



**North Carolina
Department of Commerce**

Pat McCrory, Governor

John E. Skvarla III, Secretary

February 23, 2015

The Honorable George Holding
U.S. House of Representatives
507 Cannon House Office Building
Washington, DC 20515

Dear Representative Holding:

As the 114th Congress gets underway and revisits the reauthorization of the Export-Import ("Ex-Im") Bank charter, I wanted to ensure that you have a copy of the letter that Governor Pat McCrory sent to leadership of the U.S. House and Senate last year on this topic. A copy of the Governor's letter highlighting the positive impact of the program on North Carolina's commerce is attached. I also want to provide my own perspective about the impact that the bipartisan trade legislation under consideration has on business in our state.

As you know, manufacturing has historically been a significant cornerstone of North Carolina's economy. North Carolina boasts the largest manufacturing workforce in the Southeast and 21% of our Gross State Product stems from manufacturing.

Ex-Im Bank financing is heavily weighted toward providing support for small businesses. Between 2012 and 2014, the Ex-Im Bank worked with 118 businesses in NC. Of those businesses, 94 are small businesses. Promoting small businesses is also part of the state's strategy for encouraging business growth. It is critically important that we maintain programs that provide avenues of assistance for these types of businesses. Major employers in the state are also important users of this type of financing, including GE, Siemens, United Technologies and Caterpillar, Inc.

Another important tool for our global economic competitiveness is the development of international trade agreements with both the European Union and the countries of the Asia-Pacific. Goods manufactured in our state have excellent access throughout the U.S. market, which makes the state a strategic choice for international companies seeking access to American consumers. North Carolina is a leader in attracting foreign direct investment and currently ranks 10th in employment by foreign-owned firms. These foreign-owned companies have invested significantly in our state and include revenues of more than \$14 billion from European companies alone.

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However, North Carolina must compete globally as the location of choice for international firms. While access to the U.S. market is an important driver, these companies must also ensure that a location in our state provides access to markets around the world. In order for North Carolina, or any state, to be competitive in the international arena, trade agreements must be in place to create and maintain a level playing field for U.S. businesses competing in the global market.

The fact that many of these critically important agreements are not yet in place in the United States, but do exist in many of our competing countries, provides foreign companies with superior and cheaper access to global markets. This places North Carolina, and every other state, at a significant competitive disadvantage.

In order for states like North Carolina to offer a globally competitive location for international companies currently considering significant investment and job creation in our state, we would like to strongly encourage the swift development of trade agreements with both the European Union and the countries of the Asia-Pacific. These agreements should include specific protections for North Carolina's tobacco industry, ensuring that tobacco and tobacco products are not treated adversely in any manner. We are grateful for the leadership that the North Carolina congressional delegation has demonstrated to protect this vital economic resource in our state.

I greatly appreciate your ongoing support to grow businesses of all sizes in the state and your strong consideration of the importance of programs such as the Ex-Im Bank and the advancement of trade agreements with some of our key global business partners.

Sincerely,



John Skvarla, Secretary
NC Department of Commerce

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