

EXPORT-IMPORT BANK OF THE UNITED STATES

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ADVISORY COMMITTEE MEETING

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THURSDAY,
JUNE 4, 2020

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EXIM's Advisory Committee convened via teleconference from 1:00-3:00 p.m. Stevan Pearce, Advisory Committee Chair, presiding.

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ALEJANDRO SANCHEZ
CHRISTOPHER SMITH
HARVEY TETTLEBAUM
DEBORAH WINCE-SMITH
JOANNE YOUNG

ALSO PRESENT

ROSS BRANSON, Senior Vice President, Office of Congressional and Intergovernmental Affairs, EXIM

JAMES CRUSE, Senior Vice President, Office of Policy Analysis and International Relations, EXIM

DAVID FOGEL, Chief of Staff, EXIM

LUKE LINDBERG, Senior Vice President, Office of External Engagement, EXIM

STEPHEN RENNA, Chief Banking Officer, EXIM

DAVID TRULIO, Counselor to Chairman and Senior Vice President, Program on China and Transformational Exports, EXIM

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P-R-O-C-E-E-D-I-N-G-S

1:00 p.m.

LUKE LINDBERG: Good afternoon everyone, from Washington, DC. This is Luke Lindberg of the Export-Import Bank of the United States. It's a pleasure to have you listening in today to our public meeting of the Ex-Im Bank Advisory Committee. We'll have a robust discussion today and hope you all are able to engage with us productively in this dialogue. To start off the meeting, I'd like to do a quick roll call of our Committee meeting members so that we know who is on the line from the Advisory Committee. Starting with Brad Markell. Brad, are you on? Alright, Kathie Leonard.

KATHIE LEONARD: Yes.

LUKE LINDBERG: Welcome, Kathie. Rich Powell?

RICHARD POWELL: Yes.

LUKE LINDBERG: Rich, great, welcome. Deborah Wince-Smith?

DEBORAH WINCE-SMITH: Yes.

LUKE LINDBERG: Welcome, Deborah. Alex Sanchez?

ALEJANDRO SANCHEZ: Here, Luke. Thank you.

LUKE LINDBERG: Thanks for being here, Alex. Maria Cino?

MARIA CINO: Yes, here.

LUKE LINDBERG: Maria. Harvey Tettlebaum?

HARVEY TETTLEBAUM: Here.

LUKE LINDBERG: Harvey, welcome. Chairman Steve Pearce?

STEVAN PEARCE: I'm here. Everyone welcome.

LUKE LINDBERG: Dick Rogovin?

RICHARD ROGOVIN: I'm here.

LUKE LINDBERG: Robert Dinerstein? Right, Rodney Ferguson? TJ Raguso? Okay, Joanne Young? Chris Smith?

CHRISTOPHER SMITH: I'm here.

LUKE LINDBERG: Welcome, Chris, and Larry Goodman?

LAWRENCE GOODMAN: Yes.

LUKE LINDBERG: Alright. Welcome, Larry. Chairman Pearce, that completes the roll call. I will turn over the microphone to you for opening comments. Thank you.

STEVAN PEARCE: Thank you, Luke, and appreciate each one of you being a part of the call today. There's someone trying to speak into it, did someone just check in?

OWEN HERRNSTADT: Yeah, this is Owen Herrnstadt.

LUKE LINDBERG: I apologize, Owen. Yes, I missed you there, my apologies. Welcome, Owen. Thank you.

STEVAN PEARCE: So, we are facing right now unprecedented times in world history. The, I think that we all felt like that that economic conditions were robust, that they were really beyond the reach of any single element. And yet, we found one single element has demonstrated how fragile not just our national economy, but how the international economy is fragile right along with that. And so, we're all experiencing just times that, that we never thought we would see in our lifetime, but maybe it was sometime past or would happen in the future. So, I really appreciate the flexibility, appreciate the mobility of the permanent staff members as they figured out what exporters needed and what would really make things work better for our country and for the jobs in this country. The challenges that are

before us are really beyond politics. They are something that we should all come together across any lines that divide us, whether they be demographic lines, racial lines, religious or cultural beliefs. Anything that has divided us in the past needs to be put on the back burner, and we need to all concentrate on how to get this, this sense of prosperity back, that sense of being able to deal with the problem that faces and rebuilds not only our economy, but the world economy.

