



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR
July 15, 2014

PAT McCRORY
GOVERNOR

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221, U.S. Capitol
Washington, DC 20510

The Honorable John Boehner
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

Dear Majority Leader Reid, Minority Leader McConnell, Speaker Boehner and Minority Leader Pelosi:

As you consider whether to support the reauthorization of the Export-Import ("Ex-Im") Bank charter in the coming weeks, I wanted to provide my perspective about the impact of this program on business in North Carolina.

First, the Ex-Im Bank provides assistance with exporting goods and services to international markets. Increasing exports is a key component of North Carolina's economic development strategy. The U.S. Department of Commerce indicates that our nation is below its full export potential and that U.S. firms under-export compared to competitor industrialized nations. As part of a comprehensive international strategy, providing export financing assistance can make it easier for companies to explore export markets. We've seen steady growth in exports in North Carolina over the last several years, but we want this growth to be stronger and this type of financing can be a tool to assist in that effort.

Second, as a whole, Ex-Im Bank financing is heavily weighted toward providing support for small businesses. For the FY 2013, the Bank approved 3,413 transactions – or 89 percent – for small businesses. The results in North Carolina are similar – of the 118 North Carolina exporters assisted by the Bank over the last two years, nearly 80 percent are small businesses. Promoting small businesses is also part of the state's strategy for encouraging business growth. Programs that provide avenues of assistance for these types of businesses are important to maintain.

Finally, at the national level, large companies like Boeing and GE (specifically GE Aviation) are the largest users of Ex-Im Bank financing. While Boeing does not have significant manufacturing operations in the state, there are 188 Boeing suppliers/vendors in the state employing an estimated

24,000 direct and indirect jobs. GE has multiple locations in the state – from Asheville and West Jefferson to Durham and Wilmington – directly employing more than 4,800 people and growing. Other large companies in our state with a direct interest in this reauthorization include Siemens, United Technologies and Caterpillar, Inc. North Carolina has identified aerospace and advanced manufacturing as key targeted industry sectors and plans to continue to work to recruit and retain these types of companies in the state. I am also encouraging the North Carolina Congressional delegation to support the underpinnings of these industries as that will certainly help reinforce the positive business and political climate we promote when talking with these types of companies considering a new location or expansion opportunity in our state.

With all the public and political commentary regarding the reauthorization of the Ex-Im Bank charter due to expire in September, I know it may be difficult to focus on the business implication of the policy decision you have to make. I'm also aware of the need to make substantive reforms to the Ex-Im Bank, so I encourage you to carefully consider the best course of action for the citizens of North Carolina.

Thank you for your consideration and for your support of our efforts to encourage and grow businesses in the state and increase job opportunities for citizens all across North Carolina.

Sincerely,

A handwritten signature in black ink that reads "Pat McCrory". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Governor Pat McCrory

cc: North Carolina Congressional Delegation