional assistance and poverty weight funding is also critical for the upcoming budget cycle.

Long-term comprehensive funding reforms should modernize and promote a 21st century delivery model of education that focuses on performance and accountability. Arizona should ensure a high-quality education system to attract and retain high-wage jobs and the kinds of businesses that drive the innovation economy.

Protect and Prioritize Computer Science Funding

Ensure computer science professional development funding for school districts remains in the budget. Continue to provide teachers with training opportunities to bring computer science courses back to their school. It is the Arizona Technology Council's goal to ensure all students have the ability to take the courses. Every Arizona student should have the opportunity to take the courses during their educational path. However, with the current financial situation, there is not enough funding to ensure every school offers that opportunity, especially in high school.

STATE TAXES

PRINCIPLE

Arizona's tax code should foster economic growth, innovation and investment while maintaining a stable and competitive revenue system. Simple, predictable and equitable taxation is essential to attracting and retaining technology companies, encouraging entrepreneurship and enabling businesses to invest, expand and create high-quality jobs in Arizona.

POSITIONS

Maintain Capital Gains Incentives

Maintain Arizona's competitive treatment of long-term capital gains to encourage investment, entrepreneurship and business formation. Arizona's individual income tax rate is 2.5% and qualifying net long-term capital gains from assets acquired after December 31, 2011, receive a 25% subtraction, effectively reducing the state tax rate on those gains to approximately 1.875%.

Equalize Business Property Taxes

Continue reducing the disparity between business and residential property tax assessments to improve Arizona's competitiveness and ensure businesses are not disproportionately burdened. Arizona's Class 1 commercial and industrial property assessment ratio is 15.5% in 2026 and scheduled to decline to 15% in 2027 compared with 10% for most residential property.



Protect Data Center Incentives

Preserve Arizona's long-term ability to compete for responsible data center investment and restore access to the state's computer data center tax incentive after the current three-year moratorium on new certifications. Use the moratorium period to evaluate and improve the program while recognizing data centers provide critical infrastructure supporting artificial intelligence, cloud computing, cybersecurity, advanced manufacturing and other technology industries. Arizona should maintain a competitive tax environment while establishing clear expectations for energy, water, infrastructure costs, transparency and community engagement.

Modernize Tax Code for Digital Innovation

Modernize Arizona's tax code to provide clear, consistent and technology-neutral treatment of software, digital goods, cloud computing, data services, hardware development and emerging technologies. Reduce uncertainty and inconsistent interpretations while ensuring tax policy keeps pace with rapidly changing technology, business models and methods of delivering products and services.



SURFACE TRANSPORTATION AND TRADE INFRASTRUCTURE

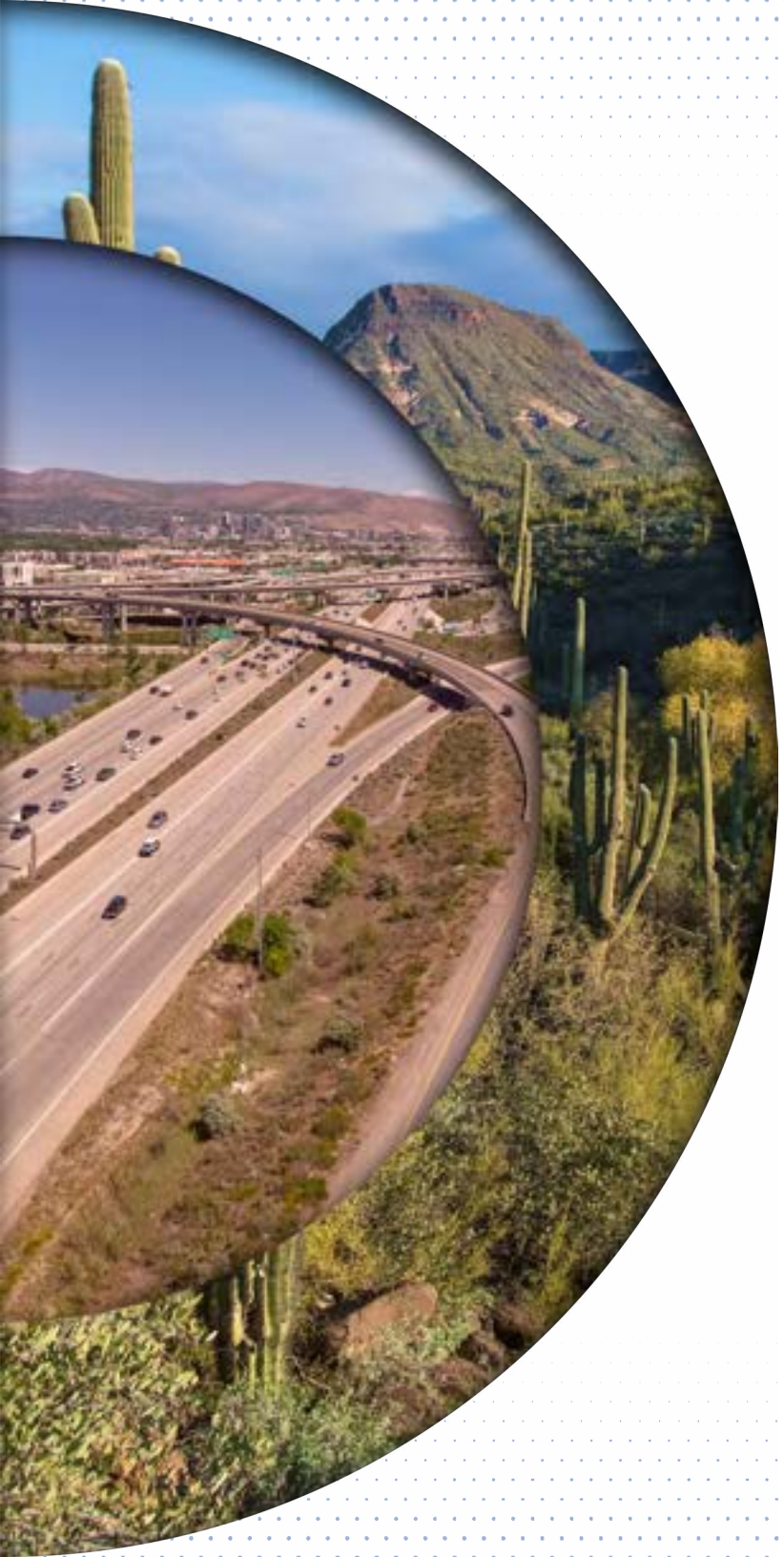
PRINCIPLE

Arizona's long-term competitiveness depends on a modern, reliable and connected transportation system that facilitates the movement of people, goods and ideas. Strategic investments must ensure mobility for a rapidly growing population, strengthen Arizona's role as a hub for international trade, and leverage innovation in multimodal and intelligent transportation. Policies should provide sustainable funding mechanisms, prioritize efficiency, and recognize transportation assets, particularly ports of entry, as economic engines essential to Arizona and the nation.

POSITIONS

Modernize Surface Transportation Systems

Support upgrades to the state's infrastructure, including federal and state funding for Interstate 11. The highway should link Phoenix and Las Vegas and extend southward as a key Mexico-Intermountain West freight corridor. Arizona must also expand existing road capacity, integrate multimodal linkages with rail and telecommunications, and adopt intelligent transportation systems to maximize current infrastructure and reduce congestion.



Rethink Transportation Funding

Pursue modern, sustainable revenue mechanisms to support transportation. Arizona's stagnant gas tax—unchanged for more than 30 years—cannot meet growing needs. The state should explore alternatives such as fair and equitable fees for alternative-fuel vehicles, public-private partnerships and other funding tools.

Elevate Transit and Mobility

Expand public transit and alternative mobility systems, such as bike-share and pedestrian infrastructure, to improve workforce mobility, reduce congestion, and support air quality. Arizona should continue to pursue state and federal transit resources while promoting
multimodal solutions.

Support Vehicular Technologies

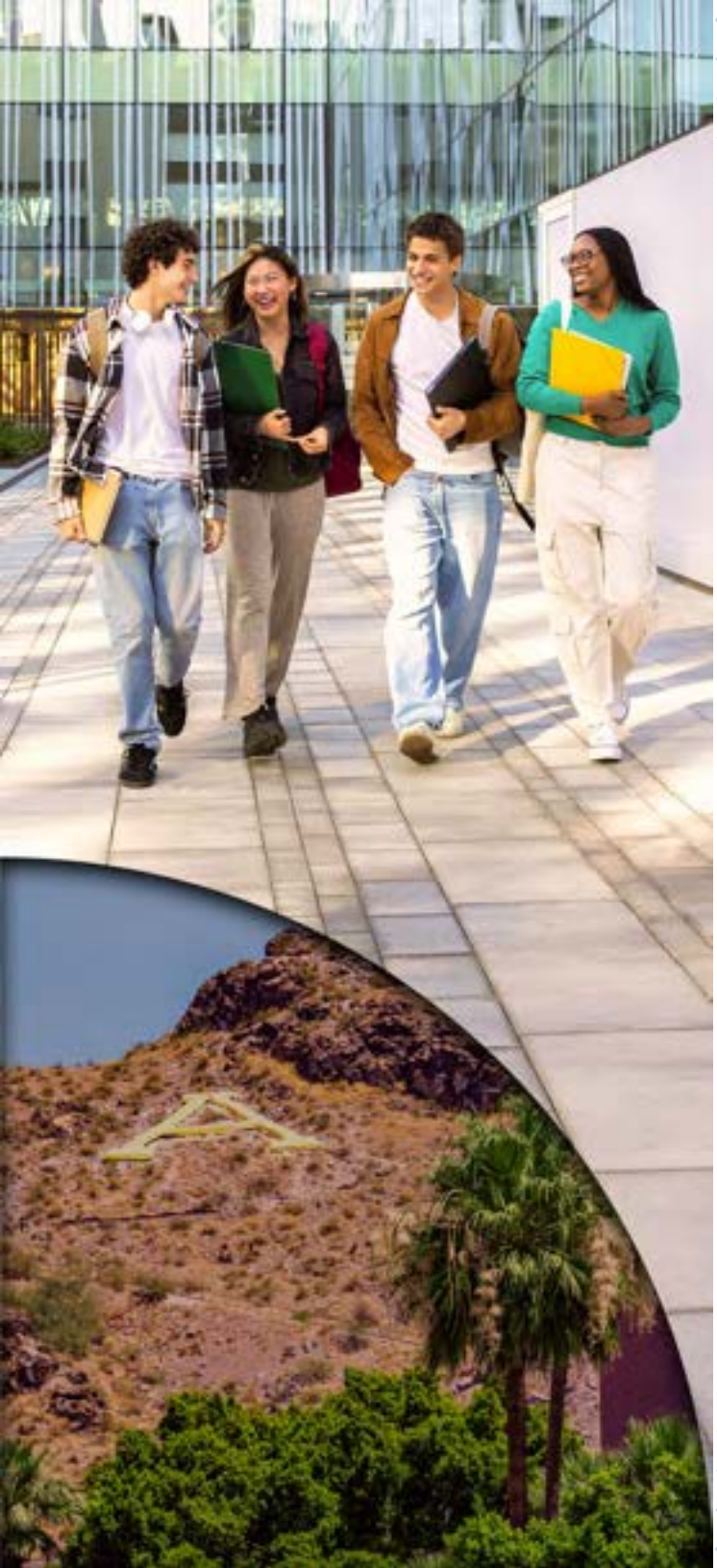
Maintain a competitive environment for testing and deploying autonomous and advanced vehicle technologies. Build on the work of the Institute of Automated Mobility to position Arizona as a launchpad for commercialization and adoption of emerging transportation technologies.

Prioritize Ports of Entry and Border Trade Logistics

Treat ports of entry as critical economic assets by actively pursuing federal funding and innovative financing models to modernize port infrastructure, increase staffing levels, and expand high-efficiency process improvements like Unified Cargo Processing. Maintain long-term planning tools, such as the Arizona-Sonora Border Infrastructure Master Plan, to coordinate investment priorities.

Support International Trade Corridors

Invest in state and local roadways connecting to ports of entry to prevent bottlenecks in cross-border trade. Advocate dedicated federal funding streams to support border infrastructure, recognizing these assets as vital to U.S. and North American economic security.



UNIVERSITIES, COMMUNITY COLLEGES AND HIGHER EDUCATION

PRINCIPLE

The Arizona Technology Council actively works to support Arizona's public universities—Arizona State University (ASU), The University of Arizona (U of A) and Northern Arizona University (NAU)—and the state's community colleges. The Council's members and Arizona's economy rely heavily on these institutions to provide the highly skilled workforce needed by technology and other high-growth industries. Arizona's universities also provide a world-class platform for research and development that can be translated into commercial technologies, startup companies and technology transfer to the state's private sector. Together, universities and community colleges serve communities throughout the state and are essential partners in workforce development, innovation and economic competitiveness.

POSITIONS

Stable Funding, Enhanced Flexibility

Collaborate with the Arizona Board of Regents and support its AZ Opportunity framework to build upon the strengths of the state's public university system and ensure world-class research capabilities, access to high-quality education and excellent workforce preparation. Support university budget requests and legislative priorities that advance Arizona's technology economy, strengthen the state's financial commitment to higher education, and expand affordable degree and credential pathways that prepare Arizona students for high-demand careers.

Expand Support for AZ Healthy Tomorrow and Other Healthcare Programs

Support continued investment in AZ Healthy Tomorrow and other programs addressing Arizona's critical shortage of healthcare professionals. Expand medical education at ASU and NAU, increase medical school graduates at U of A, and grow nursing and allied health programs at universities and community colleges. Support affordable education pathways, clinical training capacity and programs that encourage healthcare graduates to remain and practice in Arizona, particularly in rural and underserved communities.

Increase Affordability & Access for Arizona Students

Sustain and strengthen the Arizona Promise Program and Community College Promise Program to expand need-based financial assistance for eligible students. Support merit-based scholarships and other strategies designed to retain Arizona's highest-achieving students and develop the state's long-term workforce. When Arizona students are educated here, they are more likely to build their careers and contribute to the state's economy.

Invest in Workforce and Innovation

Support university and community college workforce initiatives that prepare skilled Arizona workers for high-demand industries and occupations, including semiconductors, advanced manufacturing, aerospace and defense, cybersecurity, artificial intelligence, healthcare and other STEM fields. Maintain support for the Arizona Teachers Academy and explore additional scholarships, loan assistance, apprenticeships and work-based learning programs tied to high-demand occupations and commitments to work in Arizona.

Support Tri-University Digital Initiatives

Support Arizona's three public universities and community colleges in expanding digital access, broadband connectivity and technology-enabled education throughout the state. Encourage partnerships, research, demonstration projects and workforce initiatives that use advanced technologies to connect rural and tribal communities, improve access to education and strengthen Arizona's digital infrastructure.

Enable Sun Corridor Network

Encourage policies to enable the Sun Corridor Network (SCN), the Arizona universities' research and education collaborative network, to facilitate discovery, innovation and research outcomes among postsecondary researchers and educators while expanding services to a broader base of users. SCN's infrastructure is critical to attracting world-class researchers and research funding to Arizona and future-proofing P-20 education technology infrastructure to enable modern digital-learning technologies and methods necessary for a workforce equipped for the knowledge-based economy. Encourage the Arizona Department of Education—currently limited in its ability to partner with SCN due to it being a provider (i.e., vendor) in E-rate transactions with schools and districts—to explore avenues for partnership with SCN, possibly transitioning from provider to statewide consortium lead and shared service provider. SCN, with its expertise in building and managing public-sector broadband networks, should expand its mission to include providing cost-effective broadband infrastructure and services for low-income and rural communities. Additionally, SCN should offer consulting on new community and municipal broadband networks and develop a statewide network to connect and support universities, community colleges, nonprofit organizations, healthcare organizations, and local communities.

Support SCN's public-private partnership strategy to bring high-bandwidth access to Internet2—the National Research and Education Network and community—and the commercial internet to the Arizona P-20 community. Support the network's participation in Arizona Department of Transportation's investment in highway-corridor fiber deployments and its public-private partnerships to grow and manage a robust state network. This will lead to the improvement of rural broadband network capacity and availability across the region, as well as improved regional research collaborations.

Successful rollout of these strategies will enable the network and its member universities—ASU, U of A and NAU--to bring better and lower-cost internet and Internet2 by leveraging economies of scale and shared infrastructure while driving better broadband availability for all. Support the network's National Science Foundation grant-funded efforts to interconnect Arizona's community colleges in support of joint science-research drivers and STEM education initiatives. Support SCN's efforts in expanding eduroam as a solution that enables authorized users on specific educational, library and public space wireless networks to roam with their existing credentials onto a great, cooperative collection of such networks, boosting the value proposition of all the institutional infrastructure investments being made in these networks.





WORKFORCE EXCELLENCE: ACCESS, OPPORTUNITY, AND INNOVATION IN THE TECHNOLOGY WORKFORCE

PRINCIPLE

Arizona's future competitiveness depends on building a technology workforce that combines excellence, inclusion and innovation. Efforts to advance workplace inclusion have been evolving for decades, beginning with the civil rights movement of the 1960s and continuing through ongoing federal and state policy changes. While the national conversation has recently emphasized merit-based achievement, Arizona's technology sector recognizes that a workforce reflecting diverse communities—embracing varied experiences and perspectives of Black, Indigenous, and People of Color (BIPOC), neurodivergent individuals, persons with disabilities, and underrepresented diverse communities is essential for growth and innovation.