As we move through this, we can see that China is increasingly asserting influence both globally and in the US markets even. They have a disregard for the people of Hong Kong. Those people were really beginning to express their independence, their desire to stand alone, their desire to have a foot in the discussions as they had been folded into China. Now, then, Hong Kong is not even listed as an autonomous territory any longer. The economic security has become more obvious that it's not just that, but it's national security. The supply chain discussion that we've been having in our Advisory Committee meetings have presented themselves in unprecedented ways in the public stage, and the President continues to highlight the fragile nature of the supply chain and the importance in areas like medicine, like medical technologies. And so, again, these weaknesses that come from the interconnection through the world economy are proving to be flaws that we did not realize we would have to wrestle with in such a fashion, it's when we couldn't get basic things like masks and gloves.

Today, we're going to discuss an important document, that's the EXIM competitiveness report. We're going to have your opinions a little bit later in the meeting. At the end of the meeting there will

be opportunity for public input, and we also have drafted a letter that is required by law for us to communicate with the members of Congress. Do you have that letter? And we will be taking a vote on that a little bit later in the meeting. But we're going to invite your observations on the EXIM competitiveness report, as well as the letter as we go through the meeting. Each of you are going to have time to speak. We had a pre-meeting yesterday discussing the letter, really ironing out some of the details that had presented themselves, and then also making wording changes that I think several of you sent in. So, we appreciate the input and all of those.

For me, the competitiveness report is a completely different document than what we saw last year. It is more approachable, more readable. I will tell you that the set-aside quotes in highlighted boxes from actual people who wrestle with trying to increase job through exports. Having those observations were valuable. Having them where we could get to them without having to read every single word of the document. Not saying that I didn't read every single word document, but the document was just, in my mind, just a different process and a different read than it was last year, more plain language. Now, I will admit that figuring out the charts was probably easier to solve a Rubik's cube than get those charts figured out in some cases. But it was easy to follow the dialogue and find the touchpoints in the chart. So, I appreciate the changes that I could see in that competitiveness report. And as we dig into this meeting, which is devoted to that report, and to our response to Congress of that report, then I, again, thank every single one of you for being on

the call today for your participation, for you e-mail. And so, with that, I would like to recognize Chairman Read for her remarks.

KIMBERLY REED: Thank you very much, Chairman Pearce. I want to say thank you to 153 registrants. I know that half of those are EXIM staff. And also, colleagues from Treasury, OMB, Energy, State Transportation, Commerce, USDA, Prosper Africa, Power Africa, the media, and even up here, export credit agencies around the world. Thank you for joining us. As I briefly told, the Advisory Committee members as we came onto this call, I invited our whole EXIM staff that are teleworking to join us. And I would have called an all staff meeting for what I'm about to say. But if you would indulge me, I just want to have some words with our staff, and you are welcome to join with us together. I would have done this regardless, but I think it's even more special that we're here with our Advisory Committee who ensures that we do what we're what we're asked to do by Congress. So, with that, our nation has been through a great trauma and distress over the past several months and weeks. We've been all personally affected in various ways. And so, I would like, even though we're not with each other in person, to join together out of respect for those who have died or suffered due to disease or due to injustice, to honor them, as well as their families for a moment of silent reflection. So, if we could do that now please? Thank you.

Recent events have already taken a toll on members of our own EXIM family. This hurt and frustration have been expressed to me by a number of them. Racism and violence spurred on by racism cannot stand and will not be tolerated in America. I would like to read something

to you that touched my heart. Sonia Koshy, Deputy Vice President for EXIM's Portfolio Risk Management Team, shared these remarks with 30 of our EXIM colleagues in our EXIM Asset Management Division. And I now, with her consent, want to share them with you. I appreciate Sonia allowing me to do so:

"Dear all, since we last gathered for a virtual happy hour, our communities have experienced widespread heartbreak and turbulence as we mourn the loss of George Floyd, and those who have suffered from COVID-19. I want to take a moment to acknowledge the raw and deep emotions and feelings that many of you have shared with me over the last week. I don't profess to know the answers or even a path forward. However, I do believe that we can, as colleagues, take a moment to appreciate our collective stories, backgrounds, and belief systems that made us who we are. I hope together, as a team, we can continue to promote a culture where we treat each other and those in our communities with dignity and respect. But what I've always found inspiring about EXIM Bank is our genuine curiosity, love of travel and openness to clients from all over the world. I hope we can continue to abide by these principles of inclusion and diversity in our workplace. I respectfully ask that we take a moment to acknowledge that each of us is showing up in the best way we know how, and recognize that, our experiences and beliefs, albeit not all the same, highlight our shared humanity. Some of us are grieving deeply to our lived experiences, so let's remember to recognize and listen to each other with kindness and grace. As always, if there's anything I or your manager can do to help you during these times, please let us know."

