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Subject: Keynote Speaker at the Southern SME Forum Luncheon
Location: Hyatt Regency, 220 N. Main Street, Greenville, SC
When: 4/7/2014 12:10:00 PM - 1:00:00 PM

Staff: KV and Haley

GOVERNOR'S BRIEF FOR COMMERCE EVENT:
SOUTHERN SME FORUM

Date and Time: April 7th at noon

Location and Address: Hyatt Regency, 220 N. Main Street, Greenville, SC

Parking: Can park in the driveway in front of the hotel

Event Info:

- Type of visit: Keynote Speaker
- Key Company Person(s):
 - German Consul General Christoph Sander [Zan-da]
 - Martin Richenhagen [Reach-en-haagen], Chairman, President & CEO, AGCO Corporation & Chairman of the Board of Directors, GACC South
 - Martina Stellmaszek [Stel-ma-ssek], President & CEO, GACC South
 - Members of the Board of Directors of the GACC South
- Media: Media will be invited from all over South Carolina, there will be an informal media avail. at 12:50 pm w/ Governor Haley and Martina Stellmaszek, President & CEO, GACC South
- Line-by-Line Schedule:
 - 12:10 pm: Martina Stellmaszek introduces Gov. Haley
 - 12:15 pm: Gov. Haley gives keynote
 - 12:45 pm: Martina Stellmaszek thanks Gov. Haley
 - 12:50 pm: Media avail. w/ Gov. Haley & Martina Stellmaszek
 - 1:00 pm: Gov. Haley leaves
- Event Coordinator On-the-Ground: Nico Rudolph, 404-586-6838, Cell 832-499-9832

Background Info:

- Company Information:

The German American Chamber of Commerce of the Southern United States, Inc. (GACC South) was founded in 1978 to promote and support bilateral trade between Germany and the U.S. The

GACC South is headquartered in Atlanta, Georgia, with a branch office in Houston, Texas. The GACC South serves 11 Southern states -- Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Texas, and two U.S. Territories -- Puerto Rico and the U.S. Virgin Islands. In addition, five local chapters located in Florida, North Carolina, South Carolina, Tennessee and Texas support the region.

The GACC South is a private, non-profit organization and serves as the official representative of German industry and trade in the Southern U.S. It is part of an international network composed of 125 German foreign chambers of commerce and government offices in 85 countries. The GACCs are one of the largest bi-national chambers in the United States.

Visit www.gaccsouth.com for more information about the chamber.

Visit www.transatlantic-news.com for the most up-to-date news.

- Company Bragging Points:
 - GACC South active in the region for over 35 years
 - Key organization for German-American trade
 - South is the new hub for German investment: BMW expansion, new Continental Tire plant opened 2014
 - GACC South vital to develop vocational training programs for German companies in the South
 - MTU America Inc. (Graniteville, SC) will be the second company in the US to write a final exam according to German standards.

Comment:

Craig Baartman (Sumter Plant Manager, Continental Tire the Americas, LLC) & Member of the Board of Directors, GACC South

NOTE: Gov. Haley will provide the Keynote Address at the Southern SME Forum Luncheon. Will be introduced by Martina Stellmaszek [Stel-ma-ssek], President and CEO of the German American Chamber of Commerce of the Southern United States (GACC South). Suggested focus is on the Germany/SC business connections and selling South Carolina as a place to do business.

Note: Highlighted figures may be updated Monday morning.

SUGGESTED TALKING POINTS:

Germany/South Carolina Connection

- Here in South Carolina, we build things. Our state has become a hub for advanced manufacturing.
- It's no secret that the South is the hub for German investment, and our relationship with Germany has been a long and successful one.
- For the past 50 years, major German companies have invested and expanded in our state, finding South Carolina's workforce, its education system and our state support to surpass their expectations.
- In fact, as proof of South Carolina's dedication to German businesses, the South Carolina Department of Commerce maintains its European headquarters in Munich.
- **In the past 3 years alone, German companies have announced more than \$3.2 billion in new investments and 6,300 new jobs in our state.**
- In 2012, German companies accounted for nearly one-third of all Foreign Direct Investment and nearly one-half of all jobs created by Foreign Direct Investment in South Carolina
- Just recently, BMW announced they would be manufacturing the X-7 at the plant in Greer. With that