Economic barriers such as limited access to healthcare, broadband, education, affordable housing, and living wages prevent many talented individuals from fully contributing to Arizona's economy. Addressing these inequities through intentional investment in workforce excellence and inclusion ensures Arizona attracts top talent, creates environments where the best ideas thrive, and drives long-term profitability. Building this kind of comprehensive, merit-driven workforce is not only a moral imperative but also a practical requirement for Arizona to remain competitive in the global technology marketplace.

POSITIONS

Advance Inclusive and Excellent Workplaces

Advocate policies and practices that foster awareness, support, and measurable action around workforce excellence and inclusion. This includes promoting awareness of the economic benefits of inclusive practices, demonstrating their measurable impact on innovation and profitability, and ensuring that businesses—large and small—have access to tools, programming, and collaboration mechanisms to build inclusive workplaces. The Arizona Technology Council will continue to showcase companies and leaders who exemplify best practices in workforce excellence while providing platforms for small and mid-sized businesses to set shared goals and metrics.

Invest in Talent Development and Access

Fund reskilling, upskilling and workforce development programs aligned with Arizona's technology priorities. Expanding broadband access, STEM education and device availability in underserved areas will unlock talent pools currently constrained by systemic barriers. Entrepreneurial support, including mentoring, coaching and targeted investment for underrepresented founders, will strengthen Arizona's innovation ecosystem and cultivate the next generation of technology leaders.

Sustain Long-Term Workforce Competitiveness

Support diverse career pathways, transparent advancement opportunities, flexible work arrangements, and leadership development through initiatives such as the Council's new AZTC Emerging Leaders Committee. By embracing equity, access, and cultural competence, Arizona's technology community can ensure its workforce reflects the state's diversity, fosters a sense of belonging, and positions Arizona as a national leader in technology innovation.





2027

PUBLIC POLICY GUIDE

FEDERAL POLICIES AND POSITIONS





ADVANCED AIR MOBILITY VEHICLES

PRINCIPLE

Advanced air mobility (AAM) – including unmanned aircraft systems (UAS), drones and powered-lift aircraft such as electric vertical takeoff and landing (eVTOL) vehicles – presents significant opportunities for passenger transportation, cargo delivery, public safety, emergency response, agriculture, infrastructure inspection and national security. Federal policy has shifted to accelerating the safe integration and deployment of these technologies in the National Airspace System.

The Federal Aviation Administration (FAA) has established operational and pilot-certification rules for powered-lift aircraft, advanced vertiport standards and launched the eVTOL Integration Pilot Program to support real-world AAM operations. The FAA also continues to advance broader drone operations beyond visual line of sight (BVLOS), which are essential to unlocking scalable commercial UAS applications.

Recent Regulation Highlights:

- The FAA has established a regulatory framework for powered-lift aircraft, including pilot certification and operational requirements, providing a pathway for commercial eVTOL operations and integration into the National Airspace System.
- The FAA is advancing rules and programs to enable routine BVLOS drone operations, reducing reliance on individual waivers and enabling scalable applications such as package delivery, agriculture, infrastructure inspection and public safety.
- The FAA's eVTOL Integration Pilot Program and expanded BVLOS-Expanding Your Operations Needing Drones program, known as BEYOND, provide real-world environments for government and industry to test advanced operations and develop frameworks for broader deployment.
- FAA vertiport standards and AAM infrastructure guidance provide a foundation for integrating powered-lift aircraft into existing airports, heliports and new facilities.

POSITIONS

To continue the forward momentum of AAM, it is important to advocate modern, flexible and forward-looking federal policies that unlock the full potential of UAS and AAM technologies while maintaining aviation safety and national security, including:

- Enabling routine BVLOS operations under scalable, performance- and risk-based regulations.
- Accelerating certification and commercial deployment of powered-lift and other AAM aircraft.
- Developing low-altitude airspace, UAS traffic-management and communications capabilities necessary for increasingly automated operations.
- Ensuring sufficient spectrum and secure communications infrastructure for UAS and AAM operations.
- Supporting federal demonstration and integration programs that accelerate commercial, public safety and defense applications while generating data for permanent regulatory frameworks.

Enable BVLOS Adoption

Urge the FAA to finalize a scalable regulatory framework for routine BVLOS operations that reduces dependence on case-by-case waivers while maintaining appropriate safety, security and operator-accountability requirements. BVLOS is essential to realizing the economic potential of commercial drones and maintaining U.S. leadership in unmanned aviation.

Accelerate AAM Deployment

Support FAA programs and policies that move powered-lift and other AAM technologies from testing and certification into safe commercial operations. Encourage continued use of the eVTOL Integration Pilot Program, BEYOND and other public-private initiatives to test aircraft, infrastructure, airspace integration and operating concepts while creating pathways for successful technologies to scale nationally.

Ultimately, federal policy should encourage rather than hinder U.S. leadership in advanced aviation. Risk-based, performance-driven regulation, efficient certification and close collaboration among the FAA, industry, state and local governments and other stakeholders will accelerate safe integration while helping ensure that next-generation aircraft are developed, manufactured and deployed in the United States.



AEROSPACE, DEFENSE AND SPACE

PRINCIPLE

Arizona's leadership in federal defense, aerospace and space innovation serves as a vital anchor for both national security and economic prosperity. Securing approximately $19.5 billion in Department of Defense contracts in FY 2025 and ranking among the top five states nationally for aerospace and defense manufacturing employment, Arizona is uniquely positioned to drive future defense capabilities. To maintain this global competitiveness, the state requires sustained federal investment in its military installations, testing ranges and space infrastructure alongside continued access for the specialized workforce, contractors and researchers who support them.

POSITIONS

Sustain Core Defense Investment

Secure predictable Department of Defense contracting, mission expansion and infrastructure funding across Arizona's six strategic military installations, including the Barry M. Goldwater Range, Fort Huachuca, U.S. Army Yuma Proving Ground, Marine Corps Air Station Yuma, Luke Air Force Base and Davis-Monthan Air Force Base while safeguarding the airspace, ranges and electronic environments essential for testing command and control, electronic warfare, autonomous systems and advanced vehicle technologies.

Participate in Military Space Missions

Expand Arizona's footprint in U.S. military space operations, research, technology development and workforce training by building upon the state's growing relationship with the U.S. Space Force. Capitalize on the direct operational presence established by U.S. Space Forces Southern at Davis-Monthan Air Force Base activated in 2026 to integrate space capabilities across the U.S. Southern Command area of responsibility to pursue additional Space Force commands, units, training programs and operational missions. To ultimately position Southern Arizona as a preeminent hub for military, leverage premier academic assets, such as The University of Arizona's Space4 Center which is the nation's largest academic space domain awareness program collaborating with Space Forces Southern via the Kyl Institute for National Security, and Arizona State University as a member of the Space Force University Partnership Program to advance resilient space architectures, space domain awareness, and Guardian development.



ARTIFICIAL INTELLIGENCE AND GLOBAL COMPETITIVENESS

PRINCIPLE

Global AI leadership will not be determined solely by which nation develops the most advanced model. It will be determined by which nations make artificial intelligence affordable, deploy it across industry, integrate robotics into production, develop trusted infrastructure and prepare people to work in an AI-enabled economy. China has nearly closed the model-performance gap with the United States on leading benchmarks while expanding lower-cost, open-weight models, industrial automation and a national AI education initiative. Europe is combining AI and privacy regulation with investments in sovereign infrastructure and public-sector procurement policies that favor European and open-source technology. Arizona must compete across the entire AI value chain: semiconductors, energy, computing, models, robotics, workforce, governance and global market access.

POSITIONS

Global Competition Is Expanding

China is the United States' principal AI competitor, but it is not the only one. European companies and institutions are building domestic AI capabilities, shared computing infrastructure and sovereign technology ecosystems. Other nations, including South Korea and the United Arab Emirates, are developing strengths in areas such as patents, talent, investment, and adoption. The strategy for Arizona, as well as the United States, should account for a multipolar market in which countries compete through investment, regulation, procurement, education and deployment.

Cost and Deployment Are Strategic Advantages

Increasingly capable, lower-cost, open-weight models are expanding access to AI and challenging an advantage built largely on frontier performance and investment. U.S. competitiveness will depend not only on leading model development but also on reducing the cost of adoption, expanding access to computing resources, supporting efficient and secure models, and helping small and midsize organizations move from experimentation to measurable deployment.

Data Centers Power AI Leadership and Shared Economic Growth

Data centers provide the computing foundation required to develop, deploy and secure AI at scale. They can attract significant capital investment, expand tax bases, support skilled trades and local suppliers, strengthen digital and energy infrastructure, and help attract AI, cloud, cybersecurity and advanced manufacturing companies. For Arizona residents, appropriately structured data-center growth can create career pathways, support public revenue and finance infrastructure improvements. Arizona should capitalize on its competitive advantages as a leader by expanding generation and transmission capacity, accelerating utility interconnections and permitting, and maintaining a predictable investment environment. Coordinated planning should provide developers with greater speed and certainty while addressing community concerns related to energy costs, water use, infrastructure capacity and land use. Developers should use best practices in these areas to ensure data centers can be good partners with communities not only in Arizona but across the country.

Robotics and Physical AI

China is integrating AI into manufacturing at a scale the United States has not matched. In 2024, China installed approximately 295,000 industrial robots, compared with 34,200 in the United States. Arizona's semiconductor, aerospace and defense, and advanced manufacturing base makes the state an ideal location for robotics, autonomous systems, and physical AI research, testing and commercialization. Policy should support deployment across businesses of all sizes, including manufacturers that lack the capital or technical capacity to deploy these systems on their own.

Education Is Economic Infrastructure

Arizona should begin preparing students and workers for an AI-enabled economy well before college or employment. China is implementing a national initiative to integrate AI education across primary, secondary, vocational and higher education, as well as establish AI literacy and training standards for teachers Arizona should build upon the AI education and workforce initiatives already underway across K-12 schools, universities, community colleges, workforce boards, industry organizations, adult retraining and other institutions to create connected, developmentally appropriate pathways. They should combine AI literacy, computational thinking, robotics and applied learning with communication, critical thinking, ethical reasoning and collaboration.

Regulation Is Reshaping Global Market Access

International AI regulation is becoming a competitive consideration for Arizona companies. Europe is implementing the EU AI Act while continuing to apply privacy requirements when personal data is processed by AI development or deployment. AI models that retain personal data also may fall within the General Data Protection Regulation (GDPR) while models determined to be anonymous are not subject to GDPR. Europe also is investing in AI factories, European data resources and domestic providers. The "buy European" strategy, particularly for public-sector and open-source solutions, may redirect demand away from non-European companies. Arizona businesses seeking international customers will increasingly need risk-based governance, privacy-by-design practices, cybersecurity controls and the ability to demonstrate compliance across jurisdictions. State policy should support these capabilities without creating fragmented requirements that increase costs without meaningfully reducing risk.

Policy Recommendations:

- Create a statewide AI education and workforce readiness framework that connects and builds upon initiatives already underway across K-12 education, higher education, workforce development, industry and community institutions.
- Develop a statewide data center and AI-computing competitiveness strategy focused on speed to power, infrastructure capacity, fiber connectivity, cybersecurity, water-smart site selection and long-term economic growth.
- Accelerate permitting, utility interconnection and coordinated energy planning while establishing predictable large-load rate structures and long-term energy agreements that support new infrastructure investment and appropriately allocate costs.
- Use Arizona's current pause in new data center tax-relief qualifications to evaluate the existing program and structure any future incentives around measurable capital investment, infrastructure improvements, workforce and supplier opportunities, and efficient energy and water use.
- Encourage advanced cooling, reclaimed water, on-site generation, energy storage and early coordination among developers, utilities, local governments and communities to improve resilience, communicate benefits and address concerns early.
- Establish Arizona-based AI, robotics and autonomous-systems test beds that connect universities, community colleges, manufacturers and technology companies.
- Provide adoption assistance, shared computing resources and applied technical support for small and midsize businesses.
- Create an international AI regulatory-readiness program to help Arizona companies navigate the EU AI Act, privacy requirements and other global market rules.
- Expand research and commercialization incentives for efficient models, edge AI, robotics and technologies that reduce the cost of adoption.
- Use risk-based, interoperable governance standards that protect the public while allowing lower-risk applications to move quickly.
- Support federal policies that attract global talent, protect strategic technologies and strengthen cooperation with trusted international partners.
- Arizona has the assets to compete, but leadership will require more than producing advanced technology. The state must accelerate adoption, prepare its people, strengthen its infrastructure and help Arizona companies compete in markets increasingly shaped by national technology strategies, which will strengthen Arizona's economy, advanced manufacturing base and contribution to U.S. national security.



BROADBAND REFORMS AND INITIATIVES ACROSS FEDERAL AGENCIES

PRINCIPLE

Federal broadband policy is moving from large-scale planning and award selection into deployment, performance oversight and long-term sustainability. States, tribes, communities, cooperatives, institutions and providers still face fragmented programs, changing requirements and substantial application and compliance burdens. Federal policy should coordinate infrastructure, affordability, adoption, spectrum and resilience while preserving merit-based decisions, statutory commitments and stable rules that allow complex projects to be financed and completed.

POSITIONS

Simplify and Streamline

The Federal Communications Commission (FCC), National Telecommunications and Information Administration (NTIA), U.S. Department of Agriculture Rural Utilities Service and other agencies should coordinate broadband grants, loans, universal service funding, Lifeline and high-cost programs, mapping, spectrum and permitting through a coherent national strategy. Agencies should standardize definitions, data, environmental and reporting requirements; provide one-stop technical assistance; sequence programs to avoid duplication; and scale compliance requirements to award size and risk. Simplification should reduce administrative burden without weakening objective eligibility standards, expert review, transparent scoring, written decisions or meaningful appeals.

Adopt Future-Ready Broadband Performance Standards

Federal programs should evaluate download and upload speed, latency, reliability, outage recovery, affordability, cybersecurity and scalable capacity. A 100/20 megabits per second minimum remains a useful floor for mass-market service while fiber and other scalable networks should be designed for substantially higher symmetrical capacity and community anchor institutions should generally receive gigabit-class service. Standards should use measured performance and realistic backhaul and oversubscription criteria, accommodate non-contiguous and remote-network architectures, and evolve without retroactively destabilizing awarded projects.

Improve Broadband Mapping and Grant/Loan Determinants

Continue improving the FCC Broadband Data Collection at the serviceable-location level with rigorous challenge processes, auditable provider data and public interfaces. Mapping should capture availability, technology, price, plan terms, quality, outages, adoption, community anchor institutions, middle-mile routes and grant commitments while protecting sensitive infrastructure and personal data. Open APIs and longitudinal baselines would help consumers, researchers, industry and agencies prevent duplication and determine whether funded networks deliver promised service.

Protect Merit-Based and Predictable Grant Administration

The Office of Management and Budget's proposed revised grant framework would increase political-appointee review and permit some discretionary awards and subawards to be paused or terminated based on changing agency priorities, the "national interest" or undefined reputational concerns. Such authority risks politicizing awards, undermining reliance on executed grants and increasing financing costs. Federal grant rules should preserve objective statutory criteria, expert review, transparent decision-making, prospective application, notice and appeal rights, reasonable protection for reliance costs, and clear limits on stop-work and termination authority. At the same time, agencies should reduce unnecessary reporting and compliance burdens as well as improve transparency, accountability and oversight. Grant administration should provide enough flexibility to protect federal interests without creating uncertainty that increases financing costs or discourages participation.

Provide Continuing Federal Grants, Loans and End-User Support

Congress and NTIA should allow states and subgrantees to execute approved projects under clear, consistent rules; resolve Build America, Buy America, environmental, letter-of-credit, program-income, pole-replacement and cybersecurity issues promptly; and avoid retroactive requirements or shifting obligations after award. Oversight should focus on timely construction, measured performance, transparency, affordability and accountability, with technology choices based on long-term value and high-cost realities. Fiber should be prioritized where its lifecycle, capacity, reliability and operating economics justify the investment while reliable fixed wireless and satellite solutions remain appropriate for truly high-cost locations. Community anchor connections should be leveraged "to and through" surrounding communities. States should be allowed to use eligible savings for broadband adoption and use, including workforce development, technology education, network resilience, direct consumer subsidies or affordability programs, technical support, and permitting process streamlining.

Make Broadband Affordability Support Permanent

Congress and the FCC should establish a durable successor to the Affordable Connectivity Program, modernize Lifeline and simplify enrollment through coordinated eligibility systems. A permanent benefit should preserve consumer choice, require transparent pricing and provider accountability, and work alongside state assistance, provider

low-cost plans and digital navigator support.

