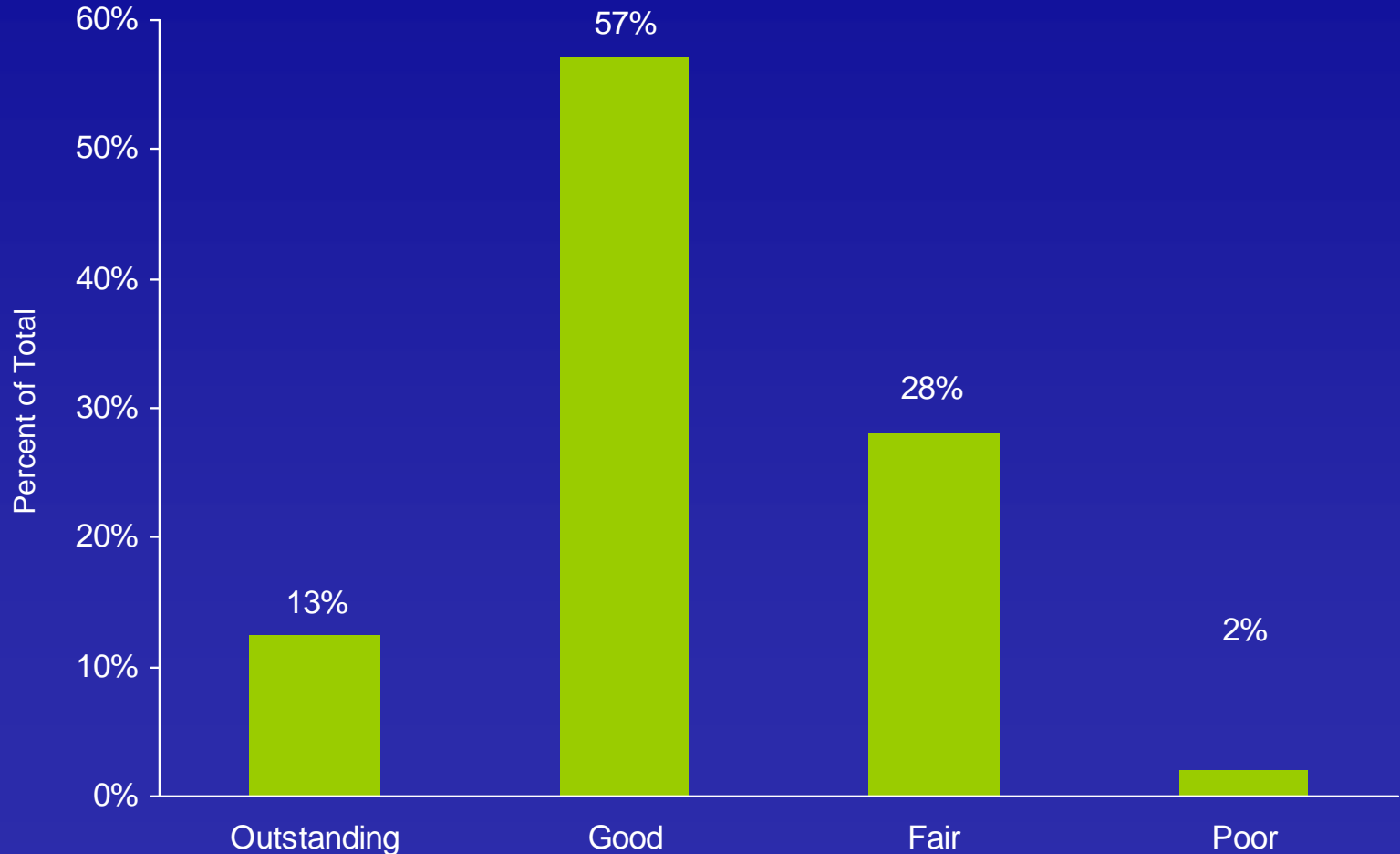


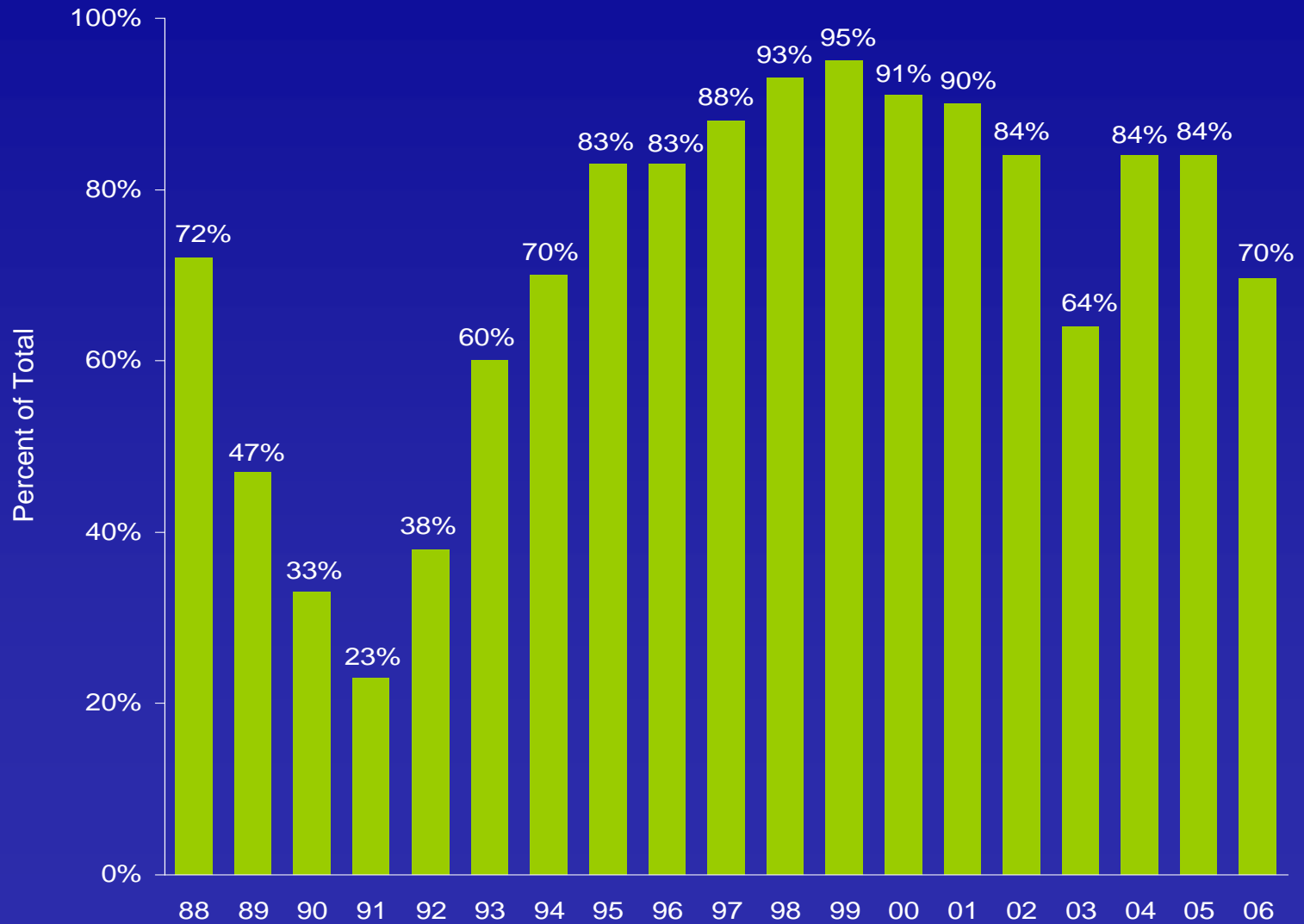
Massachusetts High Technology Council
2006 CEO Business Climate &
Public Policy Priority Survey

