



The North Carolina Comeback

Principles for Fixing North Carolina's Broken Economy

“North Carolina’s economic development brand is currently being diminished by high taxes, excessive regulation and broken state government. Neighboring states are reforming and successfully competing for jobs, while North Carolina remains stuck with the 4th highest unemployment rate in the nation. We must stick to our principles and grow our economy, because that’s what produces the resources to pay for our teachers, police and firefighters and rebuild our infrastructure. We need a governor who will be a leader in developing a new vision for the future and who will jump start the North Carolina comeback.”

-Pat McCrory

1) Fix Our Broken Economy With New Vision and Leadership

North Carolina has the 4th highest unemployment rate in the nation, and private sector job growth has been 5 times slower than state government job growth over the last decade. While other states are turning around their economies by supporting private sector job growth with business friendly policies, North Carolina’s executive leaders believe growing government is the only answer.

It’s going to take a leader with a different mentality to fix North Carolina’s broken government and economy, not the same old mindset that has our state in economic quicksand. Pat McCrory knows that to invest in key priorities like education, public safety, transportation and infrastructure, North Carolina must grow the economy through the private sector, not government. As governor, Pat McCrory will work tirelessly to create an economic environment that will allow our job creators to put people back to work.

The good ol’ boy and girl patronage system of state government has placed tired and failed policies and special interests ahead of working families, taxpayers and businesses. The result: North Carolina is losing to the competition and now has the fourth highest unemployment rate in the country. Pat McCrory believes fixing North Carolina’s broken economy requires new vision and new leadership from its governor. If other states can successfully rebound from the economic collapse, so can the greatest state in the country.

2) Make Government More Responsive to Business

Every extra hoop that government makes a business jump through because of rules and regulations is an added expense for the business, leaving fewer resources for new hiring and other expansion. Right now, small business owners rate North Carolina's regulatory climate among the worst in the nation. North Carolina must do more to eliminate cumbersome and duplicative regulations while streamlining government agencies to make services more responsive to businesses. Pat McCrory realizes that individuals who understand an economic climate that cultivates job creation must run North Carolina's regulatory agencies.

Place a Premium on Customer Service

Instead of propagating a culture of fear and intimidation, regulatory agencies in North Carolina should be working alongside businesses to help them create jobs. Returning phone calls, responding to emails and helping North Carolinians get prompt answers from their government should be standard practice when dealing with an executive agency. As governor, Pat McCrory will introduce a culture of higher expectations and greater customer service for all employees.

Streamline North Carolina's Inadequate and Inefficient Permitting Processes

Pat McCrory realizes government agencies should quickly and efficiently assist businesses that want to grow responsibly. He will work to ensure adequate procedures are in place to make the permitting process efficient and consistent.

Eliminate Redundant Commissions and Committees

Commissions and committees can serve a valuable advisory role to our government. However, when they multiply to the point of overlap, the result is noise and waste, rather than good governance. Pat McCrory will work to eliminate and/or combine missions for redundant commissions and committees to further streamline government.

Appoint People Who Understand the Private Sector

Pat McCrory will hire top-notch professionals from varying backgrounds to bring real-world experience to his administration. North Carolina needs competent managers with private-sector experience in our government agencies.

Fight Onerous Federal Mandates, Taxes and Regulations

As governor, Pat McCrory will fight unnecessary and burdensome mandates, taxes and regulations from the federal government. As long as North Carolina is subject to onerous mandates, taxes and regulations, especially relating to healthcare, businesses will be hesitant to expand or hire new workers because they cannot predict the future costs.

3) Modernize the Tax Code to Spur Job Creation, Productivity and Innovation

A fair and competitive tax code is the foundation for job creation and economic growth in North Carolina. North Carolina's tax code was written in the 1930's. Although at least six commissions or committees have studied tax reform since then, no serious reforms have been enacted. Our tax code must encourage existing businesses to expand while making our state an attractive place to move or start a company. Our next governor must reform our state's out-of-date tax code with the 21st century economy in mind, reducing uncertainty for businesses and individuals.

Provide Tax Relief to Industries that Build, Produce, Innovate and Grow Things

North Carolina's economy must build, produce, innovate and grow things, and our tax code should incentivize these activities in the private sector.