Modernize E-Rate Support for Schools and Libraries

Preserve E-Rate's core support for broadband and internal connections, simplify administration and strengthen fraud controls while adapting the program to cybersecurity and the homework gap. Following the FCC's 2025 reversal of off-premises hotspot and school-bus Wi-Fi support, Congress should clarify statutory authority for carefully controlled off-campus connectivity and the FCC should:

- Allow schools and libraries to extend connectivity beyond their buildings through community use, hotspot lending, school-bus Wi-Fi and other accountable solutions when local conditions show a documented educational or library need without forcing E-Rate to pay unrelated network costs.
- Expand eligible cybersecurity services and equipment, establish practical multiyear and rolling procurement options for Category 2 investments, and coordinate E-rate with federal cybersecurity assistance.
- Restore and improve the special-construction state-match mechanism that enabled Arizona and other states to leverage new fiber builds for underserved rural schools and libraries.
- Establish long-term funding for devices, technical support and off-campus connectivity with inventory, privacy, competitive-procurement and usage safeguards that limit waste, fraud and abuse.
- Allow fiber, fixed wireless and satellite solutions for remote schools and libraries based on lifecycle cost, reliability, capacity and terrain rather than categorical technology exclusions.

Modernize and Strengthen the Universal Service Fund

Following the Supreme Court's 2025 decision in FCC v. Consumers' Research, Congress and the FCC must modernize the Universal Service Fund. Reform should guarantee predictable high-cost support and funding for rural broadband resilience; update Lifeline, E-rate and Rural Health Care programs; and coordinate with the Broadband Equity Access and Deployment program to prevent duplicate spending. To ensure long-term solvency, the contribution base must be broadened beyond declining telecommunications revenues in a competitively neutral way. Finally, the FCC and Universal Service Administrative Company should streamline administration by adopting strict decision shot clocks, clear audit standards, fair appeals and proportionate compliance rather than punitive "pay-before-review" practices.

Reform the Rural Health Care Program

Congress and the FCC should align funding with demonstrated demand, simplify eligibility and consortium rules, speed application and invoice review, and publish transparent processing metrics. Rates should reflect competitive markets and actual rural costs while supporting resilient broadband, cybersecurity, telehealth equipment integration and regional consortia that aggregate demand for remote facilities.

Empower Land Management and Rights of Way

The U.S. Forest Service, Bureau of Land Management and Bureau of Indian Affairs and other federal land agencies should coordinate permitting with tribes, states and local governments through shared data and mapping, concurrent reviews, online portals and enforceable timelines. Broadband projects often cross multiple federal, tribal and state jurisdictions where standardized applications, programmatic environmental tools, early tribal consultation and shot clocks can reduce delay without weakening environmental, cultural and historic resources or trust responsibilities.

Reform Wireless Siting

Advanced mobile, fixed wireless, private-network and direct-to-device

services require timely access to towers, small cells, fiber, power and rights of way. The FCC should maintain a national framework for reasonable timelines, fees and modifications while preserving legitimate local authority over safety, aesthetics and historic resources. Federal and state policy should encourage standardized digital permitting, co-location, ready access to public assets, and rapid restoration after disasters.

Net Neutrality and the Carriage of Content and Packets

Net neutrality protections should preserve an open internet while allowing providers to manage networks responsibly and invest in capacity. Congress and the FCC should establish clear, durable rules that prohibit blocking or unreasonable throttling of lawful content, as well as provide transparency for consumers and online-service providers. The framework should be technology-neutral, enforceable and predictable enough to support long-term network investment and innovation.

Expand Spectrum Capacity and Flexibility for Innovation, Rural Broadband, 5G/6G and Internet of Things/Industrial Internet of Things

Restored FCC auction authority should support a predictable spectrum pipeline, but exclusive auctions alone cannot meet demand. Federal policy should balance licensed, shared, lightly licensed and unlicensed access; protect critical incumbent and federal missions; and use modern coordination and interference-management tools. Wi-Fi, Citizens Broadband Radio Service (CBRS) and well-engineered fixed wireless demonstrate the value of flexible access while additional low-, mid- and high-band capacity is needed for rural coverage, mobile growth, private networks, satellite integration and industrial applications.

The FCC and NTIA should accelerate evidence-based band studies, dynamic spectrum sharing and automated coordination from sub-gigahertz frequencies through millimeter wave bands. Preserve a workable CBRS framework, expand unlicensed opportunities where technically feasible, and support coexistence among terrestrial, satellite and federal users. Continue open, interoperable and standards-based network research, including Open Radio Access Network (RAN), advanced antennas and secure supply chains while measuring whether public research and grant programs produce deployable products and competitive vendors.

Spectrum policy should increase service competition and rural availability while recognizing propagation, interference and incumbent-use realities. TV white spaces, shared mid-band spectrum, tribal priority windows, educational and public-interest licenses, and direct-to-device satellite services can complement commercial auctions. Schools, libraries, tribes, local governments and nonprofits should have practical pathways to obtain or share underused spectrum where they can demonstrate sustainable operations and public benefit.



CONGRESSIONAL BROADBAND REFORMS AND INITIATIVES

PRINCIPLE

Congress holds the power to fund and sets the guidelines and rules by which federal agencies operate. There has been much progress since the Telecommunications Act of 1996, but updating the governance expectations and structures is long overdue.

POSITIONS

Sustain Rural Broadband Investment Beyond One-Time Funding

Congress should convert the recent surge of infrastructure appropriations into a coordinated long-term strategy for remaining unserved locations, high-cost operations, replacement, resilience and adoption. Targeted grants, loans, credit support and universal service should complement private investment and avoid both duplicate funding and a funding cliff once the Broadband Equity, Access, and Deployment (BEAD) Program money is spent.

Stabilize BEAD Implementation

Congress and National Telecommunications and Information Administration (NTIA) should allow states and subgrantees to execute approved projects under clear, consistent rules; resolve Build America, Buy America, environmental, letter-of-credit, program-income and pole-replacement issues promptly; and avoid retroactive requirements. Oversight should focus on deployment, measured performance, affordability and accountability, with technology choices based on long-term value and high-cost realities.

Make Broadband Affordability Support Permanent

Congress and Federal Communications Commission (FCC) should establish a durable successor to the Affordable Connectivity Program, modernize Lifeline and simplify enrollment through coordinated eligibility systems. A permanent benefit should preserve consumer choice, require transparent pricing and provider accountability, and work alongside state assistance, provider low-cost plans and digital navigator support.

Expand Tribal Broadband Support

Congress and federal agencies should provide stable infrastructure, adoption, workforce and technical-assistance funding for tribal lands and Native communities, including continued NTIA Tribal Broadband Connectivity Program and Native Entities grant opportunities. Programs should respect tribal sovereignty, trust responsibilities and self-determination; support tribal ownership and partnerships; coordinate rights-of-way and environmental review; and promote reliable, affordable service with meaningful tribal consent.

Help Remove Regional and Local Barriers to Deployment

Use federal incentives and technical assistance to help jurisdictions streamline rights-of-way, utility coordination, pole access and permitting; adopt dig-once and broadband-ready policies; and install conduit during transportation and utility projects. Model codes should establish reasonable, cost-based and competitively neutral fees and timelines while allowing local adaptation and protecting safety, environmental and historic resources.

Pole access can determine whether rural projects meet construction deadlines. Regulators, pole owners and attachers should use transparent inventories, electronic applications, make-ready schedules, dispute resolution and cost-allocation rules that are nondiscriminatory, reasonable and predictable. Federal funding should address extraordinary replacement costs where no single new attacher should bear the full cost of correcting preexisting deficiencies.

Allow Electric and Telephone Cooperatives to Take the Field

Maintain eligibility for cooperatives across NTIA, FCC and U.S. Department of Agriculture programs, and recognize their local infrastructure, rights of way and member relationships. Federal financing should support open-access and shared middle-mile backbones along electric corridors, grid and communications resilience, and partnerships that extend affordable last-mile service without displacing viable private investment.

Leverage Community Anchor Institutions

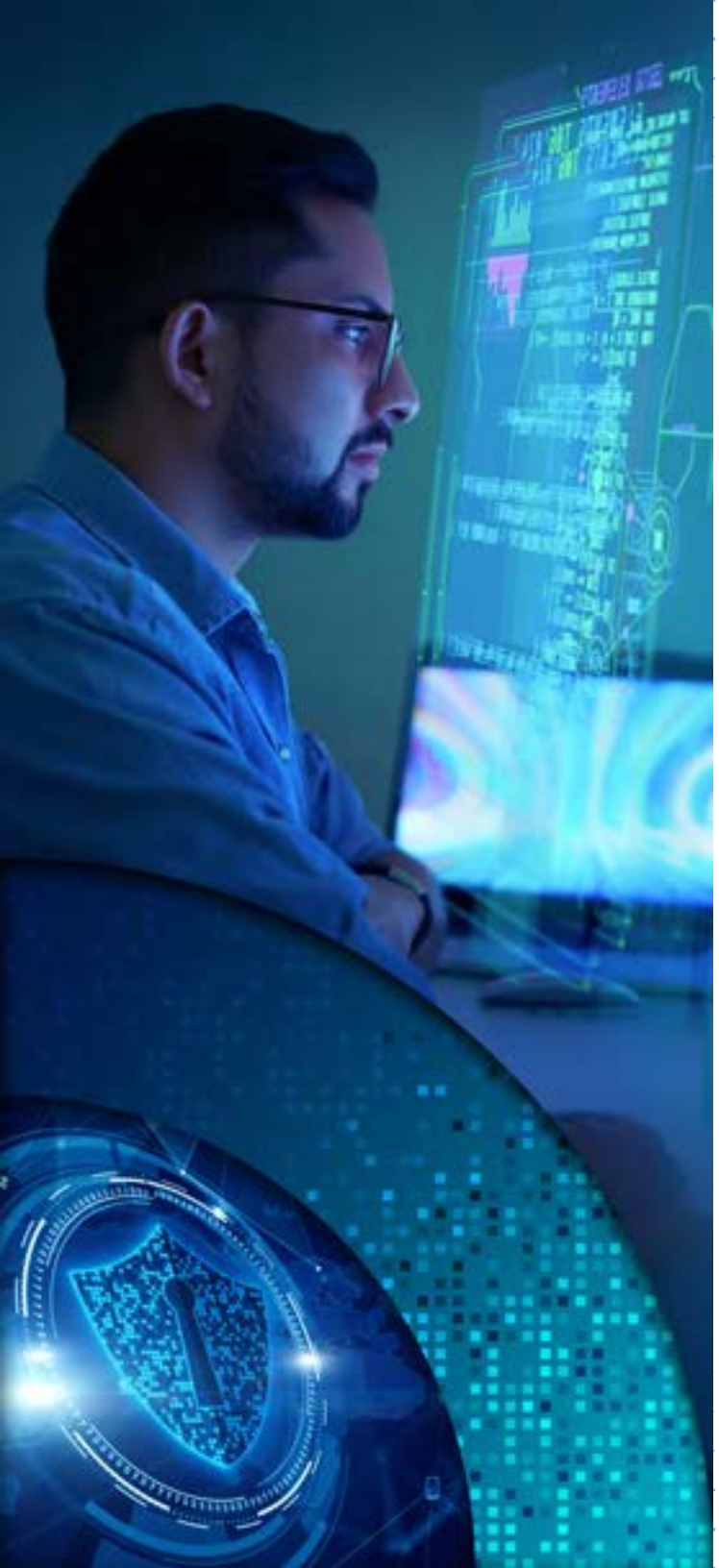
Federal programs should support infrastructure "to and through" schools, libraries, health facilities, public-safety sites and other community anchor institutions to leverage the investments being made. Adequate capacity, open interconnection and shared middle mile can turn an institutional connection into a platform for surrounding homes, businesses, wireless sites and public services while preserving the institution's security and service needs.

Promote Regional Internet Exchanges and Interconnection

Encourage open regional exchange points, carrier-neutral facilities, caching and peering that reduce latency, transit cost and single-route dependence. Federal and state programs should consider interconnection, backhaul diversity and regional traffic exchange as essential components of rural broadband performance and resilience.

Other Actions

Congress should modernize the Communications Act, clarify federal and state roles, preserve enforceable open-internet protections, improve FCC merger review, and fully fund broadband mapping, measurement and enforcement. It should restore Digital Equity Act grant programs, protect congressionally authorized awards from arbitrary rescission, require merit-based grant administration and due process, and support research and test beds for spectrum sharing, Open RAN, resilient networks, accessibility, post-quantum cryptography, cybersecurity and advanced wireless equipment.



CYBERSECURITY

PRINCIPLE

Technology facilitates virtually every facet of Americans' daily lives. People communicate, shop, travel and work through globally connected systems that are increasingly vulnerable to cyberattacks. The spike in cyberattacks, particularly nation state-sponsored attacks that simultaneously impact multiple systems, is prompting a growing body of federal policies to promote cyber readiness, modernize government infrastructure, and monitor and respond to cyber incidents.

Congress enacted the Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA) to impose mandatory cyber reporting requirements across 16 critical infrastructure sectors. This sweeping legislation was just the latest in a series of legislative and regulatory cyber incident reporting mandates. Published in spring 2024, the draft rulemaking for CIRCIA proposed broad definitions and reporting requirements that would impose a significant regulatory burden on private sector critical infrastructure entities, contractors and vendors, including many small and medium-sized businesses (SMBs) that may be ill-equipped to comply with this mandate.

Meanwhile, a growing number of federal agencies have adopted redundant or sometimes conflicting reporting requirements for American businesses. According to a 2023 report mandated by CIRCIA, the U.S. Department of Homeland Security identified 52 existing or proposed federal cyber incident reporting requirements with varying definitions, reporting triggers and timelines. Many of these reporting mandates cannot be harmonized without congressional action. The report called on Congress and the administration, led by the Cybersecurity and Infrastructure Security Agency, to streamline the reporting requirements.

In March 2026, the administration released President Trump's Cyber Strategy for America. The six pillars of the strategy incorporate many approaches advocated by previous administrations, including expanding the nation's cybersecurity workforce, securing its critical infrastructure, streamlining federal cyber regulations and enhancing federal network security. The Trump strategy, however, also places increased emphasis on aggressive cyber deterrence efforts by the federal government, promotes incentives for the private sector to detect and disrupt cyber adversaries, and touts American superiority in technology innovation.

In spite of this renewed emphasis on cyber resilience, recent significant federal cyber personnel reductions and budget cuts—including to state, local and tribal grants—likely will delay implementation of these policies and impede implementation of vital cybersecurity programs in Arizona.

Additionally, the proliferation of generative artificial intelligence (AI) platforms has introduced a new era of cybersecurity threats. These platforms have evolved quickly into state-of-the-art cyber hacking tools, capable of generating malicious code with a simple prompt—or even without. AI models have demonstrated the ability to hack systems autonomously. The response from policymakers has been a patchwork of commercial restrictions and legislation to ban state AI laws or require federal review and approval of advanced AI models.

The Arizona Technology Council supports robust federal funding for state, local and tribal cybersecurity programs, as well as federal policies that promote public-private collaboration and incentivize a proactive, risk based approach to cybersecurity. Federal cyber regulations should be harmonized to reduce the regulatory and financial burden on the private sector. In addition, they should help entities efficiently identify, manage and communicate risk to foster a more resilient cyber ecosystem.

POSITIONS

Uniform, Simplified Cyber Incident Reporting Requirements

The CIRCIA rulemaking process has been delayed for several years. The final rule should address concerns across critical infrastructure sectors that overly broad or vague reporting requirements could overwhelm smaller entities and reduce the value of the information collected. Congress and the administration should also streamline overlapping federal reporting mandates and establish processes that allow timely, actionable information to be shared with the entities responsible for defending critical systems.

Ideally, this intelligence sharing should be automated to facilitate outcome-driven results. Federal lawmakers should adopt clear, efficient and cost-effective policies that do not stifle innovation or unnecessarily burden the private sector, particularly SMBs.

Support for State and Local Cyber Enhancements

Arizona is a national leader in championing innovative programs to protect the state's public systems from cyber intrusions. With federal support from the State and Local Cybersecurity Grant Program authorized by Congress in 2021, Arizona has provided cybersecurity tools to hundreds of government agencies, school districts, emergency services and tribal governments. It is necessary to reauthorize the grant and other federal programs that facilitate state, local and tribal cyber resilience.

Public-Private Information Sharing

Frequently the first to identify and thwart potential cyber intrusions, America's technology industry is the tip of the spear in the nation's cyber defense... This asset of American ingenuity makes it imperative that the U.S. promote robust cyber intelligence sharing between private and public sector partners. The Cybersecurity Information Sharing Act of 2015 has facilitated this information sharing partnership, one that is even more urgent today. Congress must act expediently to reauthorize this vital legislation.

Responsible AI

The rapid growth of AI is producing significant benefits in medicine, education, manufacturing and other fields while creating new cybersecurity risks. Federal policymakers should address malicious uses of AI through targeted, risk-based measures that preserve innovation, avoid unnecessary duplication and do not create regulatory advantages for foreign competitors.

