



Michigan



Ohio



Illinois



North Carolina



Pennsylvania



Wisconsin

January 15, 2010

The Honorable Timothy F. Geithner
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

We write today regarding an important issue affecting the citizens and economies of our states. Despite the progress being made as the economy recovers, too many businesses in our states are still having trouble accessing credit, particularly manufacturers in hard hit sectors looking to diversify into new industries. To avoid further job loss, and to prevent foreign countries from gaining a competitive advantage in emerging manufacturing sectors, we urge you to take quick action to resolve this access to credit issue.

In an economic downturn, certainly individual businesses and entire sectors of the economy must streamline and consolidate. However, it remains critical that entrepreneurs and businesses that want to diversify can find access to capital so they can continue to employ American workers. Unfortunately, companies are experiencing reduced cash flows and undervalued collateral, and are simply unable to obtain credit through normal avenues.

To address this access to credit problem, we propose that the Department of the Treasury make use of available federal funding to develop innovative partnerships with states and financial institutions to increase credit access to our small businesses and manufacturers. In the attached white paper, you will find a summary of a proposal, which uses public resources to leverage private loans from financial institutions. This partnership would allow financial institutions to identify manufacturing companies they would like to be in business with, perform the appropriate underwriting and due diligence, and then access needed resources from state-level intermediaries. Using federal funds for this purpose will mitigate risk and increase lending, thus preserving jobs and an American manufacturing base that will help lead our economic recovery and subsequent growth.

Mr. Secretary, your efforts to stabilize our nation's economy are much appreciated, and it is clear that while recovery will not happen overnight, we as a nation are coming back from the brink of disaster. But we cannot fully recover if manufacturing does not regain its place in the U.S. economy as the employer of the great American middle class. The United States cannot fall

behind as other countries who invest in manufacturing and gain an advantage in critical emerging sectors like energy systems and medical device manufacturing.


To ensure the long-term strength of this vital, job-providing sector of our economy and to prevent further job loss, we strongly urge that we work together to identify innovative ways to solve the credit access issues our manufacturers currently face. We would like to schedule a phone call or meeting with you soon to discuss this proposal, as well as other possible options. Thank you for your consideration of this important issue.

Sincerely,




Handwritten signature of Governor Jennifer M. Granholm in black ink.

Governor Jennifer M. Granholm
Michigan



Handwritten signature of Governor Pat Quinn in black ink.

Governor Pat Quinn
Illinois



Handwritten signature of Governor Edward G. Rendell in black ink.

Governor Edward G. Rendell
Pennsylvania



Handwritten signature of Governor Ted Strickland in black ink.

Governor Ted Strickland
Ohio



Handwritten signature of Governor Beverly Perdue in black ink.

Governor Beverly Perdue
North Carolina



Handwritten signature of Governor Jim Doyle in black ink.

Governor Jim Doyle
Wisconsin

C: Larry Summers, Director, National Economic Council
Ron Bloom, Senior Counselor to the President for Manufacturing
Gene Sperling, Counselor to the Secretary of the Treasury