Eliminate Upfront Cash Incentive Packages

Up-front cash incentives for out-of-state companies with a hollow promise of jobs is not a sound economic policy. Pat McCrory will end the practice of giving certain companies up-front cash incentives, which have often been given out for short-term political gain.

Cut the Individual Income Tax for All North Carolinians

North Carolina's income tax burden is the highest in the region and the 9th highest in the nation. Lowering the income tax to give North Carolina families and businesses relief will be a top priority in the McCrory administration. A high personal income tax is squeezing our state's top job creators and driving them to other states while taxing our workers' productivity.

Reduce Corporate Income Tax Rates for Businesses

A corporate tax code that is competitive with our neighbors will help North Carolina compete for new businesses while growing existing ones.

Eliminate the Death Tax

North Carolina is now the only state in the Southeast with the death tax. This tax unfairly punishes those who would inherit their loved one's possessions or business, forcing some families to sell off a small business or family farm just to pay the tax. As governor, Pat McCrory will fight to eliminate the death tax for North Carolinians.

4) Unleash North Carolina's Energy Resources to Help Power Our Economy

High-energy prices and our dependence on foreign resources are a grave threat to North Carolina's economic recovery. Energy doesn't have to be a part of the problem; it can and must be part of the solution. It's time to get North Carolina into the energy business. Unleashing North Carolina's energy resources can bring down the cost of

power for families and businesses, while creating jobs and attracting companies to North Carolina to revitalize our manufacturing industry.

Pursue a Balanced “All-of-the-Above” Energy Plan

Pat McCrory believes North Carolina can create much-needed jobs that will help fuel North Carolina’s economic recovery by safely and aggressively pursuing an “all-of-the-above” energy plan. Biofuels, clean coal, natural gas, solar, wind and nuclear energy are vital components to a prosperous energy future in North Carolina. We must harness all of these resources in a safe, reliable and cost effective way.

As governor, Pat McCrory will establish a partnership with neighboring states to develop offshore resources and recruit companies to bring a much-needed infusion of energy, jobs and investment to the state. Under a McCrory administration, North Carolina will establish the regulatory framework for natural gas exploration and signal to outside companies that North Carolina is getting into the energy business.

While developing North Carolina’s energy resources, Pat McCrory will continue to support initiatives aimed at protecting our state’s beautiful natural resources. He is committed to protecting our mountains, beaches, barrier islands and water supply by utilizing technology and effective pollution prevention programs and by holding polluters that break the law accountable.

5) Create a Long-Term Vision for Transportation & Infrastructure to Support Economic Growth

From the mountains to the beaches, our infrastructure ties the state’s urban and rural areas together, moves commerce, and boosts tourism and travel. Entrenched political interests and a lack of vision have led us to squander transportation money without keeping an eye on future development goals. As governor, Pat McCrory will once and for all separate politics from our transportation needs, and develop a long-term plan to ensure our transportation and infrastructure networks will sustain the state’s future economic growth.

Develop & Implement a Comprehensive Transportation & Infrastructure Plan

As mayor of Charlotte, Pat McCrory helped create a 25-year transportation plan that is now in its 14th year of implementation. When elected, Pat McCrory will bring private sector and government leaders together to create a descriptive 25-year transportation and infrastructure plan to send a clear signal to the business community of the state’s future investment in roads, railroads, bridges, ports, airports and other infrastructure. Pat McCrory’s 25-year plan will be a specific action plan to allocate money based on project worthiness and will require relative performance metrics to measure improvement over time.

Focus on Maintaining Existing Infrastructure

North Carolina's infrastructure capacity is a key element in attracting business and investment. Unfortunately, North Carolina commuters and businesses lose billions of dollars each year from poor road quality and congestion. The U.S. Chamber of Commerce rated North Carolina's transportation infrastructure the 7th worst in the nation, and 29% of our bridges are deficient. The longer maintenance costs are deferred, the greater the eventual repair costs will be. Through better budgeting and planning, a McCrory administration will stop delaying critical infrastructure maintenance to avoid future economic hardship and budget woes.

Prioritize New Projects and Reform the Funding Formula

Pat McCrory believes new projects must be dictated by worthiness. This begins with reforming the funding formula to better reflect the needs of our current infrastructure system. Criteria for new projects should weigh each project's potential for congestion relief, safety improvements, environmental impact and economic development opportunities.

