

***GSABusiness
Journal
Greenville, SC
Circ. 10500
From Page:
2
2/23/2015
61432



Artist rendering of Boeing Co.'s 777-9X. (Image/Provided)

Boeing South Carolina expands with opening of propulsion plant

Propulsion South Carolina is officially open for business, designing, engineering and assembling engine parts for Boeing's 737 Max and 777X.

The new propulsion engineering and assembly facility in Ladson extends Boeing South Carolina's manufacturing capabilities beyond the 787 Dreamliner family.

Boeing South Carolina Vice President and General Manager Jack Jones was accompanied by Boeing employees, local city leaders, Gov. Nikki Haley and Beverly Wyse, who will replace Jones as the head of Boeing South Carolina when he retires May 1.

Propulsion South Carolina, which broke ground in November 2013, will be responsible for designing and assembling the 737 Max engine nacelle inlet, designing the 737 Max engine nacelle fan cowl and integrating the design and engineering for the 777X nacelle.

Propulsion South Carolina has already received more work than originally anticipated with the addition of the 737 Max fan cowl and 777X nacelle work.

Production of the 777X will begin in 2017 and first delivery is scheduled for 2020. The 777X launched in 2013 with 259 commitments.

Nicole Piasecki, vice president and general manager of Boeing's Propulsion Systems Division, said that Boeing has more than 11,000 737s ordered and has about 2,000 flying around the world at any given time. Production of the 737 Max will begin later this year, with first delivery set for 2017. Final assembly for both planes will be in Washington state.

Currently, more than 150 engineers, mechanics, designers and support staff work at the 225,000-square-foot facility. It includes office space, assembly space and automated manufacturing equipment, including large orange robots that help assemble engine nacelle inlets for the 737 Max. The facility could eventually house 16 robots, depending on production rates.



***GSABusiness
Journal
Greenville, SC
Circ. 10500
From Page:
15
2/23/2015
61432



ADVOCACY 148



McCarthy

Shiley

The Sunnie & DeWorken Group added **Molly McCarthy** and **David Shiley**. McCarthy most recently interned with Gov. Nikki Haley's administration in its communications division and also interned with Sen. Lindsey Graham's re-election campaign. Shiley has experience in the restaurant and hospitality industry.

Journal
Williamston, SC
Circ. 3764
From Page:
b4
2/11/2015
61249



State Superintendent of Education Molly Spearman joined Governor Nikki R. Haley and others at a rally celebrating National School Choice Week.

National School Choice Week observed

State Superintendent of Education Molly Spearman joined Governor Nikki R. Haley and nearly 1,000 students, parents, teachers, and community leaders at the Statehouse at a rally celebrating National School Choice Week.

"All parents and students deserve a menu of options so they can choose the public school of their choice and enroll in programs that best fit their talents and interests," said Spearman. "I am proud to stand with Governor Nikki Haley to celebrate public school choice in our great state."

The rally coincides with

National School Choice Week, which shines a positive spotlight on effective education options for children, including traditional public schools, public charter schools, magnet schools, single gender schools, online learning, private schools, and homeschooling.

The following organizations worked together to organize the rally: Palmetto Policy Forum; Public Charter School Alliance of South Carolina; Americans for Prosperity - South Carolina; Connections Academy; StudentsFirst South Carolina; and Public School Options.

Greer Citizen
Greer, SC
Circ. 9589
From Page:
6
2/18/2015
61135



148 Protecting the unborn

The House of Representatives, led by your Republican majority, made significant progress on regulatory reform, updating public safety laws and protecting the unborn this past week.

Government red tape and over-regulation burden job creators and stifle small business start-ups - I hear this repeatedly from business owners here in our district. We passed a regulatory reform law in the House placing a sunset provision on all future regulations. Many regulations are outdated, and this new measure would give an automatic expiration to regulations five years after implementation. This ensures an ongoing review of our regulations and provides the business community's opportunity to have input. The bill now heads to the Senate, and I hope they will join us in lending a hand to the businesses and innovators that drive our state's economy.