Thank you, Sonia for these insightful and timely words, and, of course, to our whole staff, if there's anything I can do, please let me know. And when Sonia and I spoke, she reminded me that everyone has a story to share. I will add to this, that who we are today would not be possible without the history that built us. The Reverend Martin Luther King Jr., when he accepted the Nobel Peace Prize on December 11, 1964, said violence is immoral because it thrives on hatred rather than love. It destroys community and makes brotherhood impossible. It leaves society in monologue rather than dialogue. Violence ends up defeating itself. As our nation seeks justice for George Floyd, and for all the other victims of hate and intolerance, we, like Dr. King must be dedicated to dialogue, to listening to others, and to seeking justice. I'm dedicated to those principles, both within EXIM's work environment and on the path forward that our country and government now take. Thank you to everyone who is helping us re-open America and coming together to save lives and protect livelihoods. EXIM is an important part of that recovery that lies ahead. Our mission and charter call upon us to get particular emphasis to increasing opportunities for our socially and economically disadvantaged communities and citizens. I am so proud of the work we have done and will continue to do to support our nation's small businesses, and women, minority, and veteran owned businesses. And this support continues through the export of our outstanding goods and services to far corners of the world. Our EXIM charter highlights the importance of protecting internationally recognized human rights globally and our projects adhere to high social standards that provide the stimulus to

jumpstart economies and improve lives. Thank you, Chairman Pearce. I appreciate your leadership of EXIM's Advisory Committee, and your commitment to the Committee's duties. As stated in the EXIM charter, to advise them on its programs, and ensure that we at EXIM are meeting our mandate of providing competitive financing to expand US exports. The members of this Committee represent various sectors of the US economy, and your independent supervision and council are indispensable to part of the transparency and accountability to which I and EXIM's talented, and diverse 515 colleagues, including 400 talented federal employees, and 115, marvelous contractors, who are allowing us to communicate and have our meeting made possible today. It's been over 2.5 months now that we at EXIM have been teleworking. Like so many millions of Americans, the COVID-19 crisis has changed our lives. I'm so proud of the entire EXIM family for the way they have been able to do their jobs and keep EXIM fully open for business despite the hardships they are experiencing.

Today, you on the Committee will be reviewing some of the great work that our expert staff have been doing, and thank you, Chairman Pearce, for those very kind comments on our current competitiveness report draft. Our economic, also our economic impact and additionality efforts, have had us listen to small businesses and workers to make sure we're supporting American jobs and not displacing private financing. Last month, EXIM's Board of Directors, and I wanted to say thank you to our Board members, Judith Prior and Spencer Bachus, you will be hearing from them shortly, unanimously approved guidelines to strengthen the agency's determination of additionality, or why a

transaction cannot go forward without EXIM financing, and therefore, requires EXIM support. The Board also unanimously approved a resolution on the importance of ensuring that EXIM financing does not compete with private capital. Later this month, EXIM submits our 2019 competitiveness report to Congress, which is the gold standard on activities and practices of the ever-growing number of export credit agencies around the world, and you will see in the latest draft, we're now up to 115 in total. I'm proud of the immense work our staff have done, and their findings will help EXIM fully compete now that we're re-authorized by Congress for historic seven years.

EXIM's congressionally mandated Program on China and Transformational Exports also is underway with the goal of neutralizing China's aggressive export credit activities and advancing the comparative leadership in the United States with respect to China. You'll be hearing about all of that from Dave Trulio, who recently was brought over from the Department of Defense to run this vital new program, bringing with them the expertise and leadership, both at the Pentagon and within the private sector aerospace industry on China's threats and influence. We're looking, we're working hard every day towards a fully functioning, fully reformed EXIM that will compete throughout the world on behalf of exporters and support as many jobs as possible here in America. And so, with that, thank you again, and happy birthday to our board member Dick Rogovin. With that, I'll turn it back over. Thank you so much.