January 25, 2006

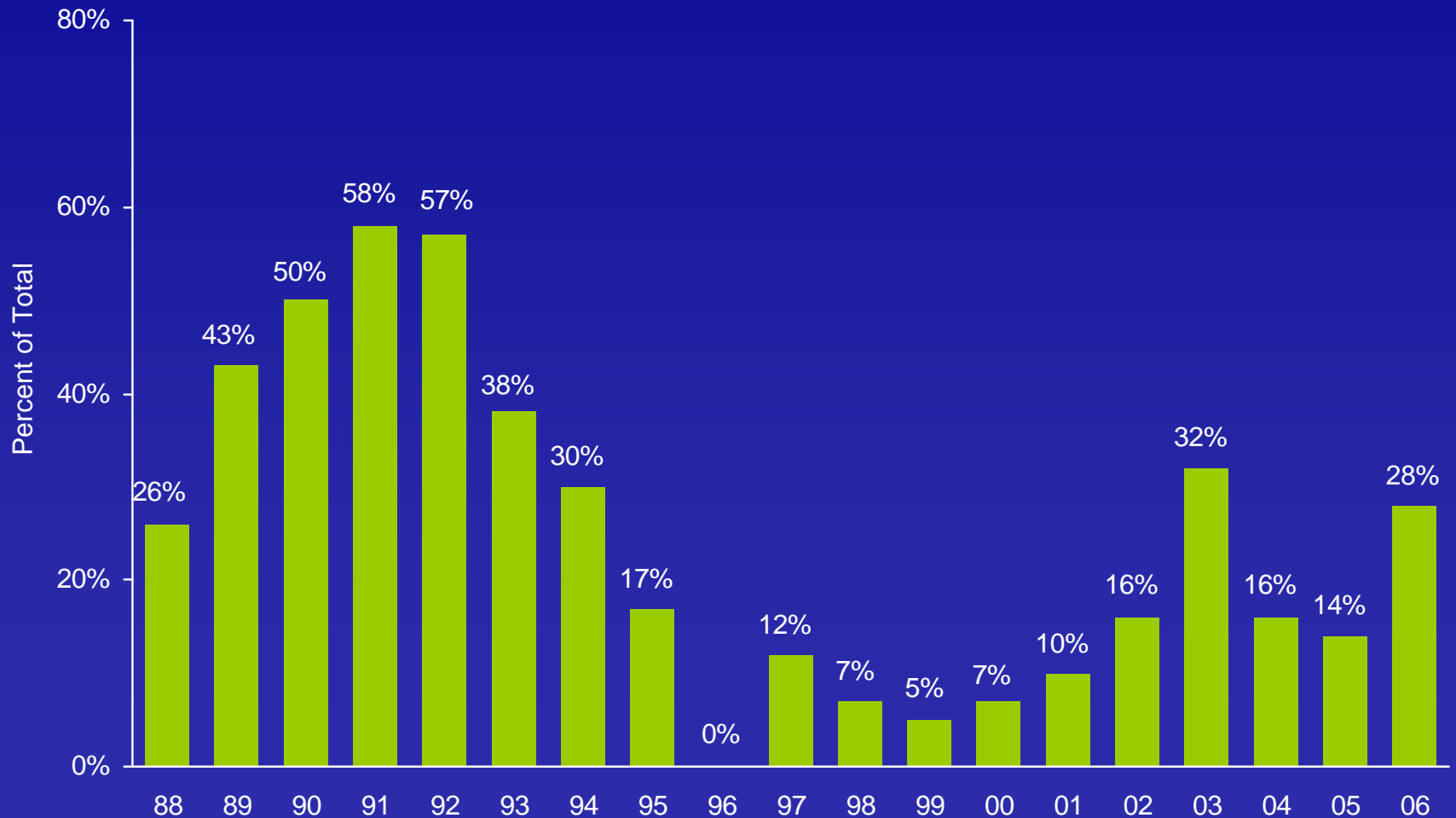
Massachusetts' Rating As a Place to Create, Operate and Expand Technology Businesses in 2006



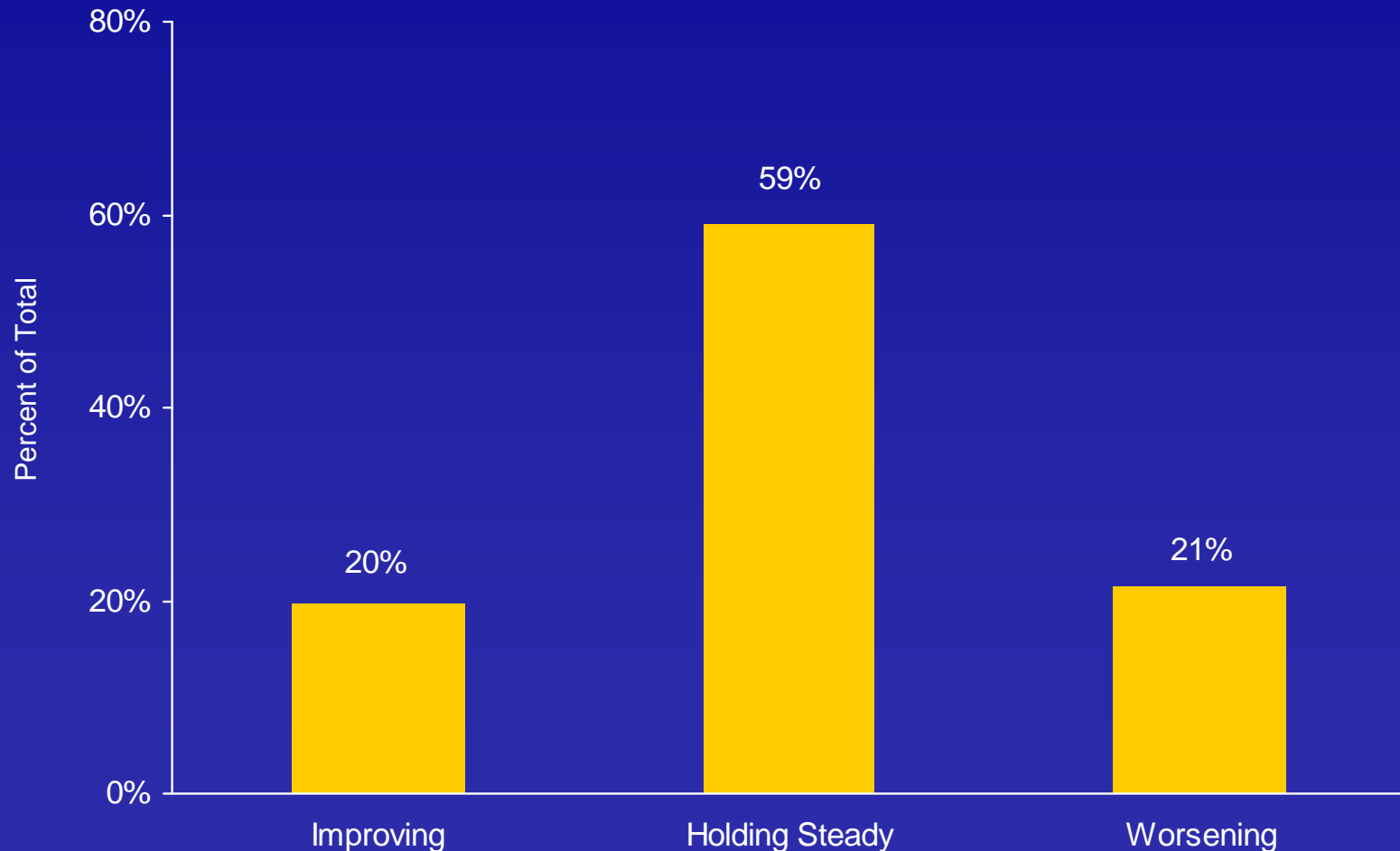
Historical Outstanding/Good Rating of the Mass. Technology Climate (1988–2006)



