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Subject: Palmetto Business Forum
Location: SCANA, Board Room, 100 Scana Parkway, Cayce, S.C.
When: 3/14/2016 4:00:00 PM - 4:40:00 PM

Advance: Jamie Maxwell
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EVENT: Palmetto Business Forum

DATE: Monday, March 14, 2016

TIME: 4:00 PM

LOCATION: SCANA, Board Room, 100 Scana Parkway, Cayce, S.C.

LOCATION SET-UP: Board room style, Governor will have a dedicated seat at the head of the table next to Chairman Rob Chapman. Last year the Governor preferred to deliver her remarks while remaining seated. A podium is available if needed.

ON-SITE LOCATION CONTACT: Boardroom, informal, Governor can speak while seated or use the podium. Governor will have assigned /nameplate seating .

SCHEDULING CONTACT:

Ned Johnson
NJohnson@mcnair.net
(803) 799-9800

PRIMARY STAFF: Tim Pearson and Katherine Haltiwanger

PURPOSE: Gov. Haley will address the Palmetto Business Forum on subjects she feels are important to South Carolina and what areas she feels the leadership of the business community could be of assistance with.

PRESS: No

PUBLIC: No

INVITED BY:

Ned Johnson
NJohnson@mcnair.net
(803) 799-9800

INTRODUCED BY: Chairman Rob Chapman, CEO Inman Mills, Spartanburg

LENGTH OF SPEAKING: 10-12 minutes. Q&A is appropriate.

SPEAKING ORDER/LINE-BY-LINE:

4:00 p.m. Legislative Update

- Mr. Ted Pitts, President South Carolina Chamber of Commerce
- Mr. Lewis Gossett, President and CEO of the SC Manufacturers Alliance
- Tom DeLoach, President and CEO of BIPEC

4:20 p.m. Comments by the Governor of South Carolina

- The Honorable Nikki Haley

Governor Haley Departs

4:50 p.m. Update on Liberty Fellowship

- Mr. Hayne Hipp, Co-Founder
- Ms. Luanne Runge, President and CEO

5:10 p.m. Update on the South Carolina Ports Authority

- Mr. Jim Newsome, President and CEO (Introduction by member Pam Lackey)

5:35 p.m. Volvo in South Carolina

- Ms. Katarina Fjording, Vice President, Purchasing and Manufacturing, Volvo Car U.S. Operations, Inc. (Introduction by Jim Newsome)

6:00 p.m. Cocktail Reception

ATTENDEES:

1. Ablergotti, Melissa, Guest of Kim Wilkerson, Bank of America
2. Beal, Michael, Guest of Ned Johnson, McNair Law Firm
3. Blanchard, Joe, Blanchard Machinery
4. Bowen, Bill, Guest of Rob Chapman, InMan Mills
5. Brennan, Michael R., BB&T
6. Bryant, Sharon W., First Citizens Bank and Trust
7. Buck, Edgar A. Jr., Jupiter Holdings, LLC
8. Chapman, Robert H. III, Inman Mills
9. Claunch, Chuck, Guest of Clark Gillespy, Duke Energy
10. Close, Derick S. , Springs Creative Products Group
11. D'Alessio, James, Guest of David Pankau, BCBS of SC
12. Darby, John C. L., The Beach Company
13. Fincher, Christopher L, Wells Fargo
14. Garnett, Chuck, NBSC
15. Gillespy, Clark, Duke Energy SC
16. Hill, Robert R, Jr., South State Bank
17. Johnson, David G., Morgan Corp.
18. Johnson, Ned, McNair Law Firm
19. Johnson, Stewart, Guest of David Johnson, Morgan Corp.
20. Jones, Boyd, Guest of Chuck Garnett, NBSC
21. Lackey, Pamela P., AT&T
22. Lackey, Richard, Cox Industries
23. Lebish, Dan, AFLAC Group Insurance
24. Leonard, Lindsey, Boeing South Carolina
25. Lominack, David, TD Bank
26. Marsh, Kevin B., SCANA Corp.
27. McCrary, Bill Jr., William Barnet & Son LLC
28. Morrison, Suzanne, Guest of Chris Fincher, Wells Fargo
29. Pankau, David, BCBS of SC
30. Roquemore, Jim, Super-Sod
31. Salley, Joseph M., Milliken & Company
32. Sanders, Jack, Sonoco
33. Schrum, Roger, Guest of Jack Sanders, Sonoco
34. Scott, Hank, Collum Lumber Products

35. Seeger, Kenneth T., MWV Community Development & Land Management
36. Self, Bubba, Guest of Jay Self, Greenwood Mills Inc.
37. Self, Jay, Greenwood Mills, Inc.
38. Taylor, James N., Global Management & Operations Services
39. Thomas, Robert H, Jr., Alice Manufacturing Co., Inc.
40. Timmons, Rick, Canal Insurance Company
41. Timmons, Williams IV, Guest of Rick Timmons, Canal Insurance C.
42. Whitener, Tripp, Guest of Sharon Bryant, First Citizens & Trust
43. Wilkerson, Kim, Bank of America SC
44. Wood, Keith, Guest of James Taylor, Global Management
45. Zalense, David, Owen Steel Company

SPECIAL GUESTS in addition to the speakers:

Secretary Bobby Hitt, SC Commerce

Jack Ellenberg, SC Ports

Tom DeLoach, BIPEC

SUGGESTED TALKING POINTS:

Introductory Remarks:

- It's a great day in South Carolina, and it's an honor to be here with y'all again.
- Our economy is among the fastest growing in the nation.
- Unemployment at 5.5% with more people working in SC than ever before.
- Tens of thousands of new jobs announced. ex. (just recently, Volvo announced it is investing \$500 million and creating 4,000 new jobs).
- Moved almost 30,000 people from welfare-to-work.
- Working on reforms to our SNAP program to ensure accountability and help people find sustainable employment.
- Cut our debt service by almost half while doubling our General Reserves.
- Biggest education reform in decades.