We took additional steps this past week to pass the next set of ethics reform legislation - part of our larger ethics reform package. We passed the Whistleblower and Public Employee



YOUR VOICE IN COLUMBIA

REPRESENTATIVE
RITA ALLISON

Protection Act providing public employees legal protections and substantially increased financial incentives for reporting unethical behavior when your tax dollars are on the line. I was also proud to support H-3195, which tightens and clarifies our existing ethics statutes. The act also gives guidance to elected officials about the proper use of political campaign dollars.

We continue to discuss the best path forward to fix our ailing road system. On Wednesday, the two highly discussed proposals - one resembling Governor Nikki Haley's plan and one from the House Transportation Infrastructure & Management Ad-Hoc Committee - were placed into bill form. Both bills head to the House Ways and Means Committee where work will begin to find common ground. If you have not yet taken the chance to share your thoughts with me on this important matter, I

encourage you to take a moment to do so today. I have served on the Transportation Ad-Hoc and while I am not in favor of the entire bill, I have signed on both bills. They are on their way to Ways and Means to be worked out with hopefully the best from each bill making it to a final solution for our state.

One of the core functions of a limited government is providing for the safety of our children and otherwise vulnerable adults. All too often during the heat of our South Carolina summers, we see news reports of children who have died while trapped or locked inside hot vehicles. My House colleagues and I supported a measure that would give certain legal protections to bystanders who rescue those trapped inside sweltering cars and trucks.

This week we will also hear from a 10 state consortium (which includes South Carolina), who have been working on assessments for early childhood school readiness.

I am happy to honor the James F. Byrnes High School Class AAAA state champion girl's softball team this week.

Greer Citizen
Greer, SC
Circ. 9589
From Page:
1
2/18/2015
61135



PHOTO | SUBMITTED

BMW Manufacturing's passenger vehicles through the Port of Charleston totaled \$9.2 Billion in 2014, leading the nation in automotive exports.

BMW leads auto exports

BY BILLY CANNADA
EDITOR

BMW Manufacturing became the nation's leading automotive exporter last week, producing more than 260,000 vehicles from the Greer plant in 2014.

Company officials said in a statement that the export value of the BMW's passenger vehicles through

the Port of Charleston in 2014 totaled \$9.2 Billion. According to data from the U.S. Department of Commerce, this accomplishment represents a 13 percent increase over BMW's 2013 value.

"Claiming the top spot for U.S. automobile exports rounds out a very successful year for BMW in South Carolina. With more

than 364,000 units, 2014 was also a record production year for the plant," said Manfred Erlacher, President and CEO of BMW Manufacturing. "Our company's significant contribution to the U.S. balance of trade strengthens our position as the leading manufacturer of premium vehicles for the world."

SEE BMW | A6



Greer Citizen
Greer, SC
Circ. 9589
From Page:
6
2/18/2015
61135



BMW: To make \$1 billion investment

FROM PAGE ONE

BMW Manufacturing currently produces more than 1,200 vehicles each day. It is the exclusive exporter of passenger vehicles to more than 140 global markets.

"South Carolina's exports continue to grow because we have built a reputation around the world as a great place to do business," Gov. Nikki Haley said. "The fact that we continue to break export records is a real reason to celebrate in South Carolina because it's a testament to

our world-class workforce and business-friendly climate. Our economy is on the move, and we're just getting started."

In 2014, the plant celebrated two decades of production, announcing a \$1 Billion investment in the Greer plant and a production capacity increase to 450,000 vehicles.

The expansion will make the location BMW's largest in the world.

"BMW vehicles, world renowned for their brand and quality, continue to be a major contributor to the South Carolina Ports Au-

thority's overall success," said Jim Newsome, president and CEO of the South Carolina Ports Authority.

"We are proud to handle both finished vehicles and parts for BMW, whose presence in South Carolina endorses the capabilities of our ports and logistics infrastructure."