Historical Fair Rating of the Mass. Technology Climate (1988–2006)

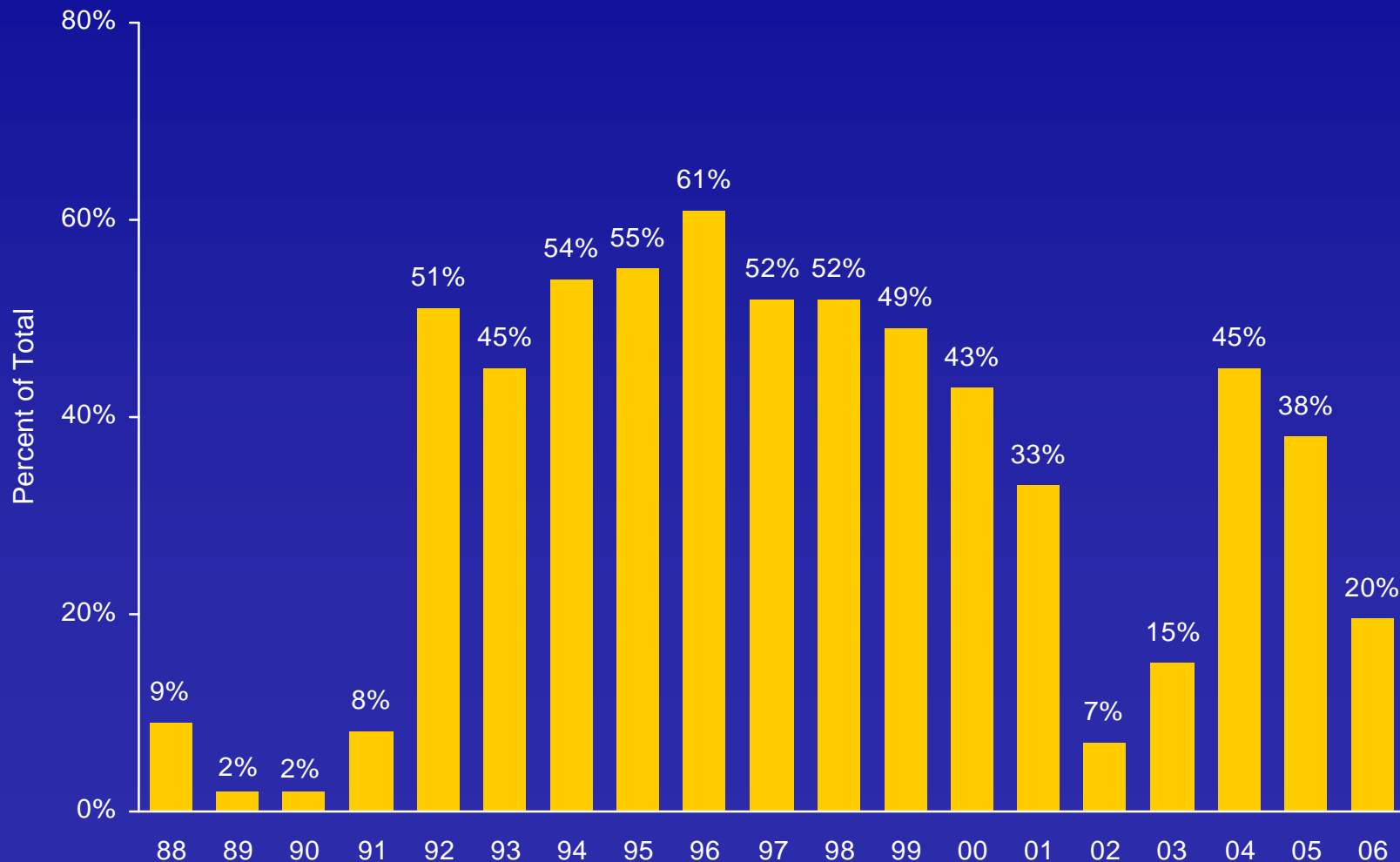


In Which Direction is the Mass. Technology Climate Heading in 2006?



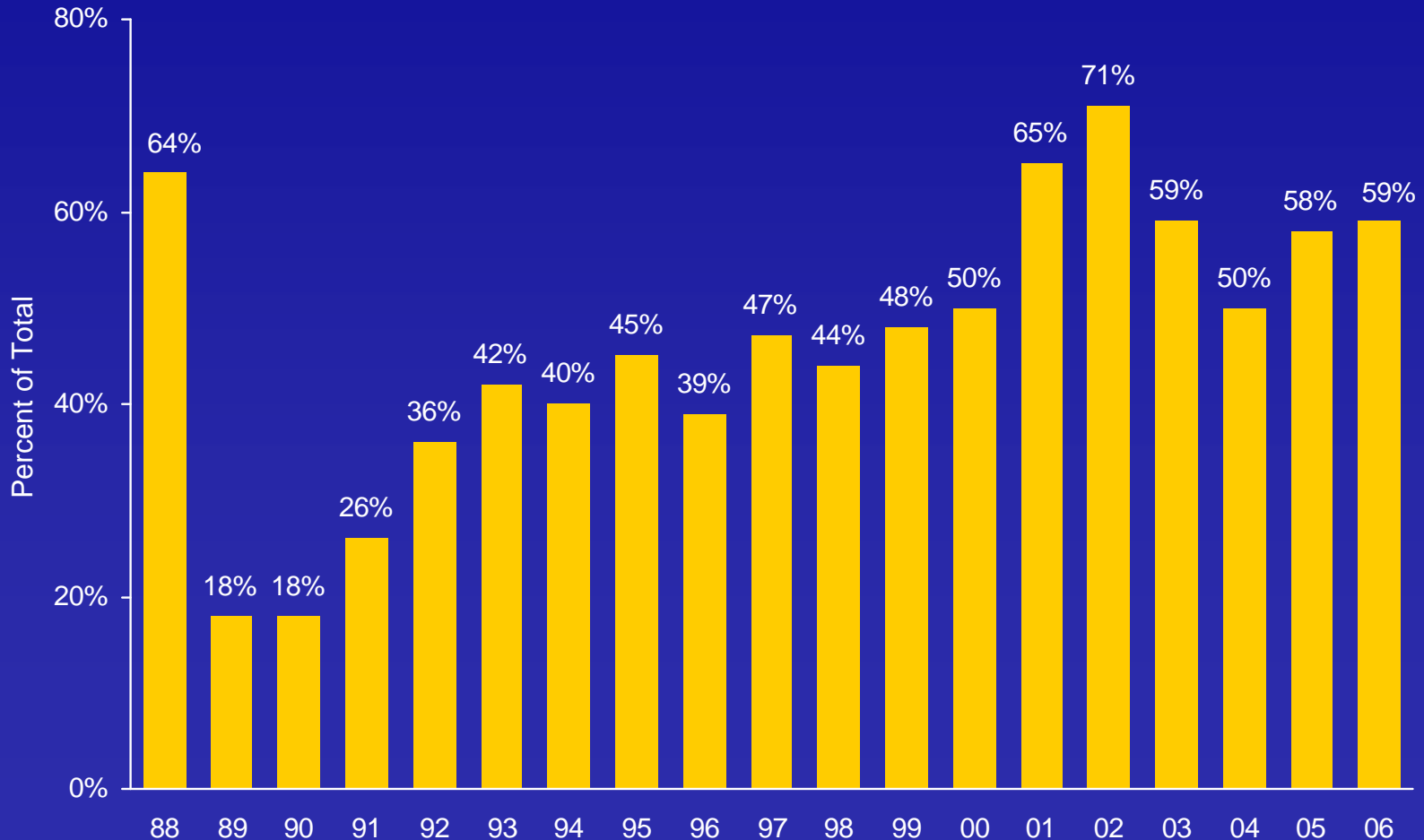
In Which Direction is the Mass. Technology Climate Heading in 2006?

