

**Israel-America Chamber of Commerce Luncheon
Governor Mike Pence Remarks
As Prepared for Delivery**

Hello and thank you all for joining us to celebrate the friendship shared between my home, the great state of Indiana, and the state of Israel. Hoosiers have cherished our relationship with the people of Israel for generations, and it warms my heart to see so many of you here today to deepen our ties and learn more about all that connects us.

I am here because I support Israel, and I am here to promote the advantages of doing business in Indiana.

This is my third trip to Israel, my first as Governor of Indiana, and the first opportunity we have had to bring our children to the Holy Land. While the sights and history inspire awe, I am most inspired by what this nation stands for and the self-reliance, determination and entrepreneurial spirit that defines who you are as a people.

Freedom has enabled your entrepreneurs to apply groundbreaking advances in technology and innovation to fields ranging from agriculture, medicine, biotechnology, communications and civilian defense. Israel has shown the world how to turn scarcity into plenty, sickness into health and how to “make her wastelands like a garden.”

Hoosiers are made of the same stuff.

Although slightly smaller in population, Indiana has roughly the same size economy as Israel, both hovering at the \$300 billion GDP mark. Like our Israeli friends, in Indiana we make things and we grow things, including strong entrepreneurs.

Maybe that accounts for the strong economic relationship between our state and companies across this storied nation. The growth that we’ve experienced together is remarkable. Indiana exported \$57.2 million of goods to Israel in 2013.

To give you a frame of reference, that’s a staggering 61 percent increase since 2005.

But it’s not just our Hoosier companies thriving here in Israel. Israeli companies are finding a prosperous home in Indiana, too. Israeli companies like Taditel, ACS Motion Control, Resin Partners, Keter Plastics and ICL Performance Products all operate in the Hoosier State.

INDIANA-ISRAEL ECONOMIC TIES

- Israeli businesses in Indiana:
 - ACS Motion Control Inc. (Carmel): Provides EtherCAT® network based high performance machine control systems for motion centric applications to customers including GE, Philips and Samsung.
 - ICL Performance Products (Hammond): Manufactures and supplies phosphate salts, phosphoric acids and phosphorus chemicals for food, pharmaceutical, industrial and high-tech applications.
 - Keter North America (Anderson): A plastic housewares maker.

- Taditel (Anderson): An automotive electronics designer and manufacturer.
- More than 70 Indiana companies do business in Israel, including:
 - Biomet
 - Eli Lilly
 - Magnavox
 - Alcoa
 - Allied-Signal
 - Colgate Palmolive
 - ITT Aerospace
- From 2010 to 2013, Indiana imported an average of \$154 million in merchandise from Israel.
- Major imports from Israel to Indiana:
 - Chemicals: \$48.7 million
 - Transportation equipment: \$19.6 million
 - Computer and electronic products: \$15.1 million
 - Machinery: \$5.9 million
 - Other: \$21.66 million
- From 2010 to 2013, Indiana has exported an average of \$51.35 million in merchandise to Israel.
 - In 2013, Indiana exported \$57.26 million to Israel, a 61 percent increase over 2005 exports.
 - Total exports to Israel since 1996: \$719.57 million.
- In 2012, Indiana received more than \$25,159,454.25 in military financing (FMF) for U.S. military aid to Israel.
 - Some of those companies that have received funding through FMF in 2012 or past years include: CNC Industries, Inc. in Fort Wayne, Indiana Heat Transfer Inc. in Marshall and AM General Corporation in South Bend.
- Indiana universities have shared Binational Agricultural Grants since 1979. And as your Consul General Roey Gilad informed me yesterday, Indiana University sends more students abroad than any other university in America.

Action and collaboration define both Israel and Indiana today. Israelis are on the move, launching businesses at a tremendous rate. You're growing your economy through sweat and determination, and taking your dreams and running with them.

Beyond just the basics, though, if you look at the types of businesses that are thriving in Israel, you'll find those businesses thriving in Indiana too.