Currently, BMW and Adidas are among nine customers contracted at Greer's inland port.

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The Morning
 News
 Florence, SC
 Circ. 35092
 From Page:
 5
 2/21/2015
 61050



1+148 County Council makes progress while avoiding a tax increase

Thumbs up to the Florence County Council for figuring out that it didn't have to raise local taxes to pay for an overhaul of the county's information technology system. In December, the council talked about raising



taxes by 1.9 mills to pay \$3 million of a \$7 million upgrade. We continue to support the push for an upgrade. Now, a second reading has passed that would shift \$1 million each from the debt service repayment fund, the road maintenance fund

and the economic development capital project fund. The county's IT department also will have to reduce its budget by \$250,000 per year over the next three fiscal years. This was smart government in action, finding a way to make progress by moving money around instead of by asking for more money from strapped taxpayers.

Things continue to look promising for open government reform. On Wednesday, the South Carolina House



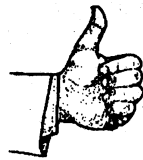
voted 90-16 in key approval of a bill that would create a new court to handle disputes over how government agencies handle open-records requests. We give that a big thumbs up. The amount of time that agencies can take to answer a request

for public records would be cut to 10 business days. The bill also would require agencies to post fee schedules to assure they are not trying to block requests by charging excessive money for copying and research. The new Office of Freedom of Information Act Review would decide whether Freedom of Information Act complaints should be sent to an administrative law judge. If an agency breaks the law, it would have to pay damages. Now reform is up to the Senate, where similar bills have died in recent years. On Wednesday, the House approved a bill that would require city and county councils and other public bodies to publish an agenda at least 24 hours before a meeting. The Senate approved a similar bill last month.

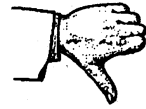
Thumbs up to the House budget-writing committee for voting unanimously Tuesday to approve a bill that



The Morning
News
Florence, SC
Circ. 35092
From Page:
5
2/21/2015
61050



might bring more state money to cities and counties in South Carolina. Until the Great Recession changed things in 2009, 4.5 percent of the previous year's general fund revenues were put into a local government fund. Money then was distributed to cities and counties. Local governments now get much less money from the state. Under the new bill, if state revenues are forecast the same year to increase by 4 percent or more, the Local Government Revenue Sharing Fund would be increased by 2 percent. That's a step in the right direction.



Thumbs down to the management at Magnolia Mall, which we understand does not have security cameras or any kind of surveillance system in place in the areas that aren't occupied by a business. Cameras could have helped investigators in their search for the perpetrator in the Feb. 13 shooting at the Florence mall that left one man injured and shut the area down for several hours.



Thumbs down to hotheads who resort to extreme violence such as gunfire during ordinary cases of conflict resolution. One person bumped into another person at the mall, harsh words were exchanged, and the next thing you know, two shots were fired and someone was shot in the leg and sent to the hospital. What is the world coming to?



Thumbs up to the Pee Dee high school basketball teams who are competing in the state tournaments. We are particularly proud of the boys teams at Wilson, West Florence and South Florence high schools, which all won first-round games. That hasn't happened since the 1980s. West Florence had not won a playoff game since 1998. Wilson played a second-round home game Friday night. West Florence and South Florence each play tonight. If both teams win, they will play each other Wednesday at West Florence. The lower state championships will be played next weekend at the Florence Civic Center.



Thumbs down to the knuckleheads who start brush fires on days when people are warned not to start fires because of windy conditions. Fire officials and the forestry commission want to remind everyone to make sure that proper notification must happen when planning to burn. In Florence County, the notification number is 800-986-5165.



Thumbs down to Eleanor Kitzman, who is S.C. Gov. Nikki Haley's choice as director of the state Department of Health and Environmental Control. Kitzman and Haley are friends. That's one reason why Kitzman is facing a tough confirmation process in the Senate. The biggest reason is that Kitzman has no background in health care or environmental fields. What used to be the Good Ol' Boys Network now has become the Good Ol' Girls Network. DHEC is one of the state's largest agencies. It needs a well-qualified leader.