RICHARD ROGOVIN: Thank you.

STEVAN PEARCE: Thank you. Chairman Reed, and I know that each one of these committee members have identified and associated ourselves with your remarks. They are very, very heartfelt and important for the country as we wrestle, not only with the COVID-19, but with these dire circumstances that we're facing right now. So, thank you for that. Next, I want to recognize a longtime friend of mine, Chairman, or correction, Director Spencer Bachus for remarks.

SPENCER BACHUS III: Thank you, Chairman Pearce, Congressman Pearce. I just want to read two comments from our proposed letter to members of the United States Congress. The first one is, and this has to do with the present pandemic, EXIM's crisis management in these areas, more than proves EXIM's ability to react and adapt in the face of a broader crisis of competing with other ECA's. We had earlier today, we had a presentation by our small business chain, and they've been very aggressive in their outreach activities. They've increased their transparency, their interaction with small businesses, and where we've more than doubled our, I say we, EXIM small business is more than double their contacts and their interactions with small businesses. We've gone from about 200 contacts, new contacts a month, to about 500. Let me conclude with this paragraph, which is the concluding paragraph of the letter that Tom McArdle and Steve Pearce have been working out.

"These days of the United States, through inaction, is giving away hundreds of millions of dollars and businesses to foreign competitors must be changed and come to a decisive and permanent end, and inspired, energetic and management of the mission of the newly

empowered Export-Import Bank of the United States will go far in making this vital objective a reality." I yield back the time, but I want to say to Chairman Reed, you've assembled some broad and some incredibly talented team members. We've had in place, a very fine group of professionals. I was just awestruck when I joined the Bank at the level of expertise and professionalism, and I'm confident that we have to respond, as even the Defense Department says, to some of our foreign competition, particularly from one country, and we all know what country that is, and that it is a national security issue. We've learned that during this present pandemic. So, thank you, Chair, Chairman Pearce. And I thank our team at EXIM. And I thank the Advisory Committee members.

STEVAN PEARCE: Thank you, Congressman. Appreciate your comments, and now recognizing another director. A new friend of mine, getting associated with the Bank, Director Pryor for comments.

JUDITH PRYOR: Thank you, Chairman Pearce, and welcome everyone. I trust you and yours are safe and healthy. The EXIM competitiveness report, one of the most insightful documents produced by this agency. I can remember reading these reports when I was at OPEC. Then, it was one of the best documents for understanding the difference between the DFI community and the ECA community. As an EXIM employee, it's become one of the best documents for understanding the differences amongst the players in the ECA world, and it continues to be a mastery, not just for me. It's certainly become a valuable resource for members of Congress, our sister government agencies, and various other stakeholders both here and abroad. And it's still my go to document

when I need a refresher on our policies or the activities of others as they relate to our international competitiveness. And regarding small businesses, the bread and butter of all economies, it's really great to see this new section on how Foreign ECAs are supporting small business exports and supply chain growth. Yet another dataset which should prove quite valuable to us moving forward. So, some of 2019 political challenges, likely hampered EXIM's competitiveness. I refer to not having a Board quorum until May, and of course entering a reauthorization battle, which took us through the end of the calendar year. Despite the challenges, EXIM remained competitive because buyers appreciate the high-quality products and services, they receive from US manufacturers, not to mention our quality staff with tremendous expertise who can assist US exporters navigating a changing global marketplace. However, it's apparent that EXIM's product offerings are less competitive than those of our peers.

So, as we emerge from years of uncertainty about EXIM's future, we have a unique opportunity to review our existing offerings, lean in, and enhance our financing tools to be more competitive with our international peers, especially with the likelihood of increased demand, resulting from the COVID-19. Amidst a wild start to 2020, and since our arrival, Chairman Reed has made great progress. She has implemented reforms to which she committed during her confirmation hearing. She's taken steps to implement the provisions of our 2019 reauthorization. And Chairman Reed has also acted swiftly to provide financing flexibilities for US businesses and foreign buyers as we face down this pandemic. Going back to the report's findings now, so

we face an environment in which many governments are doing everything they can to meet, to market and support their own exports and in many cases quite aggressively. Are we? If our first responsibility is to ensure American made goods and services can compete fairly and, on a level playing field, then it is equally important, our policies and procedures support the competitive spirit. It will be interesting to review the results of these actions a year or two from now. It will also be of interest to see how recent changes to EXIM's additionality, and economic impact policies, reviews, have affected our competitiveness and that, American exports.