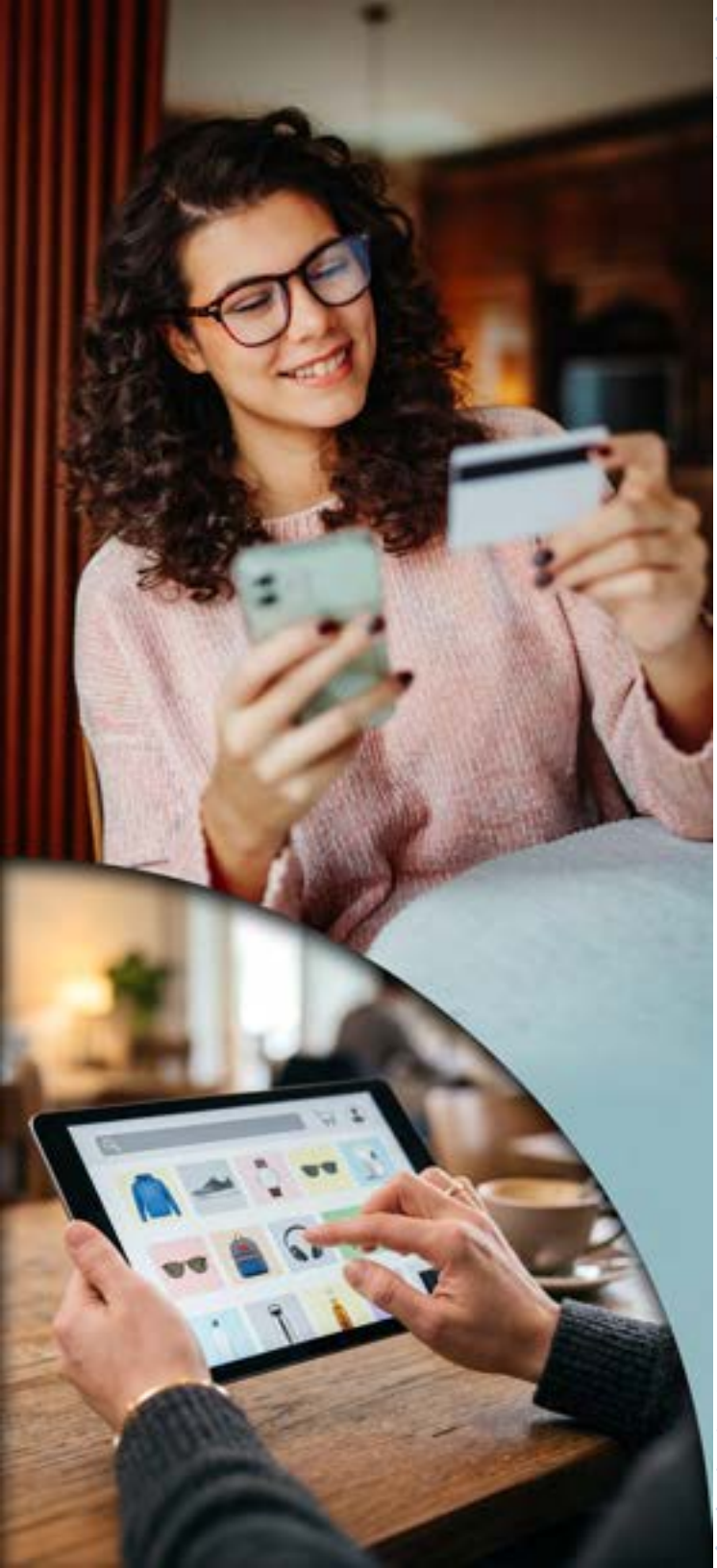


Expand Cyber Education and Workforce

To address the nation's severe cybersecurity talent shortage, federal policy must prioritize expanding workforce development and early education initiatives. With more than 500,000 cyber positions currently unfilled across the United States and attacks occurring every 31 seconds on average, securing America's digital infrastructure requires cultivating a skilled workforce from the ground up. Meeting this challenge necessitates supporting comprehensive federal efforts, such as the National Cyber Workforce and Education Strategy, and starting foundational STEM exposure in elementary schools. By equipping educators with the necessary tools and training to inspire future experts, policymakers can close the talent gap and satisfy the urgent demands of one of the nation's fastest-growing, most vital industries.

Protect Small Business Defense Suppliers and Rationalize Cyber Requirements

Cybersecurity requirements must strengthen the security and resilience of the defense industrial base without unnecessarily driving small and innovative companies out of the market. While growing cyber threats make strong standards essential to protect federal contract information, controlled unclassified information and other sensitive defense data, implementation must recognize that compliance imposes heavy financial, technical and administrative costs on small and mid-sized suppliers. Following the Department of War's suspension of Cybersecurity Maturity Model Certification Phase 2 requirements in July 2026 and its comprehensive review to reduce unnecessary barriers for small, medium-sized, and non-traditional businesses, Arizona supports this risk-based approach. Requirements must remain proportional to data sensitivity and actual contract risk. Federal and state leaders should simultaneously expand access to technical assistance, shared cybersecurity resources, and programs like Project Spectrum and APEX Accelerators to help smaller suppliers.



DIGITAL GOODS AND SERVICES

PRINCIPLE

The digital economy plays a strong role in the life and growth of Arizona industry. Given the importance of digital goods and services, support policy that promote economic growth, removes barriers to innovation and does not lay undue technical burdens on companies. Where regulatory frameworks are introduced, support policy that is clear and noncontradictory across the multiple states and regions that companies serve. Digital services often include a communication component, and the First Amendment rights of digital services' users to speak should be upheld.

POSITIONS

Fair and Level Field

Antitrust, competition and open-market legislation must balance the interests of established companies with those of emerging competitors. Policy efforts should promote a level playing field without imposing structural disadvantages on either incumbent platforms or new market entrants.

Content Providers

Proposed laws seeking mandatory content filtering or content removal at the device or platform level must respect the First Amendment rights of users of digital services and not lay an undue technical burden on digital services providers. Proposed laws must respect existing laws regarding removal of digital services' liability for digital content provided by the platform. Similarly, mandatory content moderation laws must comply with existing laws regarding removal of liability for content and the upholding of digital service providers' ability to make content moderation decisions for themselves.

Proposed laws seeking age verification for access to digital content platforms must respect First Amendment rights for users to speak on social media platforms. Privacy is also an important consideration. Even when laws are intended to stop minors from accessing social media platforms or adult content websites, age-verification requirements will require information to be collected from all users. This could create an additional barrier between users and digital providers.

A federal approach to age verification would help avoid an increasingly complicated patchwork of state laws and requirements. However, any federal law should avoid imposing unnecessary technical or social burdens on digital service providers or their users and be narrowly tailored to address the specific issue at hand.

Online advertising is also critical to the business model for many digital service providers. Regulations governing digital advertising should not unnecessarily hinder economic growth, impose unreasonable technical burdens on providers, or limit a platform's ability to establish and enforce its own content-moderation policies.

Data Privacy

Data privacy frameworks must appropriately balance individual privacy rights against the technical and operational realities of digital service providers. Policymakers should exercise caution regarding broad federal oversight, mandatory data reporting, and age-verification requirements that inadvertently expand privacy risks or impose unworkable technical demands.

Fraud and Pricing Disclosure

Digital service providers invest heavily in detecting fraud and protecting users. Lawmakers should work with providers to target demonstrated harm rather than impose blanket reporting requirements. Pricing-disclosure rules should be narrowly scoped, technologically workable and designed to improve consumer understanding without unnecessarily restricting how platforms operate.



DIGITAL TRANSFORMATION AND CONNECTED TECHNOLOGIES

PRINCIPLE

Digital transformation is reshaping virtually every sector of the economy through the convergence of artificial intelligence, cloud and edge computing, connected devices, sensors, automation, digital twins, advanced communications and other emerging technologies. The internet of things remains an important component of this transformation, but connected devices increasingly operate as part of larger intelligent systems that collect, analyze and act upon data in real time.

These technologies can increase productivity, strengthen supply chains, improve infrastructure, enhance public services, and accelerate innovation in manufacturing, aerospace and defense, healthcare, energy, transportation, agriculture and other industries. Public policy should enable continued innovation and deployment while addressing legitimate cybersecurity, privacy, interoperability and national-security risks. Government should favor flexible, risk-based and technology-neutral approaches that encourage private-sector innovation, voluntary consensus standards and collaboration among industry, government and academia rather than prescriptive regulations that quickly become obsolete.

POSITIONS

Support Technology-Neutral and Risk-Based Regulation

Support federal and state policies that address demonstrated risks without imposing unnecessary technology-specific requirements on connected devices, artificial intelligence, cloud services and other rapidly evolving technologies. Encourage coordination among federal agencies to minimize conflicting or duplicative requirements. Policymakers should rely where practical on existing laws, risk-based frameworks, voluntary consensus standards and industry best practices.

Deploy Advanced Digital Infrastructure

Support continued deployment of high-capacity broadband, fiber, wireless networks, edge computing, data centers and other digital infrastructure necessary to support connected technologies and the increasingly data-intensive economy. Encourage federal, state and local policies that accelerate responsible infrastructure deployment, particularly in rural and underserved areas.

Make Spectrum Available

Support policies that make sufficient spectrum available for licensed, shared and unlicensed uses while allowing flexibility for emerging technologies and business models. Advanced manufacturing, autonomous systems, connected transportation, smart infrastructure, aerospace and defense, IoT and next-generation wireless technologies will require increasingly efficient use of spectrum.

Enable Innovation and Experimentation

Encourage flexible regulatory environments that allow companies to test emerging technologies, products and business models while appropriately managing safety, cybersecurity, privacy and other risks. Support regulatory sandboxes, pilot programs, demonstration environments and other mechanisms where appropriate to accelerate responsible innovation and help policymakers better understand emerging technologies before imposing broad regulatory requirements.

Lead with Cybersecurity and Privacy

Encourage cybersecurity and privacy protections throughout the lifecycle of connected products and digital systems, including design, development, deployment, maintenance and end-of-life. Support risk-based cybersecurity practices consistent with recognized frameworks developed by the National Institute of Standards and Technology and other appropriate standards organizations. Policies should protect consumers, businesses and critical infrastructure while avoiding duplicative requirements that unnecessarily impede innovation.

Promote Interoperability and Open Standards

Support industry-led, voluntary and consensus-based standards that enable interoperability, portability and secure communication among connected devices, platforms and networks. Avoid government mandates that unnecessarily favor specific technologies, vendors or architecture. Open and interoperable systems can increase competition, reduce vendor lock-in and accelerate adoption of emerging technologies.

Facilitate Research and Development

Support federal research and development investments and public-private partnerships in connected systems, edge computing, advanced communications, sensors, automation, digital twins, cyber-physical systems and related cybersecurity technologies. Encourage collaboration among universities, national laboratories, government agencies and industry to move emerging technologies from research through commercialization and deployment.

Strengthen Connected-Product Cybersecurity

Support practical, risk-based approaches to improving the cybersecurity of connected products, including secure development practices, vulnerability management, software updates, authentication, data protection and clear communication regarding product support and end-of-life. Encourage manufacturers to incorporate cybersecurity throughout the product lifecycle while recognizing that cybersecurity requirements should reflect the risk, capabilities and intended use of individual products and systems.

Accelerate Digital Transformation of Industry and Government

Encourage adoption of advanced digital technologies by manufacturers, small and mid-sized businesses and government agencies to improve productivity, efficiency, resilience and customer service. Support programs that help smaller organizations access expertise, workforce training and technologies necessary to adopt automation, artificial intelligence, connected systems and other productivity-enhancing tools.

Develop the Digital Workforce

Expand education, training, apprenticeships and industry-recognized credentials in artificial intelligence, cybersecurity, data analytics, cloud and edge computing, automation, advanced communications and connected technologies. Digital transformation will require not only engineers and computer scientists but also technicians and workers across industries who can effectively use, maintain and secure increasingly sophisticated digital systems.



ENERGY

PRINCIPLE

The link between technology investment and energy is fundamental and unbreakable. To attract investment capital and retain and grow its technology sector, the U.S. needs abundant, affordable, reliable and secure energy supported by sufficient generation, transmission and infrastructure. Every major American technology cluster—from semiconductors, artificial intelligence and data centers to aerospace, advanced manufacturing and bioscience—depends on these resources, along with a secure and adequate water supply. Policies should encourage market-based solutions, private investment, innovation and an all-of-the-above energy strategy, excluding coal, that strengthens reliability, keeps costs competitive and supports continued economic growth. As electricity demand increases, the U.S. must accelerate development of new generation, transmission, energy storage and emerging energy technologies while making better use of existing infrastructure. Low- and zero-carbon resources, including nuclear power, renewable energy, energy storage and other advanced technologies, can play an important role alongside reliable dispatchable generation in meeting growing demand while helping companies achieve their sustainability objectives.

POSITION

As electricity demand increases, the U.S. must accelerate development of new generation, transmission, energy storage and emerging energy technologies while making better use of existing infrastructure. Low- and zero-carbon resources, including nuclear power, renewable energy, energy storage and other advanced technologies, can play an important role alongside reliable dispatchable generation in meeting growing demand while helping companies achieve their sustainability objectives.

Develop Hydrogen Technologies

Support continued research, development, and commercialization of hydrogen and fuel-cell technologies where they provide cost-effective solutions for industrial processes, transportation, energy storage, backup power and other applications. Encourage production, transportation, storage and end-use technologies that can strengthen domestic energy security and support hard-to-decarbonize sectors such as aviation, shipping, steel, chemicals and other industrial applications.

Support Arizona and regional partnerships that leverage the state's universities, energy resources, advanced manufacturing capabilities and private-sector expertise to compete for federal research funding and private investment while allowing hydrogen technologies to compete based on economics, performance and market demand.



FEDERAL GOVERNMENT INVESTMENT IN RESEARCH AND DEVELOPMENT

PRINCIPLE

Innovation, agility and scientific discovery remain essential to sustaining U.S. technological, economic and national-security leadership. Federal research and development (R&D) has long been a foundation of American competitiveness, driving advances in public health, defense, aerospace, energy and emerging technologies while providing the basic research upon which private-sector innovation depends. With intense global competition in artificial intelligence, semiconductors, quantum technologies, biotechnology, space and other strategic fields, the United States must maintain a strong and predictable federal research enterprise. With world-class research universities and growing strengths in bioscience, semiconductors, aerospace and defense, space and advanced technologies, Arizona has much at stake in maintaining U.S. leadership in research and innovation.

POSITIONS

Defend and Strengthen Federal R&D Budgets

Support sustained and predictable funding for the National Institutes of Health, National Science Foundation, U.S. Department of Energy, Defense Advanced Research Projects Agency, NASA, National Institute of Standards and Technology, and other critical federal research programs. Avoid reductions or abrupt funding changes that undermine basic and applied

research, university research capacity, scientific infrastructure, and the long-term innovation pipeline. Funding should remain merit-based, transparent and accountable for results. Arizona's universities, research institutions and technology companies rely on these investments to generate discoveries, commercialize technologies, create high-quality jobs and strengthen national security.

Support High-Impact Science and Health Research

Federal R&D should support rigorous, merit-based research addressing significant national and regional challenges, including cancer and other diseases, rural healthcare, aging, water, energy, advanced technologies and other areas where scientific discovery can improve lives and strengthen economic competitiveness. Funding decisions should emphasize scientific excellence, measurable impact and the advancement of knowledge while ensuring researchers and institutions throughout the country have opportunities to compete.

Strengthen the Federal Research Ecosystem

Support sustained investment in national laboratories, federally funded research and development centers, university research facilities and small-business innovation programs such as Small Business Innovation Research and Small Business Technology Transfer. Strengthen partnerships among federal agencies, universities, laboratories and industry to accelerate the movement of discoveries from basic research through commercialization, manufacturing and deployment.

Advance Arizona's Role in National Priorities

Position Arizona to capture increased federal research investment in areas of strategic importance, including semiconductor manufacturing and microelectronics, energy, aerospace and defense, space exploration, artificial intelligence, quantum technologies, biotechnology, advanced manufacturing, cybersecurity and critical minerals. Leverage Arizona's universities, research institutions, military installations and technology companies to compete for federal research centers, grants, demonstration projects and other major investments.

Guard Against Economic and Security Risks of R&D Cuts

Significant reductions or instability in federal research funding can have long-term consequences for economic growth, national security and U.S. technological leadership. Protect the basic and applied research pipeline that produces discoveries, intellectual property, startup companies, skilled workers and technologies that ultimately strengthen American industry.

Federal R&D investment is foundational to America's economic strength, public health and national security. As global competitors continue investing aggressively in science and strategic technologies, the United States cannot afford to surrender its leadership in research and innovation. Arizona should demonstrate the economic and national-security returns generated by these investments while encouraging Congress and the administration to maintain a strong, accountable and globally competitive federal research enterprise.



FEDERAL TAXES

PRINCIPLE

Tax policy should be a powerful tool for stimulating innovation, investment, economic growth and U.S. competitiveness, particularly in strategically important sectors such as aerospace and defense, advanced manufacturing, semiconductors, energy and emerging technologies. Support a tax structure that rewards domestic investment, research, manufacturing and job creation while providing businesses of all sizes with the certainty necessary to make long-term capital commitments. The One Big Beautiful Bill Act (OBBBA) represented a major step forward by permanently restoring immediate expensing of domestic research and development costs, reinstating permanent 100% bonus depreciation, and strengthening incentives for semiconductor manufacturing and other domestic investment. Building on these reforms, federal tax policy should remain simple, predictable, globally competitive and focused on strengthening the U.S. innovation economy.