Look at advanced manufacturing and high-tech firms, for instance. In Indiana, they call us the Crossroads of America because of our central U.S. location. But I'd like to think we're situated at the crossroads of innovation and growth, especially when it comes to aerospace.

Today, Indiana is home to the largest North American defense-related jet engine plant for Rolls Royce, which employs more than 4,000 Hoosiers and will celebrate its centennial in our state next year.

And, GE Aviation, the world's largest jet engine manufacturer, recently announced it is building a 225,000 square-foot jet engine assembly facility in Lafayette, Indiana adjacent to Purdue University.

This jet engine—the LEAP engine—will be in the skies next year, with a team of Hoosiers at the helm. GE recently shares that they have a more than 7,000 engine backlog and the new facility in Indiana will be their primary location for LEAP production. The facility will operate a highly advanced assembly line incorporating several new technologies, including automated vision inspection systems and radio frequency parts management to easily spot parts on the shop floor.

GE also needed a place to conduct research and test the performance of new gas turbine engine technology used by commercial and military aircraft, power plants and the oil and gas industries. That's when GE turned to a public-private partnership to build a turbomachinery research facility at the University of Notre Dame in South Bend, Indiana. With the partnership, Indiana gains more engineers, scientists and technicians trained in applied research, while GE helps advance aerospace technology.

And it doesn't stop with aerospace.

Tech-based employment is also growing rapidly in Indiana. In the last five years, computer-related employment in Indiana grew six times faster than the state's overall job market. The Indianapolis area even ranks among the nation's top 10 fastest growing tech communities.

In a word, Indiana is open for business! And Indiana is always a good decision because we're a state that works.

Over the past ten years, Indiana has been putting common sense into practice and our state has emerged as the best state in the Midwest to start a business and grow a business.

And it's just not me who says so.

- Indiana ranks best in the Midwest and 7th overall in *Area Development* magazine's Top States for Doing Business survey (Sept. 2014).
- Indiana's business climate ranks best in the Midwest and 5th in the nation in *Business Facilities'* 2014 State Rankings Report (Aug. 2014).
- Indiana ranks 1st in the Midwest and 6th in the nation in *Chief Executive* magazine's annual Best & Worst States survey (May 2014).
- Indiana ranks 1st in the Midwest and 8th nationally in the Tax Foundation's 2015 State Business Tax Climate Index (Oct. 2014).

In Indiana, our budgets are balanced. We hold the line on spending and maintain strong reserves, earning us a triple-A bond rating from all three rating agencies. Companies know that things are stable in Indiana. While businesses in other states face the fear of unexpected tax hikes, you know what you're getting in the Hoosier State.

Last year we passed the largest state tax cut in Indiana history. But we didn't stop there. This year we placed our corporate income tax on a reduction schedule, ultimately lowering it to 4.9 percent. Indiana has no inventory or inheritance tax. Business property taxes are capped at three percent.

We're a state that knows our strengths and knows our goals. We excel in advanced manufacturing—building the products that power our world.

Of course, the foundation of any economy is its people. And with an eye on the future, we've prioritized education.

No matter where a student wants to start in life – whether at college or in a career – we are ensuring that our schools work for all our kids. We've increased funding for our schools and expanded educational choice, and now we have the largest voucher program in America. And, Indiana is working to be the first state in America to make career and vocational education a priority in every Indiana high school again. Career and technical education opens doors of opportunity to students through work-based experience and industry-recognized credentials.

That's how we build a stronger workforce and give today's youth a more promising future.

In the most recent school year, more than 140,000 Hoosier students participated in career and vocational learning, with more than 4,000 credentials awarded. And by 2020, we've set the goal—we will have a five-fold increase in the students who graduate with an industry-recognized credential.

Graduates of our career and technical education system will go on to work for the Alcoas, the Biomet, the Raytheon and Eli Lillys of the world. These are Indiana companies, but they have strong operations right here in Israel as well, proving that while thousands of miles may separate us, we're joined by economies that continue to grow together.