General Points:

1. Economic Climate

- a. First in U.S. exports for tires and passenger automobiles, second in exports of gas turbines, and twelfth in civilian aircraft.
- b. South Carolina's exports continue to grow because we have built a reputation around the world as a great place to do business.
- c. South Carolina ranked first for jobs linked to foreign investment.
- d. Businesses from all over the world are interested in coming to South Carolina, due in large part to our world-class workforce and business-friendly climate.
- e. Large-scale manufacturers certainly have a significant impact, but small businesses are just as important to our economic future.
- f. Small businesses account for 97% of our state's total businesses.

2. So things are going well – we're the envy of the nation – but we still have much more to do.

- a. Workforce – those jobs don't mean anything if it's not our people getting them.
 - i. Get creative in how we train people.

1. We've already started: opportunity centers in prisons (Manning), welfare-to-

1. work successes.
2. Pathways Initiative: Scholarships to pursue vocational training and career education that end in a JOB, not a certificate.
3. Opportunity Centers – culture change.
4. Small business involvement – companies working with tech schools to develop programs that train workers to fill specific business needs.

b. Infrastructure

i. Outline the current work being done by SCDOT:

1. Our SCDOT has been committed to improving the current state of our roads.
2. In FY 2014-2015, the received and process over 70,000 work requests, resulting in thousands of patched potholes, thousands of mowed acres, tons of trash and debris removal, and more than 9,000 approved encroachments permits.
3. SCDOT also conducted emergency repairs on many of our major highways, including I-77, I-95, I-26, and I-85.
4. Secretary Hall has also implemented transparency mechanisms to help the public understand SCDOT's priorities and way ahead.
5. But, even with her leadership, the work on our roads and at SCDOT is not complete.

ii. Outline the current problem:

1. Competitiveness argument – we're doing great but NC and Georgia are gaining on us.
2. Roads – we all know we need more money for roads. It's a safety issue for our people, and it's an economic issue for our businesses.
3. Structure of the SCDOT – right now it doesn't work, it's regional and political and it has to change.
4. The Senate acknowledged that you have to reform the system before throwing money at it.
5. The Senate plan would clear up confusion on who runs the DOT, set up a governing board that is truly a policy-level board, and ensure that unnecessary county projects don't take precedent over true infrastructure priorities throughout the state.
6. Roads improvements should be based on safety, traffic, and development, not on which legislative members are in leadership.

iii. Summary of Senate Bill:

1. Reconstitutes the Transportation Commission to an 8-member board.
2. Each member of the Commission is appointed by the Governor and subject to Senate confirmation.
3. The Commission submits a Secretary to the Senate for confirmation upon approval of that candidate by the Governor.
4. Establishes oversight of SIB project selections by the commission and vests the Commission with authority to reject SIB projects.

5. Directs the General Assembly to appropriate not less than \$400 million per year to roads.

c. K-12 Education

i. Building on four pillars:

1. Fair and simple funding: eliminate ancillary funding streams and distribute funding through the Education Finance Act (EFA), while sustaining and increasing base student costs.
2. Technology: have worked to increase funding to improve broadband access and 1-to-1 computing initiatives, and provide flexibility for districts and the Department of Ed. to purchase digital instructional material or data security investments.
3. Public school choice: support full EFA funding for charter schools, and provide the Superintendent of Education the authority to contract with third party charter school operators in order to attract the most professional and distinguished organizations.
4. Reading: full implementation of Read to Succeed and increased money for reading coaches to make sure children can read by the time they leave third grade.

- ii. I proposed five core initiatives that are focused recruiting students to become teachers while they are in high school, paying for a teacher's education – either directly or through loan repayment, making sure every teacher has a mentor and helping career teachers advance their own education and professional skills.

1. We have started small on this initiative, but my budget has ramped this program up and we're working to have these initiatives available and funded by July 1.

BACKGROUND:

The Palmetto Business Forum was formed in 1975 during the administration of Gov. Jim Edwards, the first Republican governor since reconstruction. It was Gov. Edwards who encouraged some of the State's leading business executives to form an informal leadership group to serve as a sounding board for his administration and to meet to discuss matters of interest and concern to the State's business climate. Chief among the founders of the Forum was the Late Roger Milliken. Other individuals involved in the foundation of the Forum were George D. Johnson, Jr; W.W. "Hootie" Johnson; Jim Self; Francis Hipp; Henderson Barnette; Jim Chapman, Gayle Averyt; Bill Cassels and John Warren. The founders formed a 501C(5) organization with its stated purpose being "...a non-partisan group of business people, selected from the major businesses in South Carolina organized to formulate and voice opinions on State and national issues bearing on the survival and health of the American economic system". The Forum is composed of 35 business entities as members. Each member company has its CEO or equivalent position as that member's representative. There are a limited number of special individual members and emeritus members. The Forum meets 5 times a year. As a 501C (5) organization it does not engage in lobbying nor contribute to elected officials. The Forum invite speakers that are of interest to the members. Speakers have included representatives from the State's Congressional delegation as well as leaders from the House, Senate and the State's Executive branch. The forum also has prominent speakers from the business community on the state and national level.