POSITIONS

Promote Business Investment Through Stable Tax Policy

Protect and build upon the pro-growth provisions of the OBBBA, including permanent immediate expensing of domestic R&D expenditures and permanent 100% bonus depreciation for qualifying capital investments. These provisions provide businesses with greater certainty to invest in research, equipment, facilities and new technologies in the United States. Support additional simplification of the federal tax code, particularly for small and mid-sized businesses, while maintaining internationally competitive tax rates and avoiding frequent changes that discourage long-term investment.

Leverage Incentives for Semiconductor and Advanced Manufacturing

Protect the OBBBA's increase in the Advanced Manufacturing Investment Credit for semiconductor manufacturing and semiconductor manufacturing equipment from 25% to 35%. This enhanced incentive strengthens the business case for locating semiconductor fabrication,

equipment manufacturing and related capital investment in the United States and is particularly important to Arizona's rapidly expanding semiconductor ecosystem. Support policies that provide long-term certainty for semiconductor investments and strengthen domestic supply chains while ensuring that qualifying manufacturers and critical suppliers can effectively utilize available incentives.

Support Tax Policies that Strengthen America's Energy Supply

Support technology-neutral federal tax policies that encourage investment in reliable, affordable and secure domestic energy resources needed to support economic growth and rapidly increasing electricity demand. Recognize the important roles of nuclear power, energy storage, advanced energy technologies, domestic energy manufacturing and other resources that strengthen grid reliability and energy security. Federal incentives should be evaluated based on their ability to encourage innovation, attract private capital, strengthen domestic supply chains, and provide measurable economic and energy-system benefits rather than favoring technologies solely to achieve prescribed energy or emissions targets.

Ensure Fair, Simple and Predictable Tax Treatment Across Jurisdictions and Modalities

Interstate and digital-economy taxation should minimize complexity and unnecessary compliance burdens. Support reasonable small-business protections and greater consistency in the taxation of digital products and services. Simplify tax withholding and reporting requirements for remote and mobile employees, and encourage greater uniformity among states to prevent compliance patchworks that disproportionately burden smaller employers. Modernize tax rules to reflect the realities of digital commerce and a mobile workforce without discouraging innovation or interstate economic activity.

Protect and Strengthen Export Incentives to Boost Manufacturing Competitiveness

Support competitive federal tax treatment for income generated by U.S.-based companies serving global markets. Protect provisions that encourage companies to locate intellectual property, research, manufacturing and other high-value activities in the United States rather than abroad. Arizona companies—particularly in aerospace and defense, semiconductors, advanced manufacturing and technology—depend on access to international markets. Predictable and internationally competitive tax treatment is essential to expanding U.S. exports, strengthening domestic manufacturing and competing effectively with foreign-based companies.

Align Tax Policy to Support Innovation-Led State Economies

Recognize the importance of federal tax policy in strengthening technology-driven state economies such as Arizona's. Federal incentives for research, capital investment, semiconductor manufacturing, advanced manufacturing, aerospace and defense, energy, and emerging technologies can leverage substantial private investment and strengthen strategically important domestic industries. Advocate policies that allow Arizona companies to compete effectively for investment, expand domestic supply chains, commercialize new technologies and create high-value jobs. With stable, pro-growth tax policy, Arizona and the nation can attract investment, accelerate innovation, strengthen critical supply chains and create high-value jobs.



FINANCIAL SERVICES: BANKING, CREDIT UNIONS & FINTECH

PRINCIPLE

Distributed ledger technology (DLT), otherwise known as blockchain, is perhaps the most misunderstood emerging technology in the world today. Since its inception, secure DLT has been widely viewed through the lens of virtual currencies, particularly the hype surrounding the buying and trading of bitcoin and other digital coin offerings, at the expense of understanding the broader impact of fintech advances and the blockchain technology that powers it.

Blockchain has the potential to revolutionize many sectors of the U.S. economy if the proper legislative and regulatory measures are taken to enable and foster its development by correcting the ineffective and confusing patchwork of policies. Today's system of divergent laws and regulations is unsuitable for this diverse and quickly evolving industry in need of a comprehensive regulatory approach. Blockchain brings significant efficiencies to not only currency and financial transactions but also asset ledgers, global supply chains, internet of things data collection and decentralized social networking.

POSITIONS

Federal policymakers should consider developing and supporting policies and regulatory structures for fintech and blockchain environments that encourage developers and market participants to continue innovating and providing solutions that will aid the public sector in achieving its mission and goals.

Banking and Credit Unions Protect Insured Deposits from Disintermediation

Ensure stablecoins and other digital instruments cannot draw insured deposits out of banks and credit unions on an uneven regulatory field, preserving the deposit base that funds small-business, agricultural and consumer lending.

Credit Union Parity in Digital Assets

Grant federal and federally insured, state-chartered credit unions clear authority to offer and custody digital-asset and tokenized products so they can compete rather than be locked out of the market.

Predictable Chartering Pathways

Support clear, consistently supervised federal charter options—including industrial loan company, trust and novel charters—while guarding against regulatory arbitrage by firms that seek bank powers without bank-grade capital, liquidity and compliance obligations.

Right-Sized Regulation and BSA/AML Modernization

Tailor rules and examination burden to the size and risk ofcommunity banks and credit unions, and modernize anti-money-laundering requirements so compliance costs do not fall hardest on smaller institutions.

Open Banking and Responsible AI

Support secure, standardized, consumer-permissioned data sharing (Consumer Financial Protection Bureau Section 1033) that includes banks and credit unions, and provide supervisory clarity for the responsible use of artificial intelligence in fraud prevention, underwriting and service.

FinTech and Digital Assets Digital Asset Market Structure and Securities Clarity

Enactment of a comprehensive federal market structure for digital assets is the linchpin for responsible innovation. Passed by the U.S. House in 2025 and advanced by the Senate in 2026, the Digital Asset Market Clarity Act would divide oversight between the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission and replace years of regulation-by-enforcement with clear rules. Congress and regulators should finalize a comprehensive federal framework for digital assets that clearly allocates jurisdiction, defines relevant asset categories and provides market participants with predictable compliance obligations. The framework should preserve investor protection, market integrity and financial stability while allowing responsible innovation. Any market-structured legislation should maintain a level playing field between insured depository institutions and stablecoin issuers, and prevent yield-bearing instruments from drawing insured deposits out of the regulated banking system on materially different terms.

Multi-Agency Coordination and Regulatory Alignment

In accordance with the Government Accountability Office's 2023 report "Blockchain in Finance: Legislative and Regulatory Actions Are Needed to Ensure Comprehensive Oversight of Crypto Assets," the federal agencies involved in fintech regulation should jointly establish or adapt an existing formal coordination mechanism for collectively identifying risks posed by blockchain-related products and services and formulating a timely regulatory response. Those agencies include the Federal Reserve System, Federal Deposit Insurance Corporation (FDIC), SEC, Office of the Comptroller of the Currency (OCC), National Credit Union Administration, Commodity Futures Trading Commission and Consumer Financial Protection Bureau.

Digital Currencies

The rapid evolution of digital currencies underpinned by blockchain and distributed ledger technologies marks a critical shift in modern finance by offering advantages similar to traditional fiat without a physical form. As central banks explore centralized government digital currencies, policymakers must rigorously balance their potential benefits against systemic risks. Following the enactment of the landmark Guiding and Establishing National

Innovation for U.S. Stablecoins Act, federal agencies should move swiftly to execute its national framework to reinforce and strengthen the role of the U.S. dollar. In drafting the necessary implementing regulations, the OCC and FDIC must enforce consistent supervision, robust reserve requirements and transparent disclosure standards. This regulatory clarity is vital to protecting consumers and ensuring stable coins are never mistakenly viewed as government-insured bank deposits.

Tokenized Deposits

A tokenized deposit is a conventional bank deposit represented on a programmable ledger. It carries the same deposit insurance, regulatory treatment and credit profile as any other deposit while matching stablecoins on programmability and around-the-clock settlement. Because tokenized deposits keep funds inside the regulated banking system, they are the most direct answer to deposit disintermediation. Federal policymakers and regulators should affirm that tokenized deposits are deposits, provide clear supervisory treatment, and avoid rules that would advantage non-bank stablecoins over insured institutions, so that banks of all sizes—not only the largest money-center banks—can participate in programmable payment networks.

Support Responsible Agentic Banking and Financial Innovation

The federal government should encourage responsible development and adoption of agentic artificial intelligence in banking, payments and financial services to improve consumer choice, fiscal management, fraud prevention, operational efficiency, competition and access to financial services. Regulators should provide a clear, technology-neutral and risk-based framework that enables banks, fintech companies and payment networks to deploy AI agents while maintaining appropriate safeguards for consumer authorization, data privacy, cybersecurity, financial integrity and accountability. Policies should promote interoperable standards for agent identity, delegated authority, transaction provenance, spending limits, auditability and revocation of permissions while preserving human review and effective consumer recourse for consequential transactions. Federal agencies should avoid premature or overly prescriptive regulation that could freeze innovation or favor incumbent institutions. Instead, they should use regulatory guidance, testing environments and public-private standards development to allow beneficial agentic banking applications to evolve safely and competitively.

Decentralized Finance (DeFi)

DeFi is a rapidly developing area of financial technology that can create new ways to provide financial services and access digital assets. Federal policy should preserve room for experimentation while applying appropriate safeguards against fraud, market manipulation, illicit finance and systemic risk. Regulation should focus on the economic function and risks of an activity rather than relying solely on itstechnological architecture.

Decentralized Web (DWeb)

Driven by growing content constraints and declining trust in centralized internet platforms, DWeb proposes a fundamental reorganization of online infrastructure by replacing centralized data hosting with peer-to-peer architectures. By disintermediating traditional platforms, this shift enables a model where individuals maintain direct ownership of their personal data and grant applications limited, explicit permissions rather than allowing information to sit scattered across centralized databases. To advance user privacy, security and personal agency, policymakers should support the adoption of decentralized identity frameworks built on open, standards-based digital identifiers and self-owned verifiable credentials. Federal agencies, working independently and alongside international partners, should modernize regulatory paradigms to foster decentralized web development, driving global innovation, economic opportunity and digital inclusion.

Regulatory Clarity Regarding Custody

The SEC, OCC and state regulators each have differing custodial requirements for digital assets and often offer conflicting guidance

that becomes subject to jurisdictional battles. Providing clarity on how existing custody rules apply to digital assets while allowing the traditional, regulated financial system's interaction with digital assets will provide a safer arena for users navigating the digital asset ecosystem. Customers should have the choice to hold digital assets with exchanges, regulated banks or broker-dealers. Yet, traditional U.S. custodians are reluctant to offer digital asset services due to unclear regulatory approval requirements. Additionally, the SEC has made it financially unworkable to hold digital assets by requiring an equal asset on the custodian's balance sheet as a liability. Congress should require the SEC to rescind this requirement in favor of a notice and comment rulemaking, and regulators should provide clear custody guidance for incumbent and entrant providers.

Self-Custody

Self-custody through self-hosted wallets plays a vital role in digital asset ownership by enabling individuals to preserve financial privacy and secure their assets without exposing themselves to third-party custodian failures or security breaches. While self-custody involves greater personal responsibility for asset management, policymakers must ensure the right to self-custody remains uninfringed and prevent federal agencies from issuing rules that restrict an individual's ability to hold their own digital assets. To complement these protections, policymakers and industry stakeholders should collaborate on public education efforts so consumers fully understand both the operational risks and the security advantages of managing their own assets.

Regulatory Sandboxes

Building on Arizona's pioneering fintech regulatory sandbox, more than a dozen states, District of Columbia and the Consumer Financial Protection Bureau and have introduced or created sandbox frameworks to foster financial technology innovation. Federal policymakers should expand upon blockchain and emerging technology regulatory sandboxes to lower barriers to entry, enable agile testing environments and maintain American competitiveness in rapidly evolving global markets. To maximize the value of these frameworks, federal agencies should provide broad regulatory waivers for state sandbox participants, apply a light regulatory touch to nascent initiatives and establish an agencywide federal sandbox that provides seamless legal and regulatory reciprocity across participating jurisdictions.

Federal Blockchain Stakeholders Working Group

Congress should enact legislation directing the Department of Commerce to establish a federal blockchain working group charged with developing a consensus-based definition and unified regulatory framework for the technology. This working group should formulate targeted recommendations for the National Telecommunications and Information Administration and the Federal Communications Commission to evaluate commercial opportunities, advance security standards and interoperability, assess blockchain's impact on spectrum policy and identify avenues to streamline federal government operations.

Federal Government Records

Congress and federal agencies should explore utilizing blockchain technology to manage and store official government records to improve security, lower administrative costs and enhance operational efficiency. Federal leadership should initiate pilot programs and trials to build technical capabilities, assess long-term viability and lay the groundwork for full-scale deployments where appropriate.



GLOBAL TRADE AND MARKET ACCESS

PRINCIPLE

The Arizona Technology Council strongly supports international trade and an affirmative U.S. strategy that expands market access, reduces unnecessary tariff and non-tariff barriers, promotes U.S. exports and productive investment, and facilitates the secure cross-border movement of goods, services, data, capital, technology, ideas and talent. Predictable, transparent and rules-based trade, as well as comprehensive agreements that expand market access and deepen integration with trusted allies and aligned market-economy partners should be adopted.

The Council also supports effective protection against unfair trade, national security and economic security risks. Such measures should address an identifiable problem under the authority designed to address it and be evidence-based, targeted, proportionate, transparent and reviewable. Policy should distinguish trusted partners from adversarial, non-market and security-risk states while preserving legitimate enforcement.

Supply-chain resilience should combine commercially justified domestic capacity with diversified sourcing and deeper trusted-partner integration, not seek U.S. self-sufficiency in every critical input or product. For 2027, the Council's highest near-term priorities are prompt United States-Mexico-Canada Agreement (USMCA) extension; reauthorization of Trade Promotion Authority and the Export-Import Bank; disciplined use of Sections 232 and 301; opposition to the 2026 Section 338 action against Canada; and implementation of the Taiwan, Japan, Korea and India arrangements supporting Arizona semiconductor and advanced-manufacturing investment.

POSITIONS

I. Core Trade Policy and Market Access

Restore Trade Promotion Authority and Pursue Market-Opening Agreements

The Council supports congressional reauthorization of Trade Promotion Authority (TPA) to restore a durable congressional-executive framework for negotiating comprehensive, high-standard trade agreements. Reauthorized TPA should establish clear negotiating objectives, meaningful congressional consultation and oversight, transparency, and a reliable process for considering agreements that materially reduce tariff and non-tariff barriers.

Additionally, agreements on Reciprocal Trade, Technology Prosperity Deals and other targeted arrangements can deliver useful near-term results but should be stepping stones toward, not substitutes for, comprehensive agreements covering goods, services, digital trade, intellectual property, investment and customs.

Reauthorize GSP and the Miscellaneous Tariff Bill Process
Congress should we reauthorize the Generalized System of Preferences and the Miscellaneous Tariff Bill process, including temporary duty relief for commercially justified inputs not reasonably available from domestic sources, to reduce unnecessary costs, diversify sourcing and strengthen U.S. manufacturing competitiveness.

II. USMCA and Arizona's Strategic Trade Relationships

Extend USMCA and Strengthen North American Competitiveness – The USMCA needs to be promptly extended by all three countries. Extension should not be conditioned on resolving every bilateral dispute. Modernization should preserve USMCA's market-access benefits, digital-trade protections, workable rules of origin and integrated supply chains while improving customs cooperation and addressing circumvention, forced labor, economic coercion and high-risk dependencies.

USMCA should serve as a platform for North American competitiveness in semiconductors, advanced manufacturing, aerospace, critical minerals, logistics and innovation. Rules of origin and enforcement should prevent non-parties from improperly obtaining benefits intended for North American production without burdening legitimate regional commerce. Disputes should ordinarily be addressed through negotiation, USMCA enforcement mechanisms and targeted remedies rather than broad tariffs that fragment North American trade.

Extending USMCA is crucial to Arizona. The state exported a record $44.4 billion in goods in 2025, including $14.6 billion to Mexico and $2.8 billion to Canada. Together, those markets represented approximately 39% of Arizona's goods exports. Arizona's relationship with Mexico and Canada extends well beyond export volume. Integrated North American production supports the state's semiconductor, aerospace, electronics, mining and advanced-manufacturing industries through cross-border suppliers, customers and logistics networks. USMCA implementation should improve customs coordination, regulatory cooperation and the secure movement of legitimate low-risk trade. It also should preserve reliable access to energy, minerals, equipment and intermediate goods that help Arizona production compete globally.

Deepen Trade and Technology Integration with Strategic Partners
Arizona has been focused on increasing our trade partnerships for many years. The state has created strategic partnerships and trade offices around the world, and it is important that these relationships are not harmed by federal trade policies. Some of those strategic partnerships are:

- Taiwan has an exceptional connection to Arizona's technology economy. Arizona-Taiwan goods trade exceeded $21 billion in 2025, and TSMC's announced Arizona investment now totals approximately $265 billion. The Council supports implementation of the 2026 U.S.-Taiwan Agreement on Reciprocal Trade and the U.S.-Taiwan Initiative on 21st-Century Trade, together with preferential Section

232 treatment where tariffs on semiconductors, manufacturing equipment or related inputs would impede expansion of U.S. capacity.