Our state must also become a better steward of the Highway Trust Fund, which has been grossly mismanaged because of cronyism and pay-to-play politics. Billions have been allocated based on political logrolling and the fund has been raided repeatedly for other expenditures. This would end under a McCrory administration.

6) Reform Education to Create a Workforce for the Future

Pat McCrory's goal is for every student to attain the necessary skills and knowledge to graduate, get a job and become a productive citizen in North Carolina. However, North Carolina is failing to graduate one in five of our high school students. Of those who decide to enter community college, 65% need remedial coursework to fill in the gaps. In order for North Carolina to compete economically on an international level, we must reform our state's education system to emphasize student achievement and results.

As outlined in Pat McCrory's plan for education, "A Passion for Education," reforming our system starts at the beginning. If we emphasize basic reading and writing skills in the early years of schooling, fewer resources will be needed later to fill in the gaps. McCrory's reforms will continue through the community college and university levels, where programs must be aligned with the needs of the market, emphasizing student achievement and skill attainment.

7) Expand Opportunities for Key Industries to Strengthen North Carolina's Economy

Fight for Agribusiness

Agriculture is North Carolina's top industry, and for years has been the backbone of its economy. As governor, Pat McCrory will fight to keep North Carolina a world leader in

farming and agribusiness. His plan to get North Carolina into the energy business will help lower energy costs for the industry, while his plan to strengthen the state's infrastructure will support agricultural exports. As governor, Pat McCrory will also:

- Include industry leaders and farmers in policy decisions such as tax reform and eliminating excessive regulations;
- Support agricultural research and extension and vocational agriculture training;
- Create a plan of action to deal with transportation needs in the event of a natural disaster;
- Expand and support programs that promote home-grown produce such as the "North Carolina Farm Fresh" and "Farm to Schools" programs;
- Work with industry leaders and regulators to increase water capacity, increase water efficiency and solidify landowner's water rights.

Create a Plan for Water Supply and Storage

An adequate and consistent water supply is vital to North Carolina's agribusiness community, and key to ensuring North Carolina has an adequate, stable and predictable water supply. As governor, Pat McCrory will help develop water storage methods that are environmentally friendly and help the state's agriculture industry thrive.

Implement a New "ExportNC" Initiative

North Carolina is ideally located to capitalize on expanding global markets, and our workers and products can compete against any in the world. Our full potential is still untapped, though, as many small and medium sized businesses are unable to reach the global marketplace. As governor, Pat McCrory will establish "ExportNC," a public-private partnership that will provide private financing and industry expertise to small and medium-sized businesses, allowing them to increase exports by working with international businesses. With the private sector taking a leading role, "ExportNC" will coordinate efforts to promote exports, free up capital for small businesses and stimulate growth and job creation in vital industries that "make and grow things," such as agribusiness and manufacturing.

Open New Markets for North Carolina Products Through Trade Missions

As a part of his effort to promote industries that build, grow and innovate, Pat McCrory will lead overseas trade missions to open new markets for North Carolina products. Specifically, the McCrory administration will prioritize trade missions to India and countries in Southeast Asia.

Prioritize and Develop New Strategies for Travel and Tourism Promotion

Tourism is one of the state's largest industries, providing jobs for nearly 200,000 North Carolina residents. To remain a top tourist destination in the southeast, North Carolina cannot continue to fall behind our neighbors in tourism promotion. In order to boost both employment and economic activity, Pat McCrory will work with the Legislature and industry leaders to develop new strategies to promote travel and tourism in North Carolina.

Strengthen Military Economy to Maintain and Create Jobs for North Carolina

North Carolina is the most military-friendly state in the nation. With its \$23 billion economic footprint in North Carolina, the military will be a top priority for Pat McCrory. He will:

- Encourage the Department of Defense to locate more military missions in North Carolina and protect existing military bases and assets in North Carolina;
- Promote military-community relationships to strengthen communities through regional planning to ensure strong schooling and infrastructure while fighting base encroachment;
- Increase opportunities for North Carolina companies to benefit from contracting with the military;
- Fund state programs and work with non-profit groups to support veterans.