Percent Answering "Improving"



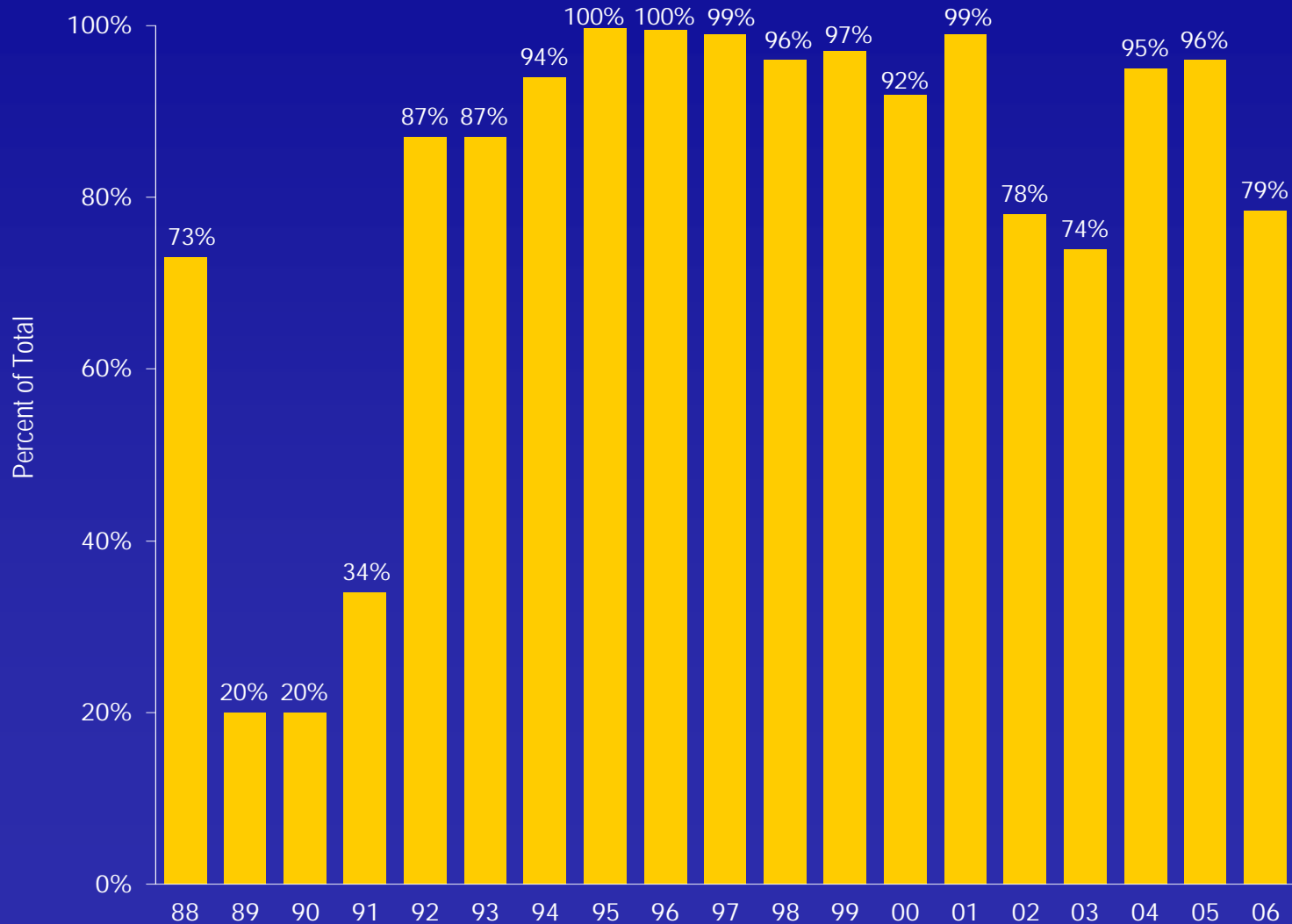
In Which Direction is the Mass. Technology Climate Heading in 2006?

Percent Answering "Holding Steady"