- Japan is a trusted technology partner and major source of Arizona investment. Japanese companies announced 15 Arizona projects totaling approximately $2.4 billion in 2025. The Council supports continued implementation of the U.S.-Japan trade, digital-trade, investment and Technology Prosperity arrangements, and deeper cooperation in semiconductors, AI, quantum technologies, advanced manufacturing and standards.
- South Korea is a treaty ally and KORUS trade-agreement partner with Arizona importance through Amkor Technology's approximately $7 billion advanced-packaging investment in Peoria. The Council supports deeper U.S.-Korea cooperation in semiconductors, advanced packaging, AI, digital trade and critical supply chains.
- A comprehensive, high-standard U.S.-India trade agreement and expanded cooperation in semiconductors, AI, quantum, critical minerals, defense technology and advanced manufacturing, subject to appropriate security safeguards, should be adopted. The Council supports closer market and technology integration with the United Kingdom (U.K.), European Union (EU) and Southeast Asian partners, with targeted arrangements serving as building blocks toward durable market opening.
- Implementation should be concrete. With India, the Council supports Transforming the Relationship Utilizing Strategic Technology, INDUS Innovation, India-U.S. Defense Acceleration Ecosystem, Pax Silica and the U.S.-India AI Opportunity Partnership, subject to appropriate safeguards. With South Korea, the Council supports using KORUS and the U.S.-Korea Technology Prosperity Deal to deepen market access and advanced-packaging cooperation. U.K. and EU arrangements should reduce barriers involving technology, digital trade, data and standards. Partnerships with Vietnam, Indonesia and the Philippines should strengthen diversified supply chains and guard against transshipment and circumvention.

III. U.S.-China Trade and Economic Security

Strategic Trade with China with Increased Security

China requires a materially different approach from that applied to close allies and aligned market economies. The Council supports a stable, predictable commercial relationship; expanded access for non-sensitive goods and services; and continued commercially necessary trade during supply-chain transitions. It opposes indiscriminate economic decoupling.

At the same time, the Council supports targeted use of Section 301, export controls and investment-security authorities where documented non-market practices or national security risks warrant action. Restrictions should focus on the underlying conduct, capability, end use, end user and diversion risk, and be reviewed for effectiveness, foreign availability and effects on U.S. competitiveness.

Reshoring and Alternate Trade Partnerships of Critical Supply Chains
The United States should accelerate diversification of critical-mineral and other strategically concentrated supply chains through greater U.S., North American and trusted-partner capacity while preventing transshipment, false origin and other circumvention. Diversification should be phased where commercially viable alternatives do not yet exist.

IV. Tariffs and Rules-Based Trade Remedies

Match the Trade Tool to the Identified Problem
The Council supports enforcement of U.S. trade laws and properly targeted remedies when statutory requirements are satisfied. Tariffs and import restrictions are not interchangeable tools. Each measure should address a verifiable unfair-trade practice, national-security risk, market-access barrier or injury, and be reasonably capable of remedying that problem.

These trade measures should be narrowly targeted, proportionate and transparent; consider effects on U.S. manufacturing, technology leadership, investment and critical supply chains; include timely

exclusions where domestic substitutes are unavailable; and be modified or removed when their justification no longer exists. Broad or long-duration tariff actions also warrant meaningful congressional oversight.

Apply Sections 301 and 232 with Discipline

Section 301 should address documented foreign practices such as intellectual-property violations, forced technology transfer, discriminatory market-access restrictions and material non-market conduct. The Council opposes overbroad actions that impose tariffs on unrelated legitimate commerce or allied economies without a remedy closely connected to the cited practice.

Section 232 is a legitimate national-security authority when imports create a specific, substantiated threat to defense readiness, critical infrastructure, technology security or strategically important capacity. The Council opposes Section 232's use where the national-security nexus is speculative or the measure burdens trusted allies, USMCA-compliant goods, specialized components, manufacturing equipment or R&D inputs in ways that increase the cost of the domestic capacity the action is intended to strengthen.

Oppose the Overbroad Section 338 Action Against Canada

The Council strongly opposes the 2026 Section 338 action against Canada as overbroad, disproportionate and inconsistent with predictable North American market access. Legitimate U.S. complaints should be addressed through negotiation, USMCA dispute-settlement mechanisms and targeted remedies rather than broad cross-sector tariffs on USMCA-originating goods.

The Council also supports fact-specific antidumping and countervailing-duty enforcement. For Arizona, that includes negotiation of an enforceable Tomato Suspension Agreement with Mexico that addresses injurious dumping while preserving legitimate trade and the Arizona businesses and jobs that depend on it.

V. Technology Trade, Talent and Digital Commerce

Protect Sensitive Technology While Enabling Trusted Collaboration

The Council supports rigorous controls where transfer of technology, software or technical information would materially advance sensitive military, intelligence, surveillance, cyber or weapons capabilities. Controls should be technically precise, focus on actual capability and diversion risk, consider foreign availability, coordinate with allies, and be regularly reviewed so they do not shift market share, R&D or technology leadership abroad without a corresponding security benefit.

U.S. policy should facilitate legitimate technology trade, joint R&D and defense-industrial integration with appropriately safeguarded partners. AUKUS and technology prosperity deals demonstrate how reducing unnecessary barriers among trusted countries can strengthen both innovation and national security.

Investment and inbound-technology controls should likewise target demonstrated risks involving critical technology, sensitive data, critical infrastructure or foreign-adversary access. Review and mitigation should be timely and predictable, particularly for known and lower-risk investors from trusted countries.

The Committee on Foreign Investment in the United States should focus on demonstrated risks involving critical technology, sensitive data, critical infrastructure or foreign-government influence, with timely review and mitigation for trusted investors. Outbound-investment controls should likewise be limited to transactions in countries of concern that could materially advance sensitive semiconductor, quantum or AI capabilities. Both systems should preserve ordinary commercial trade and appropriately defined passive investments that do not create such risks.

Preserve Access to Specialized Technical Talent

Secure cross-border movement of technical talent is core to U.S. competitiveness. The Council supports timely, predictable administration of H-1B, O-1 and related employment-based visa categories so Arizona

semiconductor, aerospace and technology employers can recruit specialized engineers and scientists where domestic talent is not available at the necessary scale, with appropriate safeguards against fraud and abuse.

Strengthen Digital Trade and Protect Proprietary Technology

The Council supports enforceable digital-trade rules that permit secure cross-border data flows and oppose discriminatory or unnecessary data-localization requirements while preserving legitimate privacy, cybersecurity, law-enforcement and national-security measures. USMCA, the U.S.-Japan Digital Trade Agreement and the U.S.-Taiwan arrangements provide useful models for future agreements.

Forced disclosure of source code, algorithms, production processes, trade secrets or other proprietary technology as a condition of market access should be avoided. Foreign AI, privacy, competition and digital regulation should be transparent, non-discriminatory, risk-based, proportionate and open to technologically equivalent means of compliance.

Additionally, the Council opposes discriminatory digital services taxes and customs duties on electronic transmissions. It supports durable international rules for duty-free electronic commerce and privacy interoperability that allow lawful data transfers without requiring countries to adopt identical privacy laws.

VI. Critical Minerals and Semiconductor Supply-Chain Resilience

Diversify Critical-Mineral Supply

A comprehensive strategy spanning exploration, mining, processing, refining, advanced materials, manufacturing, recycling and logistics needs to be established. U.S. capacity should expand where commercially and strategically justified, but resilience does not require every stage of production to occur domestically.

The United States should deepen critical-mineral trade, investment and production partnerships with trusted countries to diversify supply and reduce dependence on unreliable or coercive sources. Price supports, border measures and Section 232 actions should address demonstrated distortion or vulnerability, consider downstream effects, and be reviewed as market conditions change.

Forced labor enforcement should be rigorous and predictable. Given Arizona's position as the nation's leading copper producer and a growing battery-materials hub, compliant producers should have clear procedures to demonstrate clean sourcing without unnecessary delay or disproportionate compliance burdens.

Implementation should also address project economics and execution. The Council supports faster, predictable permitting for responsible U.S. mining and processing; expanded recycling, recovery and substitution; transparent market information; and strategic stockpiles where a demonstrated vulnerability warrants them. Critical-mineral agreements with trusted partners should expand processing and refining capacity, establish workable sourcing standards and prevent transshipment while avoiding border measures that increase downstream costs without creating viable alternative supply.

Strengthen Semiconductor and Advanced-Packaging Resilience

Semiconductor resilience requires reliable access not only to domestic fabrication but also to equipment, materials, chemicals, wafers, packaging, testing, logistics, skilled personnel and critical minerals. The Council favors diversified supply, integrated production with trusted partners, commercially justified U.S. capacity and targeted reserves where demonstrated vulnerabilities warrant them, rather than policies seeking to reshore every stage of every supply chain.

Arizona illustrates how resilience depends on connected stages of production. TSMC's fabrication expansion and Amkor's advanced-packaging and testing investment are complementary anchors for a

broader supplier, R&D and workforce ecosystem. Tariffs, export controls and sourcing rules should not raise costs or delay operation of the U.S. capacity they are intended to strengthen. Federal policy should support workforce development, R&D and trusted-partner suppliers needed to make these investments fully productive.

VII. Export Competitiveness and Investment

Reauthorize and Strengthen the Export-Import Bank

The Council strongly supports long-term reauthorization of the Export-Import Bank (EXIM) before its current authority expires on December 31, 2026. U.S. exporters and foreign customers considering multiyear transactions need confidence that the United States' official export-credit agency will remain available.

EXIM's China and Transformational Exports Program and Supply Chain Resiliency Initiative should help commercially sound U.S. technology and critical-mineral projects compete where foreign firms benefit from state-directed financing or other non-market advantages.

Promote Investment, Commercial Diplomacy and Technology Exports

Select USA efforts to attract productive investment in technology, advanced manufacturing, R&D and strategic supply chains should be fostered while protecting genuinely sensitive assets through targeted national-security review. Arizona's semiconductor expansion demonstrates trusted foreign investment and economic security can reinforce one another.

The Council supports adequate funding and staffing for the U.S. Commercial Service, International Trade Administration's Advocacy Center and trade-agreement compliance programs. These services are especially valuable to Arizona small and medium enterprises that cannot independently replicate overseas market knowledge, buyer networks or government relationships.

Additionally, the Council supports secure American AI and technology exports, commercial diplomacy, export financing and market-access advocacy that help U.S. firms compete internationally. Exports of advanced chips, data-center systems and related technology to vetted partners should remain subject to appropriate end-use, security and re-export safeguards.

Federal implementation should treat full-stack AI exports as a competitiveness and standards-setting strategy. EXIM, Commercial Service and Advocacy Center support should help U.S. firms offer integrated chips, servers, cloud services, software and related infrastructure in fast-growing markets. Licensing should be predictable and use risk-based end-use monitoring, cybersecurity conditions and re-export safeguards, reviewed as diversion risks evolve, so vetted partners can choose secure U.S. technology rather than subsidized or less trusted alternatives.

IMMIGRATION REFORM

PRINCIPLE

The United States' ability to attract and retain the world's best talent is a strategic economic and national-security advantage. A secure border and effective enforcement of immigration laws are essential, but they should be accompanied by a legal immigration system that is efficient, predictable and responsive to the workforce needs of the American economy. An immigration system that unnecessarily prevents U.S. employers from recruiting highly skilled scientists, engineers, researchers, doctors, entrepreneurs and other critical workers risks driving investment, innovation and jobs to competing nations.

Arizona is particularly dependent on access to specialized talent in semiconductors, advanced manufacturing, aerospace and defense, artificial intelligence, cybersecurity, healthcare and other technology-intensive industries. Immigration policy should prioritize American workers while recognizing that highly skilled immigrants frequently complement the domestic workforce, fill critical talent gaps, create companies, support research and help U.S. employers expand domestically rather than move investment and jobs overseas.

The Council supports immigration reform that strengthens border security, enforces the law, protects American workers and expands efficient legal pathways for individuals whose skills, education, entrepreneurship and contributions strengthen the U.S. economy. Immigration policy should be based on economic and national security needs and provide employers, workers and families with clear and predictable rules.

Immigration reform should strengthen both the rule of law and America's ability to compete for talent. The United States can secure its borders, enforce immigration laws, protect American workers and still maintain the world's most competitive system for attracting scientists, engineers, entrepreneurs and other individuals who contribute to economic growth and national security. For Arizona, getting that balance right is particularly important to sustaining leadership in semiconductors, aerospace and defense, advanced manufacturing, artificial intelligence, bioscience and other technology industries.

POSITIONS

Support High-Skilled Immigration Reform

Modernize the U.S. immigration system to ensure American employers can recruit highly skilled workers when qualified domestic talent is unavailable or insufficient to meet current needs. Immigration policy should prioritize individuals with skills needed in strategically important industries while including appropriate protections for U.S. workers and safeguards against fraud and abuse.

Specifically, support:

- Increasing access to highly skilled immigrants in high-demand fields, particularly science, technology, engineering and mathematics, where documented workforce shortages constrain U.S. innovation and economic growth.
- Reducing visa processing times, administrative backlogs and unnecessary regulatory barriers while maintaining appropriate security screening, verification and enforcement.
- Increasing employment-based green cards for highly skilled workers and U.S.-educated graduates in critical fields.
- Creating and strengthening immigration pathways for entrepreneurs, founders and investors who create U.S. companies, jobs and intellectual property. Adopting a more market-responsive system for employment-based visas that reflect workforce demand while protecting American workers.

Visa Modernization and Talent Retention

Modernize employment-based immigration programs to better reflect the needs of a technology-driven economy. Support sufficient availability of H-1B and employment-based immigrant visas for highly skilled workers while strengthening safeguards against misuse. Reduce excessive fees, processing delays and administrative barriers that make it unnecessarily difficult or costly for legitimate U.S. employers to recruit specialized talent. Expand opportunities for highly skilled graduates of U.S. universities to remain in the United States, particularly in STEM and other strategically important fields.

Protect U.S. Workers While Attracting Global Talent

High-skilled immigration policy should complement rather than replace investment in the domestic workforce. Support reasonable wage, transparency and enforcement requirements that discourage misuse of employment-based visa programs while preserving access for employers with legitimate needs for specialized talent. Immigration reform should be accompanied by continued investment in American STEM education, apprenticeships, workforce training, reskilling and upskilling so U.S. workers have every opportunity to compete for high-value jobs.

Support DACA Recipients and 'Dreamers'

Support a durable legislative solution for individuals brought to the United States as children who have been educated, employed and established their lives in this country. Congress should provide greater certainty for eligible Deferred Action for Childhood Arrivals (DACA) recipients and "Dreamers" who meet appropriate educational, employment, military-service, background and other requirements. A permanent legislative solution would provide greater stability for individuals, families and employers than continued reliance on executive actions and litigation.

Support Bipartisan Comprehensive Immigration Reform

Encourage Congress and the administration to pursue durable immigration reform that combines effective border security and enforcement with modernization of the legal immigration system. Support bipartisan approaches that address long-term undocumented residents who meet appropriate requirements, provide certainty for

"Dreamers," improve employment-based immigration, strengthen verification and enforcement, and create a system that better serves the economic and national-security interests of the United States.

Strengthen Immigration Pathways for Strategic Industries

Recognize that workforce shortages extend beyond traditional technology occupations. Arizona's semiconductor fabs, aerospace and defense companies, advanced manufacturers, construction projects, healthcare institutions and other major employers require engineers and scientists, as well as technicians, skilled tradespeople and other specialized workers. Immigration policy should provide carefully designed legal pathways to address demonstrated workforce shortages while continuing to expand domestic education and training programs.

Retain International Students Educated in the United States

Make it easier for international students earning advanced degrees in strategically important fields at accredited U.S. universities to remain in the United States when they have employment opportunities requiring their skills. The nation should capitalize on its investment in educating talented students rather than creating unnecessary barriers that encourage them to take their knowledge, innovation and entrepreneurial potential to competing countries.