Thumbs up, thumbs down is a regular feature of the Morning News and appears each Saturday on our Opinion page. We seek nominations for both good and bad deeds from our readers. Send nominations to us by email at letters@florencenews.com. Be sure use the word "thumb" in the subject and include a contact number. Thumbs can also be mailed to us c/o The Morning News, 310 S. Dargan St., Florence, S.C., 29506.

The Morning
 News
 Florence, SC
 Circ. 35092
 From Page:
 5
 2/20/2015
 61050



Haley's choice to run DHEC faces tough questions in Senate

The Associated Press

COLUMBIA — Eleanor Kitzman insists she'll remain independent of her longtime friend, Gov. Nikki Haley, if she's confirmed as director of South Carolina's public health and environmental control agency.

Kitzman faces a tough confirmation process in the Senate.

It opened Thursday with Democratic senators questioning why Kitzman was the lone candidate considered to run one of the state's largest agencies, particularly when she has no background in either health care or environmental fields. Republicans countered that her managerial skills are what matters.

"I know there are concerns. Haley and I have been friends for 15 years. Neither she nor I would ever let that friendship stand in the way" of what's best for the state, Kitzman told the Senate Medical Affairs Committee.

Kitzman said she knows nothing about the selection process — only that she told Haley last November she was returning to South Carolina and

"talking to a couple of law firms and a consulting firm that hadn't made any decisions." Haley later asked if she'd be interested in leading the Department of Health and Environmental Control. When Kitzman said yes, Haley gave her name to the board chairman, and Kitzman emailed him her resume. Haley appoints all of the agency's board members.

After a single meeting, the board announced Kitzman's selection Jan. 12, just four days after Catherine Templeton an-

nounced her resignation.

Ann Timberlake, director of the Conservation Voters of South Carolina, said it sounds like Kitzman needed a job, and Haley found her one.

Kitzman began working at the agency Jan. 26 as "director of process improvement," making \$74.50 an hour without benefits. If she's confirmed, her salary will likely top \$160,000.

Board chairman Allen Amsler is expected to testify when hearings resume next week.

Kitzman has contributed \$4,750 total to Haley's 2010

and 2014 campaigns. She acknowledged Thursday co-hosting a Haley fundraiser last September at Wild Dunes Resort.

Kitzman said the challenges she's overcome in her life indicate she has the management and leadership abilities to run the agency. The Texas native dropped out of school in 10th grade, got married, had a child and became a single mom, but went on to earn a GED and later a law degree by age 30.

"I was determined not to be defined by missteps and keep moving forward toward my goals," she said.

She called herself a business-friendly, creative problem-solver with regulatory experience that will fit well with DHEC.

Kitzman first came to South Carolina in 1997 as a lobbyist to advocate for a law removing requirements on vehicle coverage. After it passed, she moved to the state from North Carolina and founded Driver's Choice, a company she grew to 50 employees before selling it in 2004.

She was South Carolina's insurance director s



The Morning
News
Florence, SC
Circ. 35092
From Page:
5
2/20/2015
61050



from 2005-07, when she resigned over a disagreement with Gov. Mark Sanford on coastal insurance.

She ran unsuccessfully for lieutenant governor in 2010, losing in a four-way GOP primary.

Haley has helped Kitzman secure a job before.

On Haley's second day in office in 2011, the governor called it a huge victory when Kitzman was approved as director of the Budget and Control Board, the agency that oversees much of the state's bureaucracy. Amid Haley's push to eliminate the agency, Kitzman resigned six months later to lead the Texas Department of Insurance.

That job ended in May 2013 because Texas senators refused to confirm her appointment by then-Gov. Rick Perry. In December 2013, she was named vice president of Starr Insurance Holdings Inc. in New York.

Kitzman acknowledged Thursday she was sued for debts incurred during her unsuccessful 2010 campaign and has paid \$50,000 to resolve that dispute. She also acknowledged defaulting on her student loan debt but said that's been paid in full since 2004.