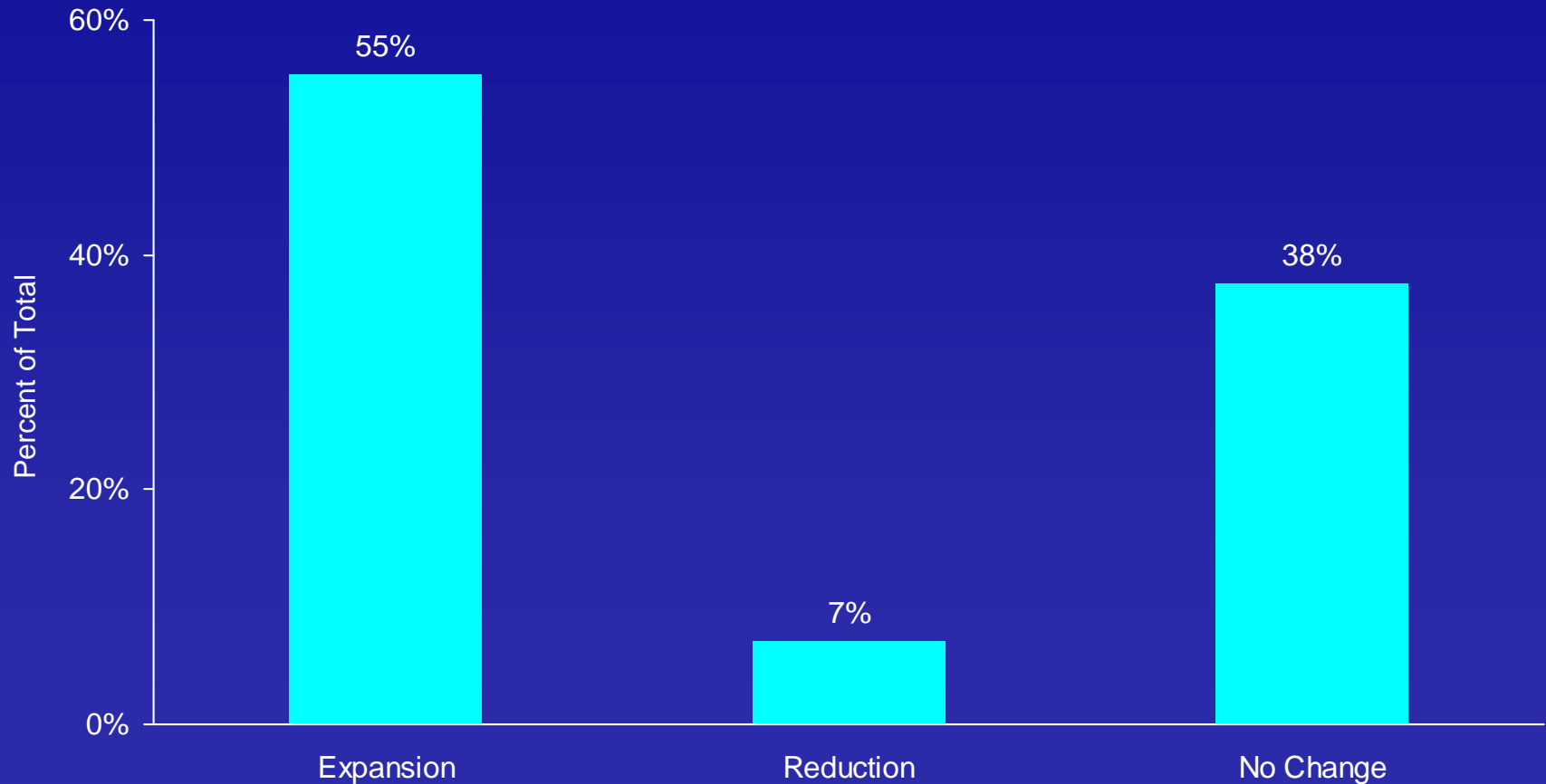


In Which Direction is the Mass. Technology Climate Heading in 2006?

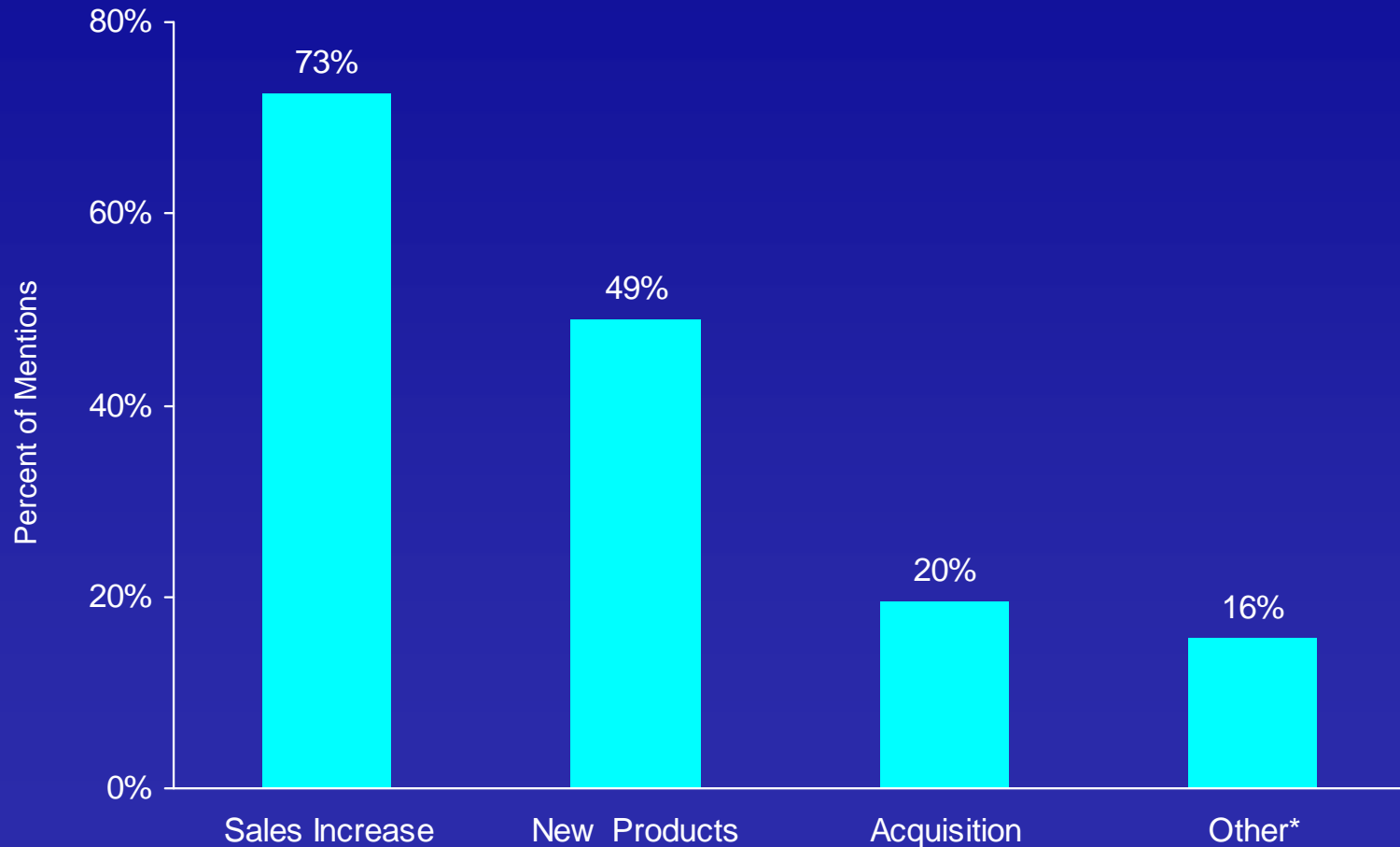
Percent Answering "Improve" and "Hold"



What Are Your Company's Workforce Plans in the Next 12 Months?

