



NEW CAROLINA™

SOUTH CAROLINA'S COUNCIL ON COMPETITIVENESS

December 20, 2013

The Honorable Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee
111 Gressette Building
Columbia, SC 29201

The Honorable W. Brian White
Chairman, House Ways and Means Committee
525 Blatt Building
Columbia, SC 29201

The Honorable Robert M. Hitt, III
Secretary, SC Department of Commerce
1201 Main St., Suite 1600
Columbia, SC 29201

Re: South Carolina's Council on Competitiveness dba New Carolina Annual Report, per Proviso 50.22

Gentlemen:

South Carolina's Council on Competitiveness dba New Carolina became eligible to receive funding under the 2013-14 budget proviso 50.22 in October of this year. In October, New Carolina received \$151,000 from the Department of Commerce as match funding to private sector funds, certified as new dollars specifically designated for the purpose of matching state funds, not previously allocated or designated for economic development. These funds are being used to support New Carolina's work with regional and statewide industry working groups for the purpose of maintaining and growing South Carolina jobs and making South Carolina a more competitive place to do business. The industry working groups include:

Aerospace - New Carolina has partnered with the SC Department of Commerce on a project focused on growing the Aerospace Industry in SC. The project will identify opportunities in three areas: aerospace supply chain development, aerospace workforce pipeline, and aerospace research and development. New Carolina has partnered with USC's McNair Center on an Economic Impact Study with research performed by the Moore School of Business.

TDL Council - New Carolina's Transportation, Distribution and Logistics (TDL) Council brings together key stakeholders in the industry (i.e. BMW, Continental, SE Freightlines, Norfolk

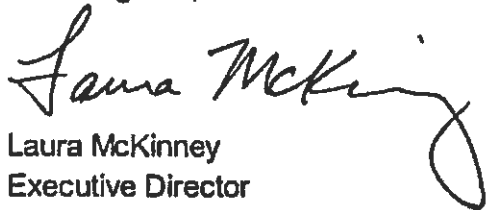
Southern) with the SC Department of Commerce, SC Department of Transportation, and the SC Ports Authority to identify statewide logistics needs and create solutions that will help SC companies dependent on logistics grow faster. The TDL Council is currently working with Clemson endowed chair Scott Mason to create an evaluation tool that would calculate the economic development and jobs impact for proposed transportation projects. The tool would help the SCDOT satisfy a key requirement of SC Act 114.

RecyclonomicsSC - RecyclonomicsSC is an industry working group made up of recycling companies in SC and public sector officials. The group's primary focus is raising the overall state recycling rate to 75%. Raising the municipal recycling rate to 75% would create 20,000 new jobs at the 450+ large and small SC recycling companies. RecyclonomicsSC recently published its annual RecyclonomicsSC magazine with SC Biz. New Carolina is coordinating the update to a statewide economic impact study for recycling and has retained College of Charleston professor Frank Hefner for that purpose.

Insurance Technology and Services (ITS|SC) - The Insurance Tech industry in the Midlands region is made up of 40+ companies and 16,000 high wage employees. The number one concern of this industry in SC is the availability of workforce talent. ITS|SC is working with New Carolina to develop a Leadership Insurance class that will identify the next generation of emerging industry leaders and engage them in looking at the industry wide opportunities for growth and advancement in South Carolina. New Carolina is also assisting ITS|SC in developing marketing materials to attract information technology talent to the region to help companies grow here while continuing to develop the South Carolina workforce pipeline.

The business members of the New Carolina industry working groups appreciate the state supporting their efforts to work together to solve common industry problem so that they can grow faster and create more jobs in South Carolina. In the coming year, New Carolina will continue these programs and assess new ones that would support our mission of making South Carolina the most competitive place to start, maintain and/or grow a business.

Best Regards,

A handwritten signature in black ink that reads "Laura McKinney". The signature is fluid and cursive, with a large loop at the end of the last name.

Laura McKinney
Executive Director