Kitzman also said she was charged about 31 years ago with writing a bad check but gave no details.

While not directly answering a reporter's questions, she later said in a statement she was speaking about the challenges she faced as a single mother putting herself through school and why they "made me a better manager, leader and person."



The Morning
News
Florence, SC
Circ. 35092
From Page:
1
2/21/2015
61050



225 + 148

South Carolina State University

Leatherman calls for removing leaders

The Associated Press

COLUMBIA — South Carolina's most powerful legislator has joined a growing number of people who say the leadership of financially troubled South Carolina State University needs to go.

A proposal introduced by Senate President Pro Tem Hugh Leatherman would replace the school's entire board with a temporary one appointed by him and other lawmakers. Co-sponsors include

the chamber's Democratic leader as well as two senators who graduated from South Carolina's only public historically black college.

The new board would decide whether to fire embattled President Thomas Elzey.

The proposal, introduced Thursday, signals that senators are ready to take drastic action to make the university financially solvent.

Leatherman told The State newspaper he has lost faith in S.C.

State's trustees since a legislative panel he chairs agreed in December to grant the school \$12 million over three years. The school received the first \$1.5 million payment soon after, but the amount it owes for unpaid bills has grown

— by \$1 million to \$11 million.

That's in addition to a \$6 million state loan the school received last spring and can't pay back.

"I wanted to give them that opportunity to show the General Assembly that they were serious

about what had to be done," Leatherman, R-Florence, told the newspaper. "It's obvious to everyone that they seem to keep getting deeper and deeper in the hole."

The House Ways and Means Committee advanced a similar idea earlier this week. U.S. Rep. Jim Clyburn and his wife, both 1961 graduates of S.C. State, also called this week for the leadership's ousting. A main difference in all three ideas is the makeup of the board that would temporarily

take over.

Board Chairman William Small said Friday that the university's legislatively elected trustees are being unfairly disparaged.

"This situation could have and should have been handled in a much more professional and substantially less damaging manner," Small said. "I sadly feel that South Carolina State University has experienced irreparable short-term

See **LEADERS**, Page 4A





The Morning
News
Florence, SC
Circ. 35092
From Page:
4
2/21/2015
61050



Leaders

From Page 1A

damage. ... My hope and prayer is that the histrionics will cease and that better judgment and reason will somehow find a place at the table."

Small is among the 60 percent of trustees who came aboard after Elzey was hired in spring 2013.

Last week, the Legislative Black Caucus called for Elzey's resignation. But he

refused, and trustees backed him up.

The calls for new leadership followed a Ways and Means panel's stunning proposal to temporarily close the school and reopen it in 2017 after a massive overhaul. Senators immediately pledged to kill the proposal, and even in the House, its chances were dim.

But it reflected the growing frustration of lawmakers who say university officials aren't providing requested information or a realistic

path to solvency.

"I don't think anybody wants to see South Carolina State closed, and I hope that's never a serious conversation," but the frustration is legitimate, Gov. Nikki Haley said Wednesday. "We want to help you, but you're not helping yourself."

S.C. State is digging out of a hole created by years of declining enrollment, along with a drop in state funding and federal changes that made many students ineligible for grants.

Despite the shrinking revenue, the school continued to spend as if nothing had changed, Elzey has said.

Last week, a group of current and former S.C. State students filed a federal lawsuit against the state, saying lawmakers damaged the school's enrollment by not providing enough funding and by allowing other public colleges to offer the same courses taught at the Orangeburg school.



The Morning
News
Florence, SC
Circ. 35092
From Page:
7
2/9/2015
61050



148
**Thumbs up for
pro-union letter**

I am giving Will Breazeale two thumbs up for his Feb. 4 letter to the editor concerning Gov. Haley and her misinformation about unions ("Haley wrong about unions").