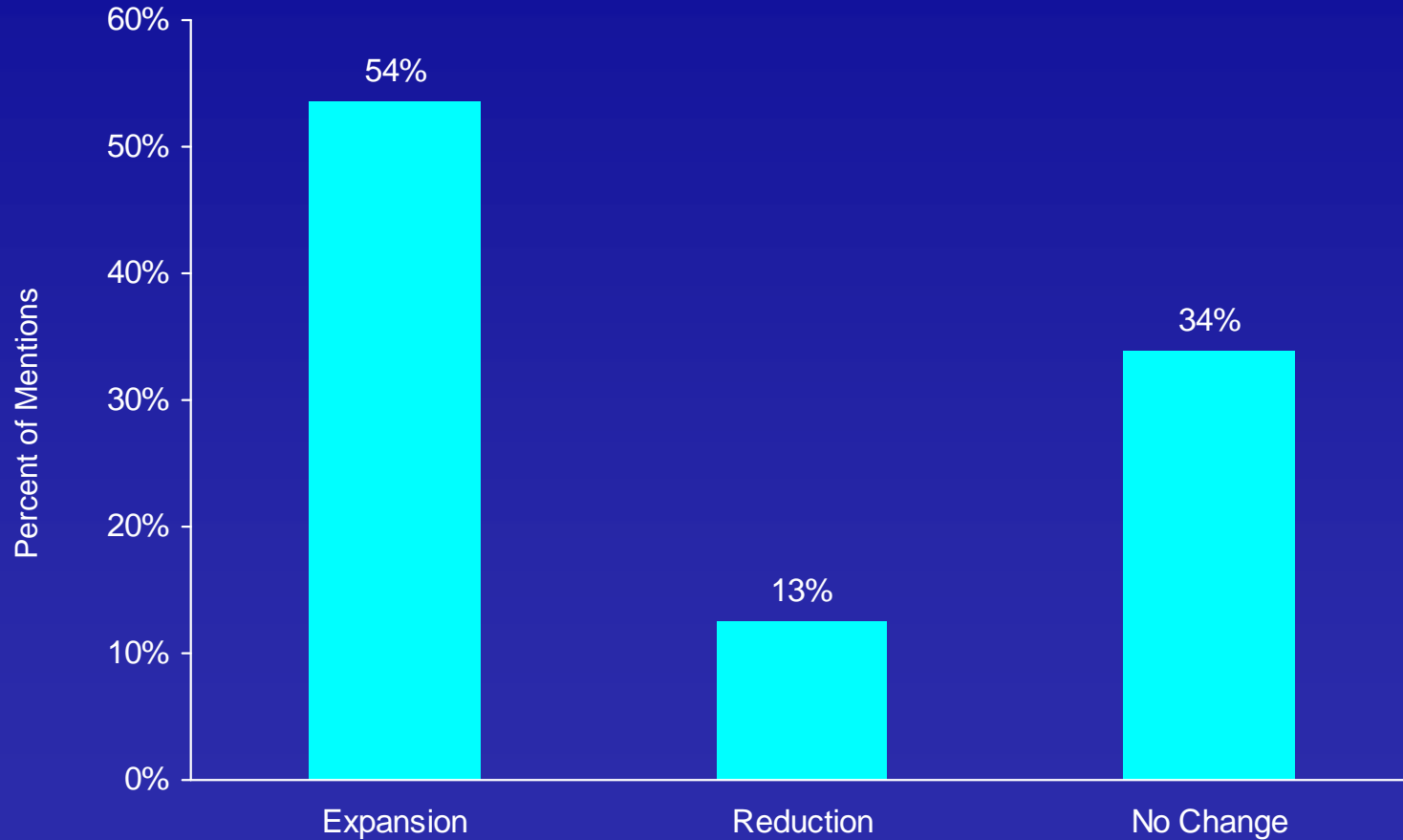


Reasons for Job Expansion in the Next 12 Months



*Responses add up to more than 100%

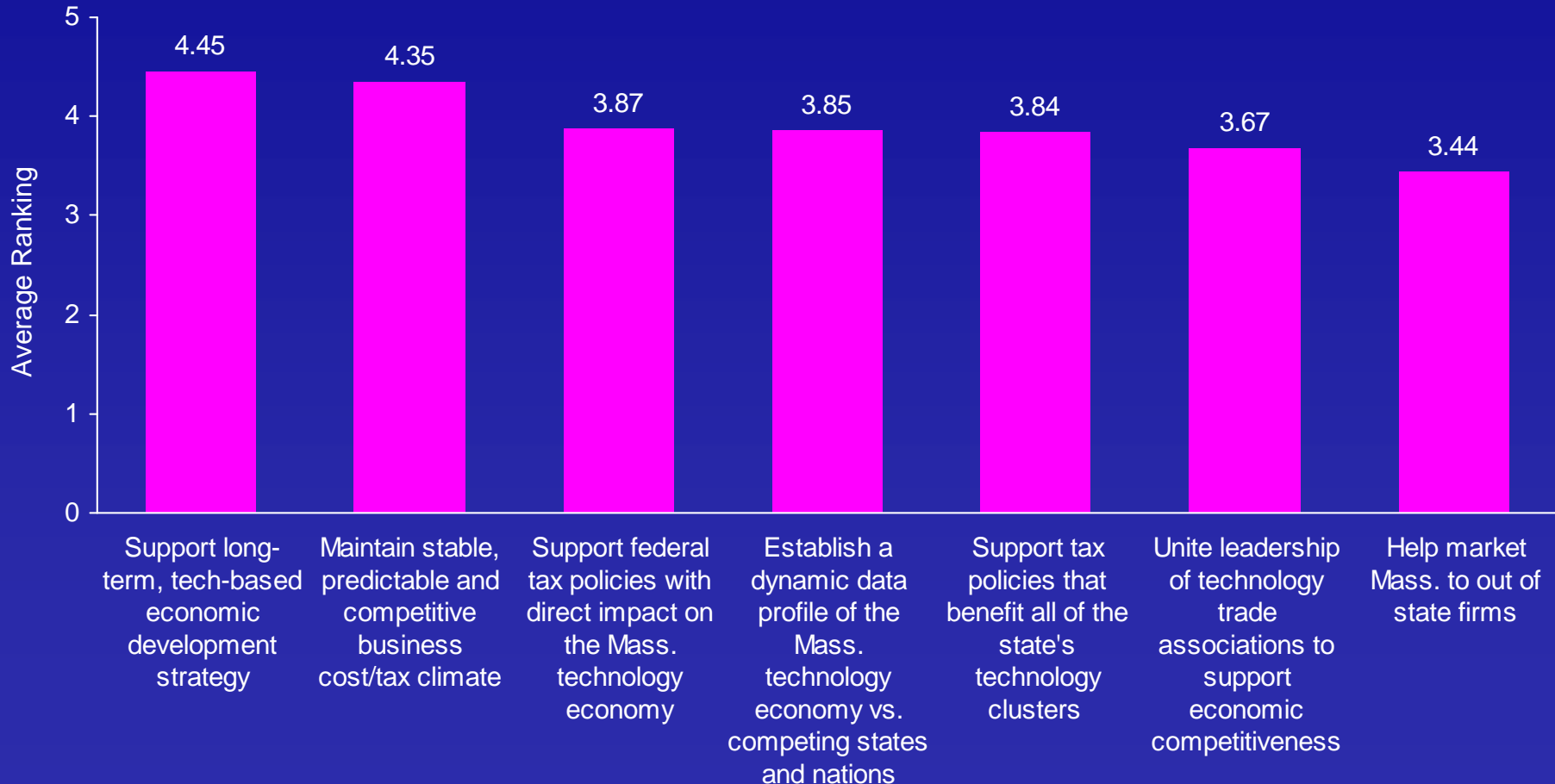
What Kind of Evolution Did Your Company's Workforce Experience in 2005?