Indiana and Israel have so much in common. I see an entrepreneurial spirit in this room that I see in the eyes of current and future business leaders of Indiana.

It's that spirit that joins us, and that same spirit that underpins the alliance between our nations.

At this time of year, as we focus on the ideals of hope and peace, I also am reminded that the relationship between the United States and Israel has deep and enduring roots that go back far beyond the restoration of the Jewish state of Israel on May 14, 1948. The ties between our countries are much deeper and more profound than our policies and trade.

As I told Prime Minister Netanyahu yesterday, Israel is not merely an important ally.

From my vantage point on the foreign affairs committee during my years in the United States House of Representatives and now as a governor from the heart of the heartland I say with conviction: Israel is not merely our strongest ally in the Middle East. Israel is our most cherished ally and a beacon of hope in a troubled region of the world.

And I know that these are especially difficult times in the life of your nation.

Surely, Israel is again in the eye of a hurricane:

- 51 days of war this year,
- Iranian nuclear ambitions unimpeded, and
- The rise of a terrorist army in Syria whose brutality has shocked the world and this fall claimed the life of a courageous aid worker from Indiana who had gone to Syria to render aid to victims of the war.

In the midst of these troubled times across the Middle East and the wider world, it is imperative that those of us who believe in democracy and freedom stand firm against the forces that would reshape the land by aggression and terror.

If the world knows nothing else, let it know this: America stands with Israel.

For more than 66 years, America has stood by Israel in her darkest hours, but I believe the time has come for our nation to take steps to renew our commitment to Israel's safety and security, in word and deed.

For starters, regarding Israel's security, America must uphold Israel's right to live in peace within secure and defensible borders and this week must reject any effort by the UN Security Council to impose conditions on negotiations that would undermine Israel's security.

There are also steps that will strengthen the security and the economies of both our nations.

First, America must continue providing foreign assistance to Israel, with full military financing and funding for research and development of anti-rocket and missile defense systems which supports Israel's security and jobs across America.

Second, as our nation is faced with complex security challenges of the present day, I believe America should renew production of our most advanced aircraft and consider making it available to our most cherished ally. This too would promote the security and prosperity of the United States and Israel.

Production of the F-22 ceased in 2012 after only 187 of the world's most advanced fighter/bombers were produced.

Resuming production of the F-22 would give a needed jolt to our economy, supporting up to 95,000 highly paid and skilled jobs in 44 states, and send a decisive message to the world about America's commitment to national defense.

And since the Raptor is the best plane capable of evading the advanced radar in the surface-to-air missile defense system Russia says it will provide to Iran to guard its nuclear weapons facilities, following renewed U.S. production, the United States should consider making this aircraft available to Israel to ensure that you have the most advanced capability to defend your country and your freedom, now and in the future.

We should not be afraid to take such steps, because we should never doubt our right to self-defense, and our economies and our strategic interests are intertwined in this region.

But we should also be prepared to take such steps because our ties go far beyond economic and strategic interests.

The truth is, America and Israel are bound together by the common foundation: a belief in faith, family, democracy and liberty.

This belief is grounded in the timeless truths of the Bible.

And on that foundation, I can assure you that millions across Indiana and America pray for the peace of Jerusalem, and that those who love her 'be secure and seek her prosperity.'

For as Israel and America prosper, so prospers freedom.

Outside Bethlehem on Christmas Eve, we visited the shepherds' field where my faith teaches that angels appeared to shepherds to herald the birth of Jesus. As I stood beneath the stars, I heard in my mind the anthem of that night, and I thought of the immense contribution that the people of Israel have made to the world both before and after that holy night.

In Indiana, we cherish that heritage and those shared values and long to build on that foundation for a more prosperous future for your people and ours.

And on behalf of the millions of Hoosiers who share that conviction, I say from my heart, we will never abandon our most cherished ally, the Jewish state of Israel. We will never forget Jerusalem, her eternal capital. And, we will never fail to pray that God might bless all the good people of every faith who call her home, now and forever.