As some readers may, I wrote a similar letter about this last year around this time. Gov. Haley has her chest stuck out because she helped Boeing get to South Carolina. Her backroom deal in getting them here probably included telling them, "Don't worry. We'll keep the union off you." Let's call it what it is: Boeing is here

because of cheaper labor. I'm sure they are making much more than minimum wage but a lot less than their counterparts in the great Pacific Northwest.

Will, it is nice to see you have moved on to be an airline pilot. If my memory serves me correctly, you were a part-timer

at UPS while I was a driver. Having been a UPS driver for 34 years, I got a chuckle out of you saying, "UPS drivers are not known to be lazy union members." You are right. There are none. Over the years, I saw quite a few people who could not do the job. The company fired them, and in a situation

like that, there is nothing the union can do about it.

Companies like Boeing, UPS and countless others make billions of dollars off the sweat equity of their employees. So why shouldn't the people who make these companies as prosperous as they are share in the financial growth of said company?

Will, in the closing of your letter, you said you were a proud Republican and a lifelong union member. Most people don't think those two go hand in hand. You just proved that wrong!

J.R. SPEARS
Darlington



The Morning
News
Florence, SC
Circ. 35092
From Page:
7
2/9/2015
61050



148 **Post and Courier, Charleston,
on removing tax pledge**

Grover Norquist's seal of approval for Gov. Nikki Haley's gas-tax-hike plan might provide some relief to those 20-plus state legislators who unwisely signed Norquist's no-new-tax pledge.

But South Carolinians should be asking themselves: Who elected Grover Norquist to determine our state's tax policy? And why are some S.C. state legislators marching in lockstep with his Washington-based Americans for Tax Reform?

Two weeks ago, Norquist endorsed the governor's package of income tax cuts and a 10-cent gas tax hike that would be gradually put in place over the next three years.

But the ATR founder and president admonished his legislative acolytes not to raise the gas tax without making a cut in the income tax rate as recommended by Mrs. Haley.

"Americans for Tax Reform will continue to follow these issues closely throughout session and will be educating your constituents as to how you vote on these important matters," Norquist wrote in a letter to the legislators who signed the "Taxpayer Protection Pledge."

According to the ATR website, those who make that pledge "solemnly bind themselves to oppose any and all tax increases."

According to our report, their S.C. number includes new House Speaker Jay Lucas, R-Hartsville.

Under the ATR agenda, only tax hikes that are offset by tax cuts can be tolerated. Doing so achieves what is called "tax neutrality."

The governor's plan, however, goes further than that. The increase in gas taxes would bring in \$350 million a year after being fully implemented in three years. But cutting the income tax rate from 7 to 5 percent would reduce general fund revenue, according to a projection from state fiscal officials, by \$1.8 billion per year.

The proposed gas tax increase would provide only a portion of the \$1.3 billion needed annually to meet the state's transportation needs, according to Department of Transportation estimates. Over the next 30 years, the shortfall in road and bridge funds is estimated at \$40 billion.

Nevertheless, raising the gas tax a dime a gallon would be a start toward the goal of providing necessary revenue for longstanding road needs.

The income tax cut is less certain to provide the anticipated extra economic boost that would actually improve state revenues. Indeed, it could leave the state short on funds for essential state services, including public education.

The gas tax is designed to be a user fee, by which those who drive on the highways pay for their upkeep.

The ATR states that user fees can be exempt from its tax hike restrictions, and by any reasonable definition this state's gas tax should be so considered. But apparently it doesn't meet all of the ATR's qualifying rules.

That's no reason for state legislators to blindly follow Norquist's lead.

The governor's plan to lower one tax to raise another needlessly complicates what ought to be an essential and simple task for the Legislature this session.

Raise the gas tax and fix the roads. Let the people who drive on the highways pay for the improvements, to the extent reasonably possible.

And in raising the gas tax, recognize that out-of-state motorists pay at least one-third of all gas taxes in the state.

Raising the gas tax, for the first time in 25 years, is a fiscally responsible plan to provide improved highway safety and mobility.