2006 Public Policy Priority Rankings

1. Develop/implement tech-focused economic development strategy (FE)
2. Support tax policies that help achieve a competitive, stable and predictable climate for economic growth (FE)
3. Oppose universal health care system (HC)
4. Work to improve K-12 public education system (ED)
5. Oppose new payroll taxes to fund a new statewide health care system (HC)
6. Support technology for better health care system (HC)
7. Reform medical malpractice system (HC)
8. Work to ensure public policy affecting drug development do not inhibit state's life sciences industry (HC)
9. Improve the ability to recruit and retain employees in the context of the high cost of housing (IN)
10. Push for cost and quality transparency in state's health care system (HC)

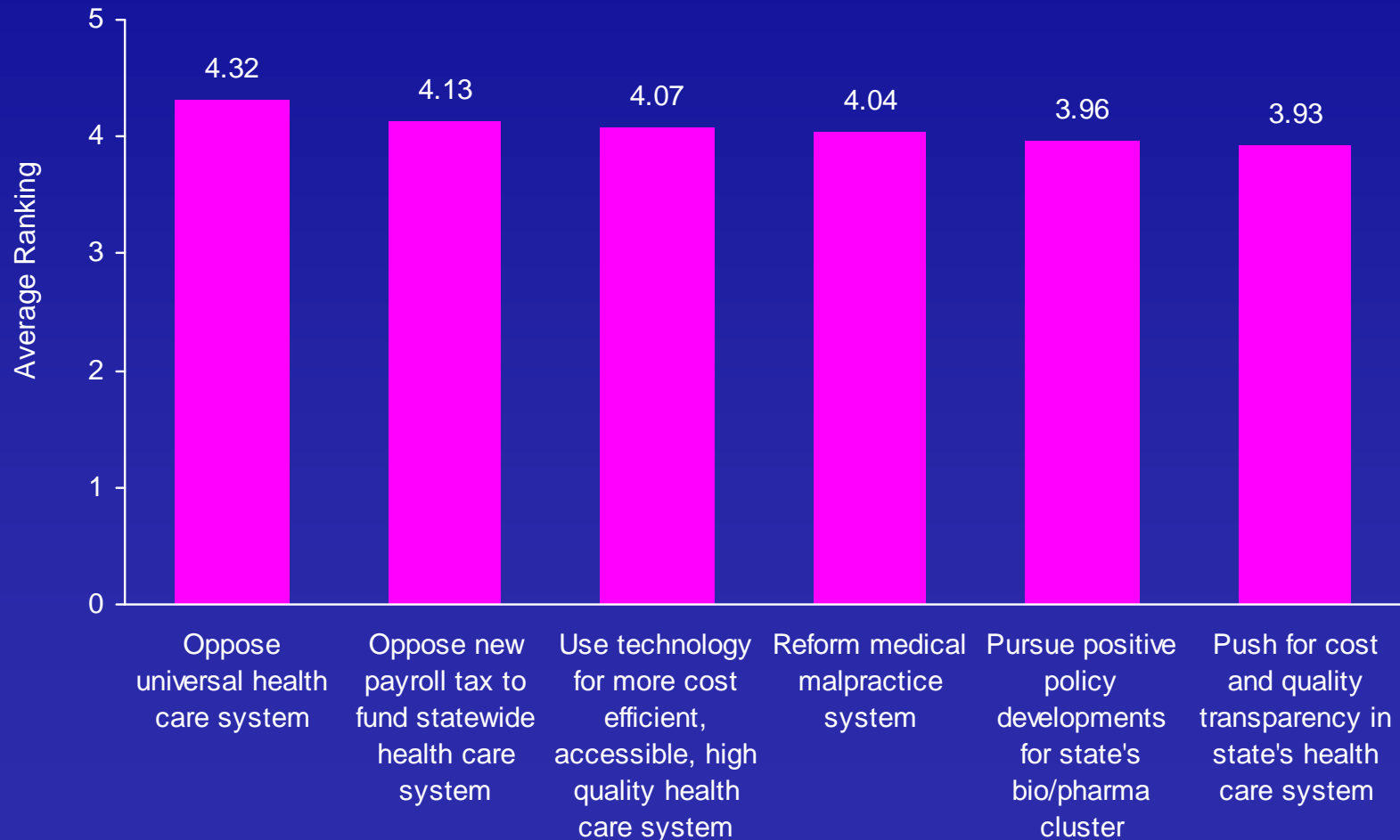
Public Policy Priority Rankings: Fiscal and Economic Policy



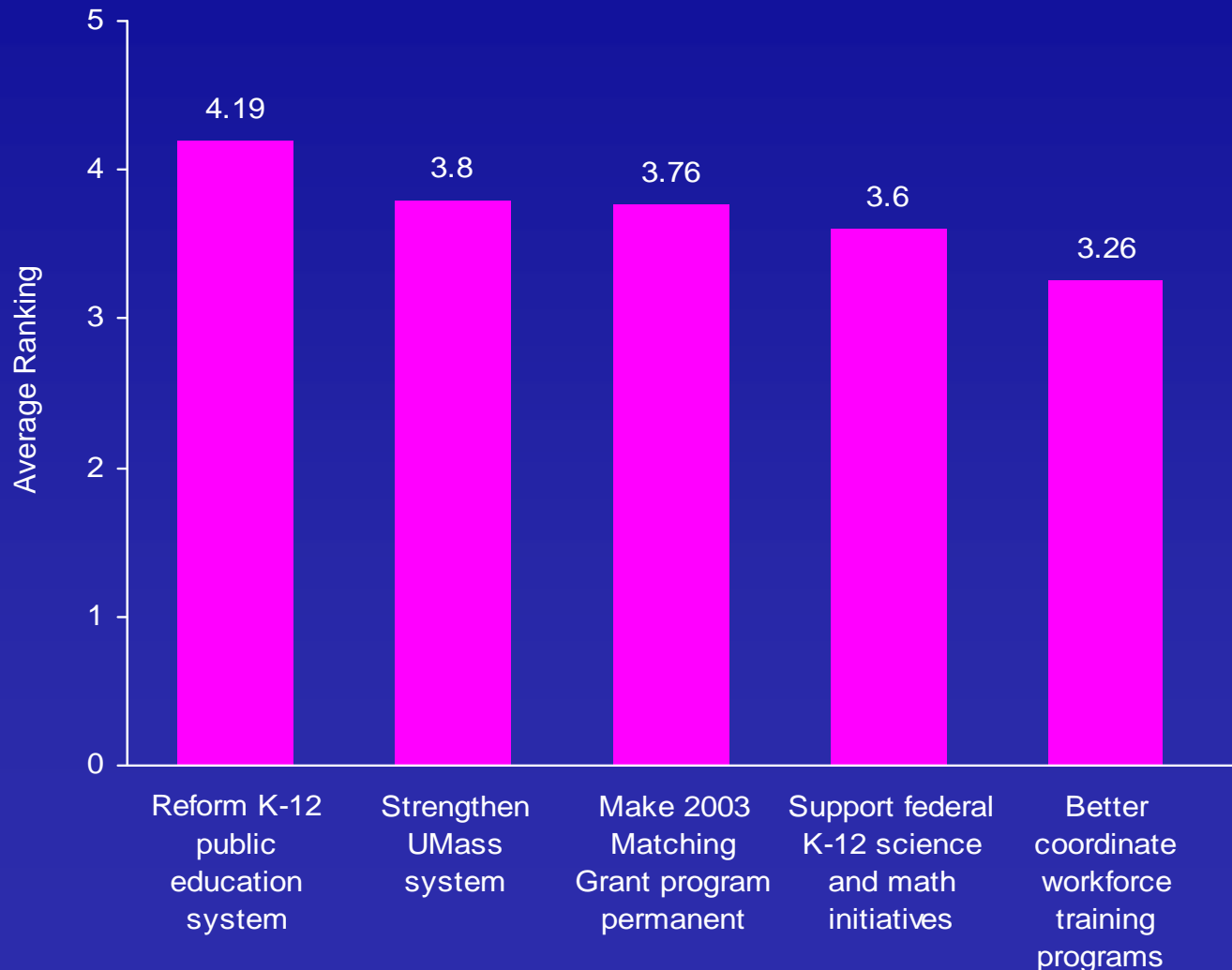
2006 Tax Policy Protection/Enhancement Rankings