This report provides us, well, it really provides anyone that wants American made products to win overseas contracts. It provides us with the opportunity to consider where we lag behind our ECA peers, and if so, how we might enhance the competitiveness of American made products. I think the track record from the past year establishes that we can do just that. Innovative product offerings and further review of bank policies, including content, can help EXIM fulfill its competitiveness mandate, address any number of congressional mandates, including clean energy and sub-Saharan Africa, and help achieve its mission of supporting US jobs through exports. My kudos to Jim Cruse, Isabel Galdiz, Cassie Rowlands, and the rest of the OPAIR team for putting together this once again, very thoughtful, thorough analysis of EXIM's competitive landscape. I know it takes a tremendous amount of effort, but what an invaluable resource. It's now up to us to determine how and where to use these findings to ensure American

exports achieve even greater success. So, thank you again. I look forward to the coming discussion, Mr. Chair.

STEVAN PEARCE: Thank you, Judith. Appreciate your comments and observations. We're now going to move into a discussion of the main topic of the day, that's the competitiveness report and our associated letter going to the United States Congress. Jim Cruse is going to give us the overview of the report. Then we move straight into the discussion, of both our response and the competitiveness report, so, Jim, thanks for being here today.

JIM CRUSE: Thank you, Mr. Chairman and Advisory Committee members and others. What I want to do is just give you, not only a quick overview of the facts that we had. The theme of this report was having gotten a board and then a charter renewal, we felt it appropriate to look back at the four years that we had been enacted in the long term, and comment on how the world of export finance changed, and what this report tries to do is identify the different ways that the world has evolved. Now, what I'm going to do is just go through the report and identify some of what, I'll call, the trees, the facts, because then after I do that, I want to give you a little bit a sense of what the forest looks like. This is work and as such it is supposed to stick to the facts and information related to us, it is not supposed to contain analysis or prognostication about what should be done about things. But I think it would be helpful after reviewing some of the facts to have a sense of what is driving those facts. And are we in the midst of a perfect storm that will pass by, and we'll go back to the way it

was or are we in the midst of a trend that is going in only one direction?

So, looking at the report itself, in terms of what are the sort of, facts, and I call them trees here. In the first chapter, we laid out, one of the most important concepts in the world of EXIM finance, or official export finance, which is a level playing field. And we tried to show the complexity of that, and I think the Chairman might have been talking about Figure 6 on page 23 when talking about the difficulty following something. And we would be interested in anybody's comments on that, because prior years, people and asked for more pictures and depictions. So, that was one of our major attempts there, but we went too far, glad to know that. Then, after identifying those basic trends, next chapter, identified the basic types of official finance, which includes the OECD, the non-OECD, including China, various untied, investment, development. Trying to give a picture of how even something as innocent sounding an untied assistance can, not always, but can occasionally influence a sourcing. I think the figures that I would accent coming out of this chapter of this action, in 2019, there was a little over \$200 billion available of official export financing. Nearly 40% came from one country. China. For comparison, US supplied about 5%. In the same context, there was about 75 billion of official export finance from all of the OECD countries. In that same year, China's official export finance, just the official, was roughly 45% of that. Not, it wasn't included in there, it was equivalent to 45%. So that gives you a sense of the numbers involved, and the fact that there is a Leviathan out there in

the world of export finance, that is an important component that has to be a focus of anybody's response to the situation.