- announcement came an investment of \$1 billion and 800 jobs.
- In the 20 years since BMW began production in South Carolina, 2.5 million cars have been produced in our state. During that period, BMW has gone from employing 1,000 South Carolinians making a handful of cars to 7,000 employees making 1,000 cars a day. During 2014, it is estimated that BMW will employ 8,000 South Carolinians.
- By 2016, it is estimated that BMW will be producing 450,000 cars a year at the Spartanburg plant, making it the largest producer of BMWs in the world.
- But it's not just big business that keeps the South Carolina economy running.
- In our state, small business is big business.
- More than 530,000 South Carolinians are employed by companies with fewer than 50 workers.
- And small business employers make up more than 95 percent of all private-sector employers in the Palmetto State.
- We want to continue growing our small businesses and our entrepreneurs right here in South Carolina.
- In your business, you put it all on the line to be successful, and I want you to know that providing the needed support to our small business owners has been one of my priorities since taking office.
- As a matter of fact, the Department of Commerce has greatly expanded its office's resources for small business development.
- As a result, we're doing things like helping smaller companies find the right lender for business loans.
- And we're matching the special skills and services of our small businesses to the needs of the industry heavyweights in our state – think companies like Boeing and Continental Tire – so that our in-state businesses benefit from these major companies being here.

SC Commerce

Since January 2011:

Announced Jobs: More than 45,000 (45,754)

Announced Capital Investment: More than \$12 billion (\$12.157 announced)

Note: Job totals in the above table include retail announcements from 2011.

- **In total, since 2011 we have announced 338 projects statewide (of these 140 are expansions and 140 are new companies).**
- **Our jobless rate has dropped to a new, nearly 6-year low, 5.7% in February – a full percentage point below the national average. The last time SC's unemployment rate was at 5.7% was in April 2008.**
- **The drop from 6.4% in January to 5.7% in February is the largest month-over-month decrease since the government began keeping the data nearly 40 years ago.**
- February is the ninth consecutive month where the unemployment rate has decreased in South Carolina (last month's press release said 4 months, but the Bureau of Labor Statistics recently revised their prior reports)
- **In addition, over two million South Carolinians were employed in February, the highest level in the state's history.**
- **South Carolina's veteran unemployment rate dropped to 4.1% in 2013 – down from 6.9% in 2012. We now have the sixth lowest unemployment rate for veterans in the country.**

- Since 2011, foreign-owned firms have generated 15,900 jobs and \$7.15 billion in capital investment (announced projects only).
- Commerce's project pipeline has grown this year and about 40% of them are international projects.
- **South Carolina's manufacturing industry experienced a more than 18% increase in output from 2010 to 2012.**
- **South Carolina has one of the fastest growing economies in the U.S.** and has one of the fastest growing manufacturing sectors in the region and nation, according to a recent report released by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA).

South Carolina Bragging Points

- South Carolina leads the U.S. in foreign-affiliated job recruitment per capita, ranking above Texas and North Carolina.
- **South Carolina ranks No. 1 in exports of tires**, holding nearly 30 percent of the share of U.S. made exported tires (third year in a row).
- **South Carolina ranks No. 2 in the nation in exports of automobiles.**
- **The Port of Charleston is the seventh busiest** in the nation with **\$63 billion** in cargo value traded across docks.

Education Initiative (from the Governor's notes)

- We understand that a strong economy depends on the strength of our education system.
- Given rising transportation costs, rising foreign labor costs, geopolitical instability, and technological advancements in the United States, there's growing demand for a highly skilled and highly educated domestic workforce.
- When I talk with business executives about relocating their businesses to South Carolina, **I am often asked about taxes and our regulatory environment, but I am always asked about education.**
- A well-educated workforce is **the key** to attracting businesses to our state. Over the course of 2013, I met with legislators from both parties, education-related groups, business groups like the SC Chamber of Commerce, universities, and others to look at ways to improve our K-12 education system.
- Based on those discussions, I released an aggressive education reform initiative as part of my executive budget. **Education reform took an important step recently when the House passed my education reform initiative on a wide bi-partisan basis as part of their version of the budget.**
- Now it's the Senate's turn to act to ensure our children are equipped with the tools they need to succeed in this ultra-competitive globalized economy.