- Research and Development Tax Credit
- Long-term Capital Gains Tax Rate
- Investment Tax Credit
- Unemployment Insurance Tax
- Personal Income Tax
- Broaden Manufacturing Job-Creation Tax Incentive to all industries
- Manufacturing Jobs Tax Incentive (Life Sciences firms)
- Internet Tax
- Single Sales Factor
- Proposition 21/2

Public Policy Priority Rankings: Health Care



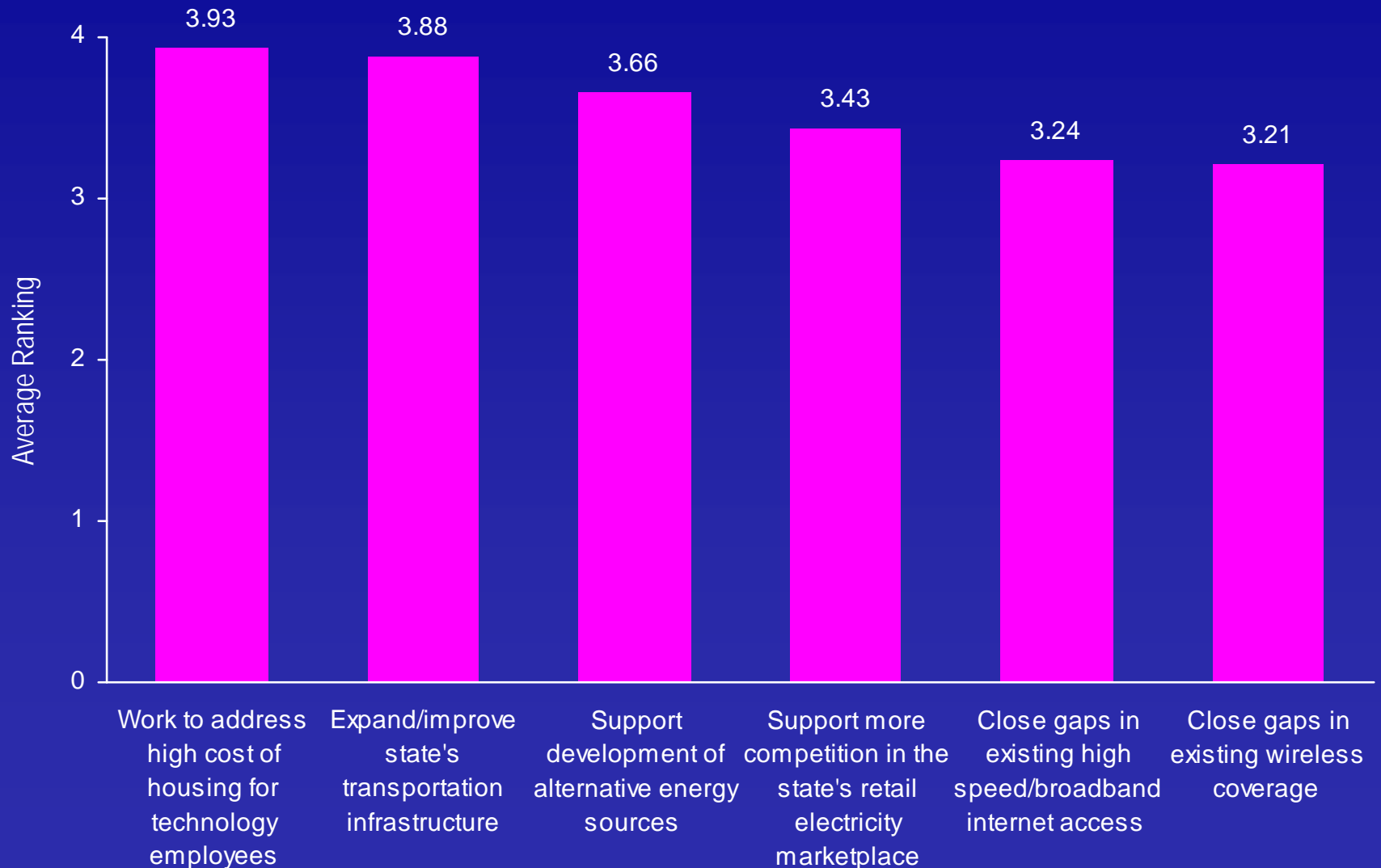
Public Policy Priority Rankings: Education & Workforce Development



2006 Education Reform Priority Rankings

- Institutionalize science & technology-focused new teacher training program that requires relevant undergrad degree and intern experience
- Establish/improve higher pay structure for best teachers
- Improve training and qualifications for principals and award them new authority to hire and fire
- Remove assistant principals and other administrators from teachers' unions
- Support development of a long-term education strategy by the Department of Education
- Increase the statutory limit on charter schools
- Create school voucher system
- Support implementation of pre-K/early childhood education system

Public Policy Priority Rankings: Infrastructure (Transportation, Energy, Communications & Housing)



2006 Housing Priority Rankings

- Support state policies that encourage housing development on a local level
- Leverage state support for private housing development
- Develop Council member value-added program to assist technology employers and employees with high housing costs

Proposed 2006 Highest Priority Public Policy Objectives

FISCAL/ECONOMIC POLICY

- Continue to develop & implement state technology-focused economic development strategy
- Work to protect beneficial tax policies or make cost structure more competitive
 - R&D Tax Credit, Capital Gains Tax, Personal Income Tax, Investment Tax Credit, Unemployment Insurance
- Support tax policies that benefit state's entire diverse technology economy, not targeted to certain sectors
- Establish dynamic data profile of Mass. technology economy compared to other states/nations

HEALTH CARE

- Oppose 2006 ballot question to create a universal health care system
- Oppose new payroll tax to fund statewide health care system
- Support true reforms to the state's health care delivery system, including
 - Medical malpractice reform
 - Instituting cost and quality transparency throughout system
- Support the use of technology to create more cost efficient, accessible, and high quality health care system
- Work to ensure that state and federal initiatives affecting drug development, genetic research & related issues only serve to encourage growth of Mass. biotechnology/pharmaceutical industry

Proposed 2006 Highest Priority Public Policy Objectives

EDUCATION/WORKFORCE DEVELOPMENT

- Reform Massachusetts K-12 public education system
 - Recruit, train and retain best STEM (Science, Technology, Engineering and Math) teachers through bonus pay, mentoring, institutionalized teacher training/private sector externship program, etc.
 - Provide administrators with tools and resources to efficiently run schools (particularly in turnaround school districts)
 - Maintain/enhance standards and funding and quality accountability throughout the system
 - Support federal K-12 science and math initiatives
- Strengthen the University of Massachusetts system as a world-class public higher education institution, including continued support for state matching R&D grant fund

INFRASTRUCTURE

- Work to address high cost of housing for technology employees with a strong focus on encouraging housing growth on a community level
- Expand/improve the state's transportation infrastructure to meet the needs of a dynamic state technology economy
- Support development of alternative energy solutions to bring reliability and cost stability to energy delivery system