In fact, then we did take a detailed look at the Chinese system. This is sort of like taking an old '56 Chevy and opening up the hood and trying to figure out exactly what that V8 engine did and why. And what you find is that the official entities are both substantive. They are diverse. They cover the entire spectrum of programs in terms and possibilities. They are coordinated, both within themselves and within the government. And I think that the discussion of the two entities that are not considered official, one is the China Development Bank the other one is the SOEs, are important. And I say that because one of the things that China Watchers, you can put that in quotes, as many companies and institutions that monitor China, because China doesn't tell you much about itself, have been looking over the past couple of years and feel that the ECAs of China, are reacting to a lot of bad press that they got about putting too many countries in debt and the way they handled some of that. There is an observation by, by some of these experts that China is moving some of their official financing support from the ECAs to these state-owned enterprises, and to extent that does occur. Reports, such as this one, are going to have an even more difficult time identifying where and what they're doing. I'd just point that out as trend that is, if it does turn into substantive one, has dramatic influence on our new charter, and our ability to implement that charter. And then, as Director Pryor mentioned, we wanted to outline how small businesses link not only to the typical insurance and working capital programs, but as a sub supplier in the

larger transactions. In fact, that role of a sub supplier in larger transactions makes small business one of the most impacted parties by some of the programs the other countries have; these push pull programs, where they try to attempt a big company, an end user manufacturer, to source from someplace else, where they do. It is typically a sub supplier that does that. And the small businesses are some of the biggest sub suppliers.

So that's a look at, very quickly, the trees that are out there, and now, I want to give just a short summary of what I think is, whether we're in the middle of a perfect storm that will pass, or as part of a longer term trend. And to do that, you have to take a couple steps back and look at three levels. First is at the national level. In my view, personal, not since the Bretton Woods system was abolished in 1974, have so many developed OECD countries put a priority, a national priority, on exports as they do today. That's not to say everybody does, but it is an amazing coincidence in confluence of practice. That means with exports as a priority, and you combine that with the consequences of a regulatory change in Basel III coming out of the financial crisis, which drives banks pretty much out of long-term international finance. The ECAs become a part, a strategic part, of the national interests. That means and it has been evident over the past few years, that these institutions are getting the resources they need. They're getting a unified political support base, and that gives them an enormous amount of momentum to go out and roam and try to find exports. Now, when you get to the next level, which is the, I'll call it, the ministry level, so what you have there. We have the Economics

Ministries and heads of ECAs looking out, and they see, Oh, we have great expectations put upon us by the national level, in order to help the country, to grow through exports. At the same time, they're looking out at this Leviathan of China, which is, you know, practically equal to everything else everybody else does. And trying to figure out, how do we operate in a world in which we are expected to make a difference and also to compete with this huge player? And so, two things have come out of that. One is that, while nobody is abandoning the concept of a level playing field, you're finding that many institutions are now trying to explicitly create an edge, an advantage through their programs. That is, the philosophy of a level playing field is still present, but it is, is now accompanied by, and to some entities for actually surpassed by, this desire to create an advantage, which is not a one-time event and not in just one ECA. It fundamentally changes the nature of competition because in doing that, they're not just looking at the case in front of them today, they are trying to develop the export capacity of their countries, not just the export levels. That means that they're taking a strategic longer term look at everything they do. Then, lastly, at the transactional level, we see individual ECAs looking at case by case and doing everything they can. This is anything that is not regulated, such as risk appetite, content, and financial structuring, to adjust to the individual needs of the transaction with these types of factors. So, what you have is a unified natural position. You have an emerging complimentary philosophy that is fundamentally different than the one that's existed for some 40 years, and you have a much greater

flexibility case by case. Those are situations that derive from a long-term trend. They are not an accident; they didn't just happen. They're going to be around for a while, which means it's a situation, the facts and trends I presented are likely only to get bigger, not smaller. And that's the picture, it comes out of the report. I hope you find it interesting. Thank you.

STEVAN PEARCE: Thank you very much. Let's go ahead and now move into the discussion. As I mentioned yesterday, on that greeting call, I'm going to go first to Owen and let him make conversation, give comment about one section of our letter to the Congress. Then, we'll use the discussion from that point to branch into to the discussion of the report overall. So, I wouldn't, you recognize, and other committee members just speak up, we're trying not to speak over each other, but let's go ahead with our discussion at this point.