Funding Formula

- Change by grade levels
- There are no losers

- Accounts for poverty

= 20% + per student free/reduced/Medicaid

= 20% more for low English proficiency

= more for individual learning = gifted & talented

= more for adult education, ages 17-21 pursuing degree on GED

***will allow more \$ in classroom**

= 100 Million redirected in schools based on poverty

Reading

- 42nd among states 4th grades scoring at or above basic National Assessment
- Not reading by 3rd grade = 4x less likely to graduate

***\$30 million invested in reading**

- Reading coach in every elementary school
- **Summer camps - \$6 million**
 - FL found to increase proficiency substantially in 2 years
- **\$5 million professional development**

Technology

- Education technology has strong positive effects on student achievement

***1st in a multi-year commitment - \$30 million unprecedented investment in technology**

- **In addition to \$10 million already there**
- Improve bandwidth to schools
- Wireless connectivity in schools
- 1 to 1 technology
- **\$12 million digital instructors**

***\$4 million professional development**

Charters

- 63% of kids are in poverty
- 27% growth in enrollment
- **Increase cost per student brick \$350+ per, virtual \$200+ per student**
- **\$4 million loan program**
- **\$750k, 10 more virtual teachers**

Workforce Development/Higher Education

- The state of South Carolina is currently at the forefront of the highly skilled manufacturing revolution

- – with the growth of the aerospace industry anchored by Boeing and the automotive industry (#1 exporter of tires; #2 exporter of automobiles).
- Our state and its higher education system have a long history of providing the skilled workforce that our major industries demand.
- **Clemson University's ICAR is a perfect example.** This state-of-the-art advanced technology research campus located in Greenville is where academia, industry and government organizations work hand-in-hand. ICAR is the nation's only graduate degree program in automotive engineering. Over the last 10 years, ICAR has received more than \$250 million in public and private investment and provided the automotive industry with the engineers necessary to support our state's manufacturers and suppliers.
- Likewise, at the University of South Carolina in Columbia, an Aerospace Engineering Masters Degree program was recently created to supply South Carolina's growing aerospace industry – including Boeing and its suppliers – with the workforce it needs to succeed.

Work-Ready Communities

- Certified Work-Ready Communities Initiative is a locally-driven, public-private partnership through which South Carolina's communities can show business that they have the commitment and the skilled workforce they need in order to succeed.
 - County project teams had to include representatives from local government, education, economic development and the business community.
 - Two counties – Clarendon and McCormick – have been certified thus far.

Note: For reference, these are the criteria for a Certified Work Ready Community:

- Certain number of individuals in that county must earn National Career Readiness Certificates
 - Counties must demonstrate a certain level of private sector support tied to population
 - A county must have a 73.1% high school graduation rate based on a 3-year rolling average. This figure was developed in collaboration with the SC Dept. of Ed.
 - 25% of the individuals who obtain NCRC in that county must take talent assessments, which measures soft skills.
- **There are currently 90,000 job seekers in South Carolina right now, but at the same time, there are more than 110,000 jobs that are available – waiting to be filled.** More open jobs than jobseekers! This initiative is about matching those who are looking for work with the businesses that are ready to hire! **That is why we are committed to seeing every county in South Carolina become Work Ready Certified**
- **The Certified Work-Ready Communities Initiative is the kind of locally-driven, public-private partnerships that we love to see!**

Miscellaneous Haley Administration Highlights

- On January 27 of this year, I signed the Government Restructuring Act of 2014 (S.22). It is the most comprehensive government restructuring in over 20 years - streamlining government processes by abolishing the outdated, five-member Budget & Control Board and creating the Department of Administration, which is responsible for executive and administrative functions.
- On February 11 of this year, I signed S.308, The Concealed Carry Reform Bill. This is just another example of how my administration is dedicated to upholding citizens' 2nd amendment rights here in South Carolina. The bill allows for responsible South Carolinians to carry their firearms into restaurants that serve alcohol, but doesn't allow them to consume alcohol. The bill also allows

- owners of these establishments to ban individuals from carrying firearms.
- South Carolina's Department of Social Services implemented a welfare-to-work program that has found jobs for over 20,000 welfare recipients (20,217) with 97.1 percent not returning to welfare at least three months following exit and more than 80 percent not returning for at least two years.
- In 2012, we spearheaded a tax reform effort for individuals and businesses and the General Assembly passed a small business income tax reform package that will decrease income taxes for three consecutive years. When the package is in full effect in tax year 2014, the cumulative tax relief to small businesses will be \$63 million (and growing as small business income grows).
- In June 2011, I signed a tort reform law, allowing South Carolina to recruit and expand businesses by protecting them from frivolous lawsuits.
- We have focused on job training and putting workforce ready communities in every county (with Clarendon County becoming SC's 1st) and recently naming McCormick County the 2nd in the state.
- We have one of the lowest unionization rates in the country. (3.7%, tied for the 3rd lowest state in the country)
- We made transparency in government a major priority of my administration, including fighting for and signing into law the state's first roll call voting bill.
- We established the South Carolina Commission on Ethics Reform by Executive Order in 2012 to recommend changes that would expand, strengthen, and clarify the state's Ethics Act, which has not been updated in over twenty years. A bill that includes many of the recommendations regarding income disclosures, oversight, and conflicts of interest is currently pending before the Senate and remains at the top of our legislative agenda for this year.
- By Executive Order, I established a Regulatory Review Task Force in February of 2013, which studied thousands of regulations promulgated by 22 state agencies to determine how the regulatory environment in SC can be streamlined to help small businesses succeed. The goal is to reduce government involvement in business and professional activities that stifle entrepreneurship, small business creation, and economic growth.
- Transportation spending authority has been a priority throughout my administration, which is why I signed into law a \$1 billion infrastructure bill without raising taxes in June of 2013 – the largest investment in roads and bridges in 25 years.
- In 2012, I signed a Charter School Bill that enhances the state's existing charter system by allowing public or independent institutions of higher learning to sponsor a charter school, permitting applicants to seek to form a single gender charter school, and enabling charter school students to participate in extracurricular activities.

