



September 30, 2021

Dear Members of the Virginia Manufacturers Association:

I greatly appreciated the opportunity to speak with your Board of Directors on June 18. During our discussion, I made clear that strengthening and growing Virginia's manufacturing sector is one of my top priorities when I become Governor. The VMA and its members are key partners in achieving our shared goal of making Virginia the best place to live, work, and raise a family.

Your members have outlined objectives that completely align with my principles, priorities, and policies on business and manufacturing in the Commonwealth. We will protect Virginia's right-to-work law and oppose the expansion of other pro-union policies that destroy jobs. We will invest in workforce development and education; pursue a low-cost, all-of-the-above, free-market approach to energy; reduce burdensome business and environmental regulations; pursue pro-growth tax policies; and make sure that our economic development policies prioritize Virginia manufacturing.

Your members recognize and understand why these issues are so important – Virginia's economy has performed poorly over the last eight years, and we are near the bottom (44th) in job recovery from the pandemic.

Since 2013, Virginia has added only 56,000 net new jobs while our competitor states grew much more quickly. In fact, Virginia's neighboring states created 6 to 8 times more jobs since 2013, as the Commonwealth's economic growth rate stagnated at less than one percent per year.

Specifically, between the end of 2013 and 2020, Virginia has added only 4,000 net new manufacturing jobs – dead last among our competitor states during the same period with a growth of 0.3% per year. During Terry McAuliffe's term as Governor, Virginia ranked 31st for manufacturing job growth.

With more job opportunities and a lower average cost of living in our competitor states, people are voting with their feet and leaving the Commonwealth. From 2014 to 2019, more than 500,000 Virginians left Virginia to become residents of our competitor states – North Carolina, South Carolina, Georgia, Florida, and Tennessee.

We have to get Virginia moving again and ensure that this Commonwealth regains its position as the best place in the world to live, work, and raise a family.

I've outlined by Day One Game Plan to do just that. We will hit the ground running and cut costs for Virginians, jumpstart the jobs machine, restore excellence in education, keep our communities safe, and make the government of Virginia work for you.

We will accomplish these goals working together with the Virginia Manufacturers Association and its members. When I am Governor, manufacturing will once again have a seat at the table in the Commonwealth.



RIGHT TO WORK

Preserving Virginia's right-to-work law is paramount to our future economic success and is one of the most fundamental issues in this election. In short, my opponent will sign legislation to repeal right to work. I will protect it. We simply have no choice. The Virginia Economic Development Partnership said in 2020 that legislation repealing right-to-work could jeopardize 37,000 new jobs and an \$11 billion capital investment pipeline.

Terry McAuliffe told a Northern Virginia business group he would sign a repeal of Right to Work. Luke Torian, a senior leader of the Democrats in the House of Delegates, said the repeal was on his "to-do list." Senate Democrat leader Dick Saslaw has already introduced legislation he said would "put a dent" in the Right to Work by forcing non-Union employees to pay union dues. Governor Northam signed a provision into law that would force the forthcoming marijuana industry to unionize.

Forced unionization and the end of Right to Work is a clear and present danger to Virginia manufacturing and our entire economy.

I will preserve right to work and oppose other forced unionization policies that hurt businesses and employees, like government mandated Project Labor Agreements and state-level PRO Act legislation.

WORKFORCE DEVELOPMENT

Ensuring a skilled workforce is a top priority for manufacturers, and this is one of the most pressing fundamental challenges facing our economy. We are not training and graduating enough skilled workers to support our current economic growth, let alone the kind of economic growth we are going to generate when I am Governor.

I will invest in workforce development and education. This includes providing industry credential training grants to support the development of "middle skills," expanding the NEW Workforce Credential Grant Program, reassessing the adjunct faculty compensation model to ensure qualified instructors, and making sure that we lower costs for both two- and four-year degrees at Virginia colleges, as well as costs for non-degree credentialing.

ENERGY

I understand exactly why manufacturer's access to reliable and affordable energy is so important; you simply cannot run your businesses without it. I support an all-of-the-above strategy for energy use that emphasizes the continued use of natural gas and the expansion of nuclear. These energy sources are both reliable and low cost, the two key priorities for businesses with high energy needs.



Specifically, I believe we will need to reform the Virginia Clean Economy Act, statutorily preserve the ability of businesses to utilize natural gas and other low-cost energy sources, withdrawing Virginia from the Regional Greenhouse Gas Initiative, and investing in research and development for nuclear and natural gas.

I will prioritize Virginia increases her own energy generation, so we can reduce reliance on other states, ensuring manufacturers can continue to access clean and safe natural gas, and keeping costs low through a stable and transparent regulatory energy environment.

ENVIRONMENT, HEALTH AND SAFETY

Virginia's manufacturers want to be, and are, good stewards of our environment and they desire to operate safely for their employees. I believe we can and should protect the environment, health, and safety through responsible and consistent regulation.

Too often though, one party Democratic control has implemented excessive and burdensome regulations that increase costs and red tape for businesses. The onerous and restrictive emergency temporary standard that Virginia enacted during the pandemic is a perfect example of an overreaching regulatory state that hurt business unnecessarily. We can protect lives and livelihoods while keeping Virginians safe. The threat of additional COVID-19 regulations looms on the horizon.

As Governor, I will work to streamline our regulatory environment by avoiding duplicative federal, state, and local regulation. I will also avoid additional state-level intervention on federally regulated products, promote one-stop permitting that streamlines regulatory and permitting processes, and allow for private regulatory approvals in appropriate circumstances. We will protect our environment without implementing excessive environmental regulatory programs and without turning over site determinations to unelected citizen boards, both bad ideas that will drive up costs and increase burdens on business. We will also emphasize the proper role of the Virginia Administrative Process Act.

TAXATION & ECONOMIC DEVELOPMENT

Smart and sensible tax policy is also a priority for business, especially manufacturers who deal with a variety of federal, state, and local taxes. I have proposed the largest tax relief package in Virginia history, which includes significant tax cuts for individuals and businesses. As Governor, I will pursue pro-growth tax policies important to our economic success.

Specifically, Virginia should explore options to reform or end the taxation on machinery and tools, an antiquated policy that hampers growth. We must also protect manufacturing sales tax exemptions and improve transparency and accountability for local property tax assessments.

Lowering taxes is a key part of economic development agenda, but we must do more to improve our competitiveness. That includes making sure our economic development strategies do not neglect the importance of growing Virginia companies, in addition to attracting new ones. I also



think Virginia should reassess the role of the Virginia International Trade Corporation to maximize its benefit to the Commonwealth.

A PRO-BUSINESS GOVERNOR

In conclusion, I want the members of the VMA to know that I will be a pro-business governor. I will demonstrate that not only through my policies, but also by making sure you all have a seat at the table. We will work hand-in-hand with the VMA and its members on legislative, executive, and regulatory strategies, including all of the areas discussed above. I look forward to meeting with the VMA Board of Directors on a regular basis as Governor. Thank you for your continued efforts on behalf of Virginia and your businesses. Please do not hesitate to reach out to me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Glenn Youngkin". The signature is written in a cursive, flowing style.

Glenn Youngkin