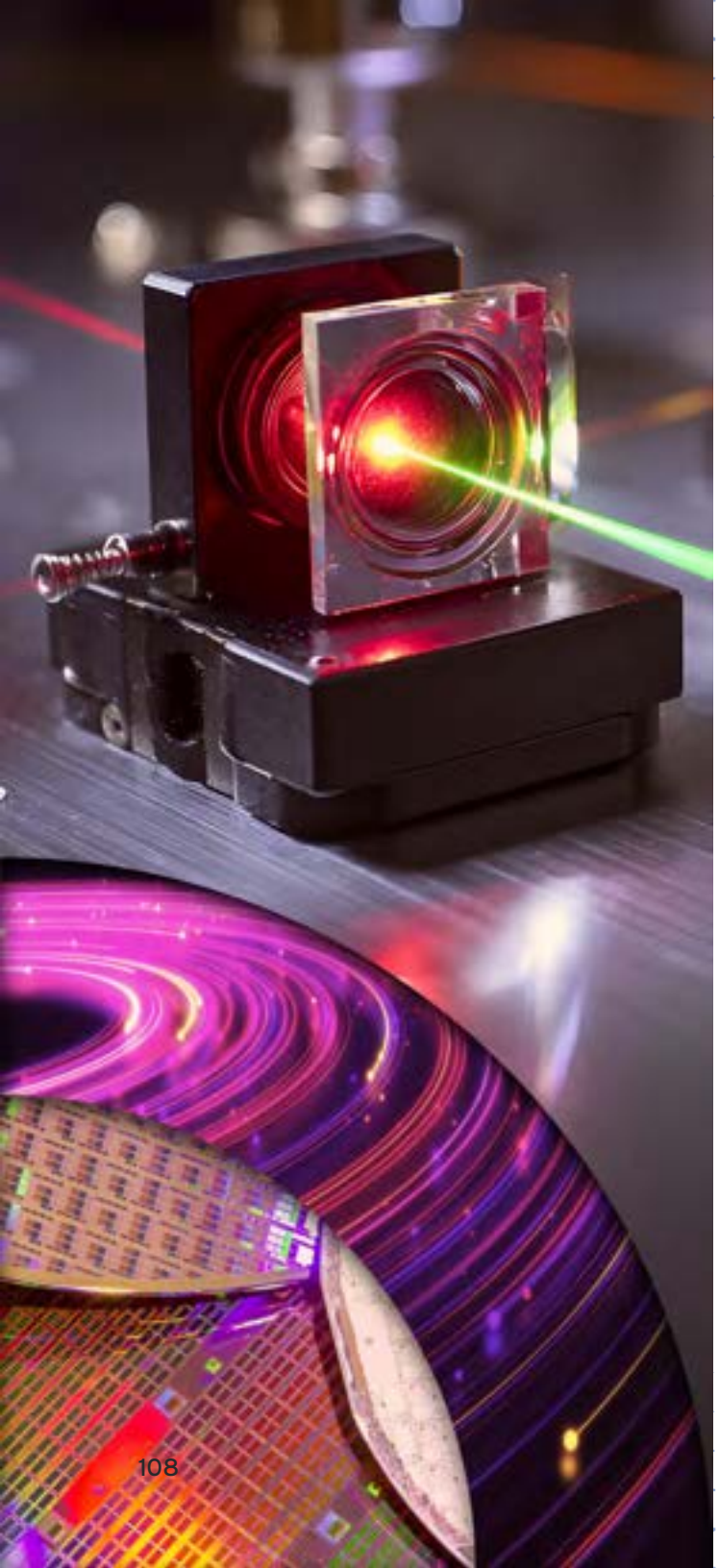
Promote Entrepreneurship and Innovation

Establish clear and competitive immigration pathways for entrepreneurs and founders who demonstrate the ability to build companies, attract investment, commercialize technologies and create American jobs. The United States should remain the preferred destination for the world's most innovative entrepreneurs rather than losing promising companies and intellectual property to countries with more competitive immigration systems.

Maintain Security While Improving Efficiency

Support rigorous background checks, identity verification, fraud prevention and national-security screening throughout the immigration system. At the same time, legitimate applicants and employers should receive timely decisions, clear requirements and predictable processing. Security and efficiency are complementary objectives and should be pursued together.





OPTICS AND PHOTONICS

PRINCIPLE

The optics and photonics industry encompasses the science of light and light-based technologies. Lasers, detectors, imaging systems and other light-based technologies are critical to every aspect of modern society, including healthcare, advanced manufacturing, communications, energy, defense capabilities, transportation and scientific research. Since 2012, the global photonics components industry has grown at a rate of more than twice the global gross domestic product. Federal investment in optics and photonics is key to enhancing our country's competitiveness and national security while driving forward the development of some of our nation's most productive and rapidly evolving technology industries. This is critical for Arizona as it is one of the nation's leaders in the industry.

POSITIONS

R&D Funding

Support sustained, merit-based federal investment in scientific research and development to maintain U.S. leadership in optics and photonics. Robust funding for agencies such as National Science Foundation, Department of Energy, and National Institute of Standards and Technology drives innovation, commercialization and development of advanced optical technologies.

STEM Workforce

Significant talent shortages are projected across all optics and photonics-related areas. Support policies that expand access to highly skilled STEM talent, including through legal immigration pathways, while strengthening domestic education and training.

National Quantum Initiative

Quantum information technology is one of the key components for future computing and communications development. Support the reauthorization of the National Quantum Initiative, a whole-of-government approach to ensure U.S. leadership in quantum information science. Reauthorization opens the opportunity to improve upon the original framework and demonstrates Congress continues to support U.S. investment in quantum.

Rare Earth Element and Critical Material Supply Chain

Support policies and funding for research and development of alternate materials, as well as development of domestic supply chains and related financial controls. Foreign export restrictions on essential materials like germanium and gallium have inflated production costs, lengthened procurement timelines, and disrupted supply chains for domestic optics manufacturers, particularly those supporting critical defense applications. Target federal investments are necessary to mitigate exposure to foreign-controlled critical material markets.

Congressional Optics & Photonics Caucus

Encourage members to join and participate in the Congressional Optics & Photonics Caucus. This bipartisan and bicameral group advocates policy solutions that advance light-based technologies, addresspressing workforce shortages across the manufacturing sector, and highlight the economic and defense contributions of the optics andphotonics industries.

American Center for Optics Manufacturing (Americom)

Work collaboratively with and support funding for Americom, a Department of Defense-funded initiative focused on improving national optics manufacturing to enhance national security and global competitiveness.



PRIVACY/DATA BREACH NOTIFICATION

PRINCIPLE

Technology-driven economic growth depends on the responsible collection, use and protection of data on trusted, secure and accessible digital platforms. Data policies should protect consumers while enabling innovation, digital commerce and legitimate business uses of information. Since data and digital commerce routinely cross state borders, businesses and consumers benefit from clear, predictable and uniform national standards for privacy, data security and breach notification.

The U.S. still lacks a comprehensive national consumer privacy and breach-notification framework. Businesses must navigate an expanding patchwork of state privacy and data breach-notification laws alongside sector-specific federal requirements and international regimes such as the European Union's General Data Protection Regulation. Federal policy should reduce unnecessary duplication while providing meaningful consumer protections and clear obligations for businesses.

POSITIONS

Preemption of State Law

A comprehensive federal privacy and breach-notification law should expressly preempt substantially similar state requirements to reduce compliance burdens, particularly for small and mid-sized businesses, and establish clear and consistent rules nationwide. Without meaningful preemption, the growing state-by-state patchwork will continue to increase costs and regulatory uncertainty.

Take Other Laws into Account

Entities already governed by sector-specific federal laws, such as Health Insurance Portability and Accountability Act, Gramm-Leach-Bliley Act and Fair Credit Reporting Act, should receive appropriate exemptions or recognition in any broader policies for substantially equivalent obligations to avoid duplicative or conflicting requirements.

No Fixed Data Security Requirements

Legislation should avoid hard coding specific technologies or security controls. Instead, requirements should be risk-based and reference recognized frameworks and standards that can evolve as technologies and threats change.

Narrow and Plainly Understandable Definition of Personal Information

Personal information should be clearly defined, with appropriate exclusions for publicly available, de-identified and other low-risk data. Notification requirements should focus on sensitive information when compromise creates a meaningful risk of harm.

Safe Harbor Designation

Organizations that demonstrate good-faith compliance with recognized cybersecurity frameworks, industry standards and reasonable security practices should receive appropriate liability protections when breaches occur despite those safeguards.

Advance a Comprehensive Federal Privacy Law

Congress should enact a bipartisan national privacy framework establishing clear consumer rights and business responsibilities, appropriate protections for children and sensitive data, reasonable data-security requirements, and scaled obligations for small and mid-sized businesses.

Modernize Electronic Communications Privacy Law

Update federal electronic communications privacy laws to reflect cloud computing, mobile communications and other modern technologies while establishing clear standards for government access to digital information and maintaining appropriate due-process protections.

Protect Sensitive Health and Genomic Data

Establish clear protections for highly sensitive health, biometric and genomic information, including data collected outside traditional healthcare settings, while maintaining appropriate opportunities for legitimate research, healthcare and technological innovation.

No Civil Agency Exceptions in Federal Privacy Legislation

Federal privacy laws should not create unnecessary workarounds allowing civil agencies to obtain digital information without appropriate legal process.

Limit Emergency Exception

Emergency exceptions should be narrowly tailored to legitimate and immediate threats while maintaining appropriate privacy and due-process protections.

Limit Private Rights of Action for Good-Faith, Compliant Businesses

Businesses that maintain reasonable security practices and comply with federal standards should not face excessive litigation solely because they were victims of criminal cyberattacks. Enforcement should focus on meaningful violations, negligence and misconduct.

Reasonable, Scaled Financial Penalties

Penalties should consider company size, the sensitivity and volume of affected data, actual harm and the degree of negligence or misconduct, ensuring penalties are meaningful without disproportionately harming smaller businesses.

Notification Triggered by Real Risk of Harm

Consumer notification should be required when a breach creates a meaningful risk of harm, allowing individuals to take appropriate protective action without creating unnecessary notification fatigue.

No Overly Burdensome Notification Mechanics

Organizations should have reasonable flexibility in notifying and supporting affected individuals following a breach, allowing resources to be focused on timely communication, mitigation and remediation.

Encryption/Transformative-Protection Safe Harbor

Data that is encrypted, de-identified or otherwise rendered unusable or unreadable should generally be exempt from notification requirements when the protective measures remain uncompromised.

Coordinate Federal Cyber Reporting Requirements

Privacy and breach-notification requirements should be coordinated and consistent with existing federal cybersecurity and incident-reporting obligations to minimize duplicative reporting, conflicting deadlines and unnecessary compliance burdens while ensuring timely information reaches appropriate regulators and affected individuals.



SMART CITIES AND COMMUNITIES

PRINCIPLE

Smart cities and communities use advanced technologies, data and connected infrastructure to improve transportation, energy, water, public safety, communications and government services. Federal policy should encourage innovation, interoperability, cybersecurity and public-private partnerships while giving state and local governments flexibility to address their own needs. Federal investments should prioritize scalable solutions that improve infrastructure performance, resilience, efficiency and quality of life while producing measurable benefits for taxpayers and businesses.

POSITIONS

Federal Investment and Coordination

Support coordinated federal investment in smart infrastructure research, demonstration and deployment. Federal agencies should reduce duplication, share best practices and provide competitive grants that allow communities of all sizes to test and scale technologies that improve transportation, energy, water, public safety and other essential services.

Broadband, Spectrum and Digital Infrastructure

Support continued deployment of broadband, fiber, wireless networks, spectrum, edge computing and other digital infrastructure necessary for connected communities. Federal policy should encourage private investment, accelerate permitting and deployment, expand connectivity in rural and underserved areas, and provide sufficient licensed, shared and unlicensed spectrum for emerging technologies.

Interoperability and Open Standards

Support voluntary, consensus-based and technology-neutral standards that allow infrastructure, devices and data systems to communicate across jurisdictions and platforms. Federal policy should encourage interoperability and portability while avoiding mandates that favor particular technologies, vendors or architectures.

Cybersecurity, Privacy and Trust

Require appropriate risk-based cybersecurity protections for federally funded smart infrastructure and encourage adoption of recognized federal cybersecurity frameworks. Privacy protections should reflect the sensitivity and intended use of data while allowing legitimate data sharing necessary to improve public services, infrastructure and safety.

Innovation, Demonstration and Public-Private Partnerships

Support federal research, demonstration projects, regulatory flexibility and public-private partnerships that allow communities and companies to test emerging technologies in real-world environments. Successful pilots should have clear pathways to commercialization and broader deployment without creating unnecessary federal regulatory barriers.

Resilient Infrastructure

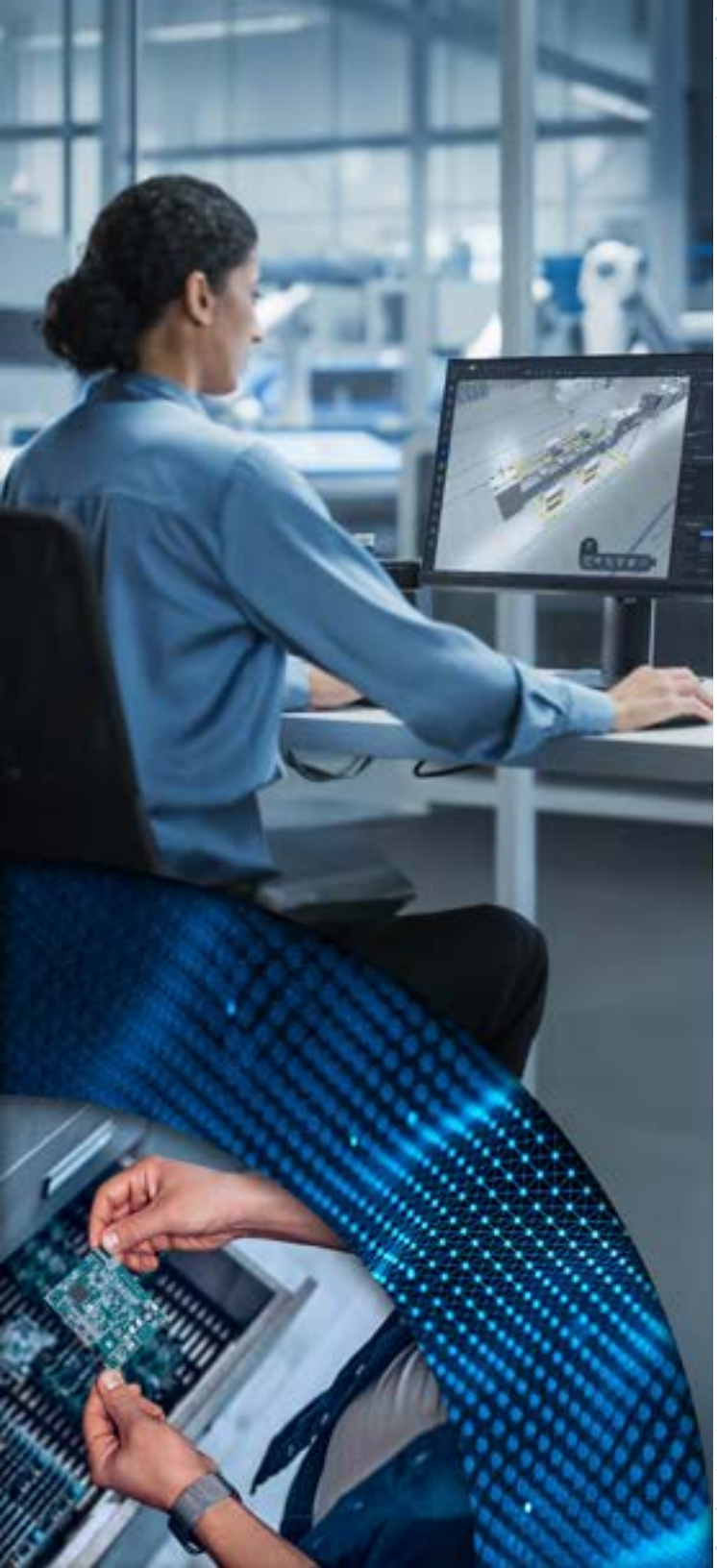
Integrate advanced technologies into federal transportation, water, energy, communications and disaster-resilience investments. Encourage sensors, automation, artificial intelligence, predictive analytics and other technologies that improve infrastructure reliability, reduce water and energy losses, strengthen emergency response and make better use of existing public assets.

Workforce Development

Support federal workforce programs that prepare workers to deploy, operate and secure increasingly connected infrastructure. Encourage partnerships among employers, universities, community colleges and workforce organizations in cybersecurity, artificial intelligence, data analytics, automation, advanced communications and related technical fields.

Metrics, Evaluation and Accountability

Require federally supported smart-community projects to establish measurable objectives and evaluate results. Federal investments should demonstrate improvements such as reduced costs, greater infrastructure reliability, improved public safety, reduced congestion, more efficient water and energy use, or better government services before receiving significant support for broader deployment.



TECHNOLOGY TRANSFER

PRINCIPLE

The Bayh-Dole Act transformed the translation of federally funded research into commercially valuable products by allowing universities, nonprofits and small businesses to retain and license rights to inventions arising from federal research. This public-private framework has helped produce new technologies, medicines, startup companies, high-quality jobs and substantial economic returns while strengthening U.S. technological leadership.

Federal policy should protect the incentives that make commercialization possible while improving the speed and efficiency with which federally funded discoveries move from laboratories and universities into the marketplace. Technology transfer policy should encourage private investment, entrepreneurship, domestic manufacturing and U.S. commercialization while protecting intellectual property rights and avoiding regulatory actions that discourage companies from investing in early-stage technologies.

POSITIONS

Defend the Bayh-Dole Framework

Preserve Bayh-Dole as the foundation of federal technology transfer. Maintain predictable patent ownership and licensing rights that give universities, small businesses, entrepreneurs and investors the confidence to invest substantial private capital in developing federally funded discoveries into commercial products.

Preserve March-In Rights as Narrow Safeguards

Maintain march-in authority consistent with the limited circumstances established by Bayh-Dole. Oppose using march-in rights as a mechanism for government price controls or other purposes beyond the existing statute that could create uncertainty, discourage private investment and weaken commercialization of federally funded inventions.

Protect Small Business Innovation

Protect the ability of small businesses to develop and commercialize federally funded technologies. Support strong coordination between Bayh-Dole and federal innovation programs, such as Small Business Innovation Research and Small Business Technology Transfer, to move promising technologies from research through commercialization and production.