ECONOMIC DEVELOPMENT INFORMATION

Greenville County

Total Capital Investment: \$182,750,000

Total Jobs: 1409

Announcements

Announced Date	Company Name	Objective	Product or Service	Announced Investment	Announced Jobs
2013-09-26	Dayton-Rogers Manufacturing, Co.	New	Stamping and Fabrication	\$11,000,000	134

2013-09-03	2AM Group, LLC	New	assembly operation	\$500,000	100
2013-03-28	Constantia Hueck Foils, LLC	Expansion	Foils and Films for Food and Pharmaceutical Products	\$12,000,000	15
2012-11-20	JTEKT Automotive South Carolina Inc.	Expansion	Automotive Steering Systems	\$130,000,000	175
2012-09-25	McEntire Produce, Inc.	Expansion	Fresh Fruits and Vegetables	\$5,000,000	85
2012-05-22	WNS North America Inc.	New	Customer care center	\$4,250,000	750
2011-10-31	Sensor Electronic Technology, Inc.	Expansion	LED Lights	\$20,000,000	150

Greenville County's unemployment rate is 4.1% -- considerably lower than the national average of 6.7%.

LEGISLATIVE INFORMATION

Adoption of
the
Conference
Report
1/21/14
S.22

3rd
Reading
3/13/13 notes
2/27/2014- Failed below.
H.3945

Reference
S.53

S. 266

H.3541

SENATE - Greenville County	DOA	Ethics	Sup. of Edu	ABF	Ad. General
D Karl B. Allen	Y	Y	N		
R Lee Bright	N	N	Y		
R Tom Corbin	Y	Y	Y		
R Michael L. Fair	Y	Y	Y		
R Shane R. Martin	N	Y	Y		
R Ross Turner	Y	Y	Y		
R Danny Verdin	Y	Y	Y		

Adoption of
the
Conference
Report
1/21/14
S.22

Passage
of the bill
4/30/13
H.3945

Adopt
Resolution
4/9/13
H. 3518

Adopt
Resolution
3/20/13
H.3541

HOUSE - Greenville County	DOA	Ethics	Sup. of Edu	ABF	Ad. General
R Rita Allison	Y	Y		Y	Y
Bruce W. R Bannister	Y	Y		Y	Y
Eric M. R Bedingfield	Y	N		Y	Y
R James M. Burns	Y	Y		Y	Y
William M. R Chumley	Y	N		Y	NV
Chandra E. D Dillard	Y	Y		N	Y

R	Daniel P. Hamilton	Y	Y		NV	Y
R	Phyllis Henderson	Y	Y		Y	Y
R	Dwight A. Loftis	Y	Y		Y	Y
R	Wendy K. Nanney	Y	Y		Y	Y
R	Joshua A. Putnam	Y	EA		Y	Y
D	Leola Robinson-Simpson	Y	Y		N	Y
R	Garry R. Smith	Y	Y		EA	Y
R	Tommy M. Stringer	Y	Y		Y	Y
R	Mark N. Willis	Y	Y		Y	Y

Notes:

ABF: S.266 - On the Senate calendar. Gregory - has fought multiple times. Leatherman's continues to fight against. Leatherman's name is on the bill.

Ethics: Sen: Bright and Bryant are the 2 Senators that voted against Ethics
- 3rd Reading.

House: Bedingfield, Chumley, Delleney, Felder, Moss, Norman, Pitts - voted against the passage of Ethics because it was not what passed out of Judiciary.

Bannister amended on 3rd with a strike and insert of new language which did not include independent investigations.

Sup. of Edu: Leatherman and O'Dell voted against. Matthews voted present. Sheheen, Lourie and McElveen voted for it.