Maintain Incentives for Entrepreneurs and Investors

Ensure federal technology-transfer policies provide clear, predictable intellectual property and licensing rights. Private capital is essential to transforming early-stage research into commercially viable products, and federal policy should avoid requirements that unnecessarily increase risk or discourage investment.

Accelerate Lab-to-Market Commercialization

Streamline federal licensing, reporting and technology-transfer processes, and strengthen partnerships among federal laboratories, universities, entrepreneurs and industry. Support federal programs that improve access to federally funded inventions, research facilities, technical expertise and commercialization opportunities.

Support U.S. Manufacturing and Supply Chains

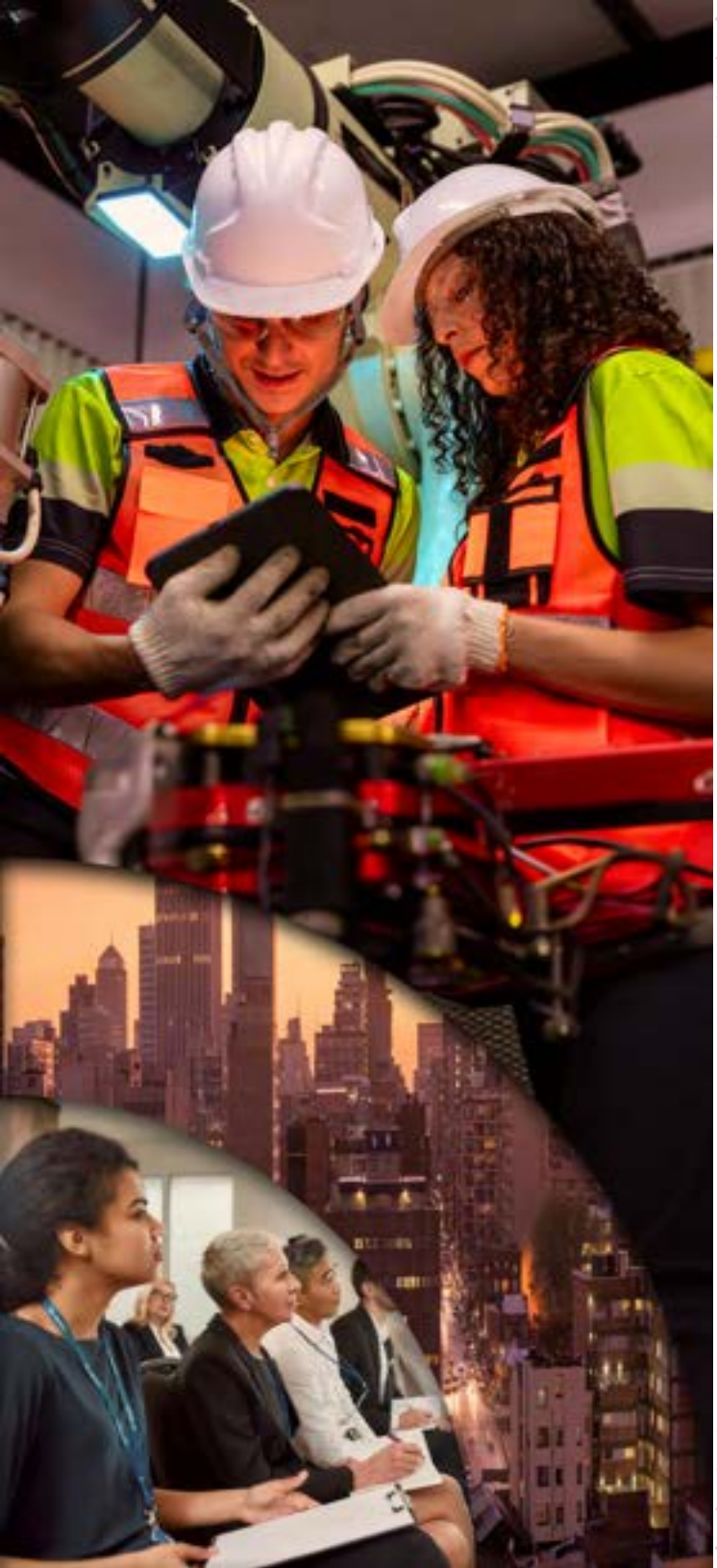
Encourage federally funded inventions to be commercialized and manufactured in the United States whenever economically and technically feasible. Technology-transfer policy should strengthen domestic manufacturing, critical supply chains and national security while maintaining reasonable flexibility when domestic production is not commercially practical.

Strengthen Technology Transfer Capacity

Support federal programs that improve commercialization expertise, entrepreneurial training and connectivity among researchers, technology-transfer offices, federal laboratories, investors and industry. Expand opportunities to move discoveries into startups, licensing agreements, demonstration projects and commercial production.

Improve Transparency and Accountability

Encourage effective reporting of federally funded inventions and commercialization outcomes while protecting confidential business information and intellectual property. Federal agencies should measure technology-transfer success based on commercialization, private investment, startup formation, domestic production and economic impact rather than imposing unnecessary administrative burdens.



WORKFORCE

PRINCIPLE

The United States is entering a period in which demographic change, technological disruption, persistent skill and worker shortages, and changing pathways from education to employment are converging. Meeting future workforce demand will require a long-term strategy to develop talent, continuously adapt workers' skills, increase workforce participation, and ensure sufficient workforce capacity to support economic growth, competitiveness and national security.

The demographic trends make this increasingly urgent. Population growth is slowing and the population is aging. The Congressional Budget Office projects that beginning in 2030, deaths will exceed births, increasing pressure on the size and composition of the future workforce.

The education pipeline is changing as well. The nation reached a historic peak of approximately 3.9 million high school graduates in 2025, and that number is projected to decline steadily through 2041. Future workforce growth therefore cannot depend primarily on a supply of traditional-age high school and college graduates. At the same time, artificial intelligence and other emerging technologies are changing skill requirements across industries and occupations. AI should increasingly be understood as a cross-cutting workforce competency that affects how work is performed across technology, advanced manufacturing, healthcare, finance, education, infrastructure and other sectors.

These challenges require a connected response. Federal education, higher education, workforce training, apprenticeship, childcare and immigration policies should reinforce one another to prepare more people for the future workforce, continuously develop the skills of those already working, remove barriers to participation and advancement, and supplement domestic talent development where persistent workforce demand cannot otherwise be met.

The definition of the high-technology workforce is expanding as well. U.S. competitiveness in AI, semiconductors, advanced manufacturing, cybersecurity, quantum, biotechnology and other strategic technologies depends not only on computer scientists, engineers and advanced-degree researchers but also on the technicians and skilled tradespeople who build, install, operate, secure and maintain the physical and digital infrastructure that makes advanced technology possible. Federal talent policy should reflect this broader workforce.

Federal workforce policy should increasingly be focused on connected priorities that include beginning career and technology exposure earlier, increasing integration between STEM and career and technical education (CTE), making work-based learning a central talent-development strategy, aligning education and training with strategic industries, rewarding measurable outcomes, and creating greater permeability among K-12, CTE, apprenticeship and higher education. Young people and adults should be able to move among these systems while accumulating skills, credentials, work experience and, where appropriate, degrees.

POSITIONS

Building the Education-to-Career Talent Pipeline

Strong academic preparation must remain fundamental to K–12 education, but students also need earlier awareness of career opportunities, ability to develop and demonstrate skills, and clearer connections among high school, postsecondary education and employment. Career-connected learning should complement rigorous academics and provide multiple pathways after high school. STEM and CTE should increasingly function as connected components of the same talent pipeline, particularly in high-tech and infrastructure sectors where scientific, digital, technical and skilled-trade competencies overlap. AI literacy and the ability to use, evaluate and adapt AI tools should be embedded across these pathways as a cross-cutting skill rather than confined to stand-alone computer science or AI programs.

Higher education is a critical part of this pipeline and is changing itself. Community colleges and universities will continue to prepare people for careers while increasingly serving adult learners and workers returning for additional education throughout their careers. Federal policy should enable learners to move among dual enrollment, industry credentials, apprenticeships, certificates, associate and bachelor's degrees, and continuing education while accumulating recognized learning rather than repeating coursework or losing prior learning. Modernization of the Higher Education Act should be considered alongside Every Student Succeeds Act (ESSA), Perkins CTE, Workforce Innovation and Opportunity Act (WIOA) and apprenticeship policy so federal programs reinforce one another and support competency-based progression across education and work.

Policy needs:

- Expand high-quality career-connected and work-based learning in K–12 education. Strengthen federal support through ESSA and Perkins CTE for paid internships, employer-sponsored projects, career exploration, job shadowing, pre-apprenticeship and other meaningful workplace experiences while maintaining strong academic preparation.
- Maximize CHIPS and Science Act workforce and education investments. Use remaining and complementary CHIPS-related investments to strengthen semiconductor and microelectronics talent pipelines spanning K-12 STEM and CTE, community colleges, universities, Registered Apprenticeship and incumbent-worker training, with particular emphasis on the technicians and skilled workforce needed to build, operate and maintain semiconductor facilities and supporting infrastructure.
- Allow CTE coursework to accelerate postsecondary attainment and apprenticeship. Encourage approved CTE course sequences to satisfy appropriate Registered Apprenticeship-related technical instruction requirements and make those courses available through dual enrollment so students can simultaneously earn high-school credit, apprenticeship instruction and transferable college credit.
- Embed AI literacy and applied AI skills across STEM, CTE and career-connected learning. Support age- and occupation-appropriate AI learning in K-12, dual enrollment, postsecondary education and work-based learning so students learn to use, evaluate and adapt AI tools within different fields and occupations.

- Modernize the Higher Education Act around multiple pathways and lifelong learning. Encourage stackable credentials, competency-based education, credit for prior learning, stronger transfer and articulation agreements, work-based learning and employer partnerships that allow learners to move between education and employment throughout their careers.
- Strengthen affordability, transparency and accountability across postsecondary pathways. Preserve access to need-based financial aid while providing students with clear information about program costs, completion, employment, earnings and career outcomes. Implement Workforce Pell with strong quality, portability and labor-market safeguards.
- Create portable education, skills and employment records. Accelerate adoption of interoperable Learning and Employment Records that allow individuals to document degrees, credentials, apprenticeship learning, workplace skills and other competencies then carry that information across education providers and employers.

Developing a Skilled and Adaptable Workforce

The workforce-development system must help people continually develop new skills, advance in their careers and transition as industries and technologies change while responding more quickly to regional and industry skill needs. Federal policy should treat AI literacy as a foundational workforce competency, with deeper occupation-specific skills where needed. In cybersecurity, for example, pathways increasingly need an integrated foundation in cybersecurity, AI, data, cloud and infrastructure before deeper specialization.

WIOA reauthorization offers one of the most significant opportunities to create this more responsive system. Federal policy should better align WIOA, apprenticeship, Workforce Pell and postsecondary workforce education around common labor-market information, career navigation, employer engagement and measurable outcomes. This alignment should support transitions from high school to postsecondary education and work, education to apprenticeship, short-term credentials to degrees, and employment back into education and reskilling. Apprenticeship should be a more integral part of this architecture across industries, with greater attention to retention, progression and completion as well as new enrollment.

Policy needs:

- Reauthorize and modernize WIOA as the connective infrastructure of the nation's workforce-development system. Better align workforce boards, employers, community colleges, universities, apprenticeship programs and economic-development strategies while giving states and regions flexibility to respond to changing labor-market conditions.
- Build skills first, competency-based hiring and portable credentials into federal workforce policy. Expand hiring and advancement practices that define and assess job competencies, supported by portable Learning and Employment Records that document skills gained through employment, military service, apprenticeship, short-term credentials and postsecondary education.
- Focus federal investment on quality, outcomes and adaptability. Measure completion, employment, retention, competency attainment, earnings and career advancement; implement Workforce Pell's performance requirements carefully; and embed AI literacy, digital skills and continuous upskilling across workforce development.
- Modernize and reauthorize the National Apprenticeship Act. Establish a durable federal framework for pre-apprenticeship, youth apprenticeship, Registered Apprenticeship and degree apprenticeship, with stronger employer participation, intermediary capacity, education alignment, portability and performance data. Encourage competency-based and hybrid models, particularly in high-tech and rapidly changing occupations so advancement reflects demonstrated mastery as well as appropriate on-the-job experience.

- Expand employer incentives for apprenticeship while rewarding completion. Consider legislation such as the bipartisan Leveraging and Energizing America's Apprenticeship Programs Act, including incentives for employers that hire apprentices, as well as additional incentives tied to apprentice retention and successful program completion, including youth apprenticeships.
- Expand outcomes-based apprenticeship investment. Build on the Department of Labor's Pay-for-Performance Incentive Payments Program by evaluating whether incentives tied to verified apprentice retention and progression improve completion and employment outcomes then use the results to inform future federal apprenticeship funding in high-demand and strategically important industries.
- Modernize cybersecurity pathways for convergence with AI and adjacent technologies. Encourage education and apprenticeship pathways that build an integrated foundation in cybersecurity, AI, data, cloud and infrastructure, with deeper specialization as learners and workers progress. Align credentials and work-based learning with changing employer requirements and the National Initiative for Cybersecurity Education (NICE) Workforce Framework for Cybersecurity.

Removing Barriers to Workforce Participation and Advancement

Developing skills and creating jobs will not solve workforce shortages if people cannot participate in training or remain employed. Childcare is one of the most significant barriers, but transportation, scheduling, equipment costs and sudden loss of public benefits can also prevent people from completing education and training or remaining in employment.

Recent federal changes have created an opportunity to build a broader workforce-participation strategy. The enhanced Employer-Provided Child Care Credit under Section 45F substantially increases incentives for employer-supported childcare, including shared arrangements and third-party providers. Successful implementation should make these incentives usable while also expanding quality childcare supply, strengthening the childcare workforce and integrating supportive services with workforce and apprenticeship programs.

Positions

- Treat childcare as essential workforce infrastructure. Incorporate childcare availability, affordability and supply into federal workforce and economic-development strategies and into regional assessments of barriers to labor-force participation.
- Fully implement and promote enhanced Employer-Provided Child Care Credit. Ensure clear the Department of Treasury and IRS guidance enables employers, particularly small and midsized businesses, to use the expanded credit through joint facilities, pooled employer arrangements, intermediaries and third-party childcare providers.
- Advance the bipartisan Child Care Modernization Act or comparable legislation. Expand state flexibility, strengthen recruitment and retention of the child-care workforce, and provide grants that can increase childcare supply through provider startup assistance, renovation, construction and other capacity-building investments.
- Build supportive services into WIOA and apprenticeship pathways. Allow childcare, transportation, tools, equipment and other documented participation barriers to be addressed as part of workforce-development and apprenticeship strategies.
- Address benefits cliffs that can undermine advancement. Improve coordination among workforce programs and public benefits so incremental earnings gains do not immediately eliminate essential supports and unintentionally discourage work, training completion or career progression.

- Measure persistence and retention as workforce outcomes. Evaluate supportive-service investments based on training completion, employment retention, earnings progression and continued career advancement, in addition to enrollment or initial job placement.

Workforce Capacity and Legal Immigration Modernization

Domestic talent development should remain the foundation of U.S. workforce policy. The nation should maximize the potential of its future and current workforce through education, higher education, apprenticeship, reskilling and policies that increase workforce participation. Demographic realities, however, make it increasingly unlikely that these strategies alone will produce all the workers required across the economy.

A comprehensive workforce strategy should treat domestic talent development and legal immigration as complementary elements. The goal should be to fully develop and engage the domestic workforce while maintaining a secure, credible legal immigration system capable of supplementing the workforce where documented and persistent shortages remain. Modernization should reinforce national security, border integrity, the rule of law and protections for U.S. workers while making legal employment pathways more responsive to economic, sector and regional workforce needs.

Policy needs:

- Modernize employment-based legal immigration to reflect current workforce demand. Update the Immigration and Nationality Act and employment-based pathways across skill levels so employers facing documented, persistent shortages can access legal workers when qualified U.S. workers are unavailable.
- Retain U.S.-educated international talent in strategically important fields. Strengthen pathways for graduates in STEM, AI, engineering, advanced manufacturing, healthcare, biomedical research and other high-demand fields to remain and contribute their education and skills to the U.S. economy.
- Create responsive pathways for essential workers and persistent shortage occupations. Consider approaches such as the Essential Workers for Economic Advancement Act and modernization of existing temporary-worker programs to address legitimate shortages in industries that lack adequate legal employment pathways.
- Pilot state: and region-responsive immigration strategies. Consider approaches such as the State-Sponsored Visa Pilot Program Act that would allow legal immigration pathways to respond more directly to documented state and regional labor-market needs while operating within federal standards and oversight.

ABOUT THE ARIZONA TECHNOLOGY COUNCIL

The Arizona Technology Council is the driving force behind making our state the fastest-growing technology hub in the nation, connecting and empowering Arizona's technology community. As Arizona's premier trade association for science and technology companies, the Council is recognized as having a diverse professional business community. The Council offers numerous events, educational forums and business conferences that bring together visionaries, leaders and innovators to make an impact on the technology industry. Council members work toward furthering the advancement of technology in Arizona through leadership, education, legislation and social action. These interactions contribute to the Council's culture of growing member businesses and transforming technology in Arizona. For more information about membership or attending an event, please visit **aztechcouncil.org**

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