OWEN HERNNSTADT: Well, thank you very much, Mr. Chairman, and members of the board, certainly President Chair Reed, Pryor and Bachus, and, of course, all my colleagues on the committee. I just wanted to, one, congratulate the Bank again, for an excellent competitiveness report. Jim did an excellent job of explaining what's contained in the report. And his team should, of course, be congratulated for their analysis. I'm sorry, not analysis, but pointing out facts, and, of course, their patience in explaining it to us. I think what's important about the revised letter that was noted are some comments that go through out the revisions, but also focus on the first paragraph. As President Reed, and Chair of the Advisory Committee Pearce pointed out, the Bank's mission is to support exports

that support US jobs here at home. And nothing could be more important than that, given that we are now have over 41 million American workers who are actually looking for jobs, who are out of work. And what we anticipate to be an unemployment rate announced tomorrow that could very well rival the Great Depression on that. So, we take it to heart, the Banks' mission, to create jobs through exports. And that's why we've argued so hard that the Bank be fully funded. And of course, have a quorum to be able to function, and why we certainly support the Bank on that.

We also know, and I think Chairman Pearce pointed this out, the vulnerability of our supply chains has become very clear since the pandemic really began. We had our own officials at the Department of Defense talk about supply chain stuck in Mexico, dealing with aviation, and shipbuilding, and other critical things. We know supply chains regarding medical supplies have been incredibly disrupted. So, we know how important it is that the Bank help lead the way to bring those supply chains home and to bring US employment home. We also know that in comparing it with other countries who have different jobs, policies, as acknowledged in the report, like China's made in China 2025, and their other industrial policies which are aimed at their own domestic employment. One of the few tools the US Government has is the Export-Import Bank to bolster the need for US jobs. In other words, you don't get public funding unless you're willing to use that funding to support and create good jobs here at home on that. So, the language has been revised a little bit, and I hope everyone can agree to it to acknowledge the critical importance of the Bank's effort in creating

and supporting jobs at home. And how important it will be in the future, in our recovery. And also, to make sure that our economy is robust and sustainable, particularly, for US workers. We're not interested in a Bank that supports exports for the sake of exports. We want the Bank to be supporting exports that will benefit the taxpayers who are supporting the Bank. And many of those are the ones who need those jobs. So, thank you.

STEVAN PEARCE: Thank you, Owen. And I'm going to call next on Deborah Wince-Smith. She was a direct link to the conflict of our sides, I think, and really was fascinating. Deborah, if you would kind of give the tension, tension as in pulling apart not tension like anger, but again, the tension of the argument there if you can, please, and I will follow up with Maria. Yeah, something to that. So, Deborah?

DEBORAH WINCE-SMITH: Thank you, Mr. Chairman, and let me also commend Chairman Reed for her tremendous leadership. It was very moving this morning to hear her statement, as well as our moment of silence and the voices of leaders in the Bank about the challenges facing our country. And I want to mention that, as well as commend the other board members and members of the Advisory Committee. We did have a very robust dynamic discussion yesterday. And really, I think we were very much in alignment over the overall objective, which is to ensure that, as we move forward, that our country continues to be at the forefront of being a great technological leader in the industries and products and services of the future that are undergoing great global competition, great transformation, right before our eyes at

Warp Speed. And in concert, that we ensure that we have a 21st century advanced manufacturing and service capability here in the United States to provide high value, skilled jobs for all Americans, and in concert, to ensure that our businesses have the tools and the mechanisms that enable them to compete in the world, particularly as has already been so articulately expressed, the very aggressive dominant, non-market based competition we are facing from China.

And so, the real concern in our discussions yesterday was, yes, we want to do everything to ensure that we have global value chains with the high value added in the United States. And again, employing and providing jobs for American workers and new business creation. But at the same time, we recognize that in many of the strategic industries of the future, including one in which the US fortunately, has regained our leadership just in recent years, high performance supercomputing, that the complexity of the supply chain, and in some cases, the hollowing out of our manufacturing base for a whole set of reasons. In particular, to Asia, has put us in a position where much of, not much, but some of the content in these systems is not produced in the United States, although, I would say a lot of those components have been designed in the United States, but not made here. So, we recognize that we need flexibility. And we need to understand that there's an evolving environment in global supply chains, how they impact the creation of these advanced products and services in an increasingly digital world, a world that's been rapidly accelerated into the digital frontiers by COVID-19 and the transformation of work. So, I think we reached an outstanding good end point with the very

carefully crafted language in the competitiveness report. Owen great and my colleague, Maria and I, and others, contributed. So, I'm very pleased with that.

I will say, since I have the floor, we cannot underestimate, and we cannot devalue the incredible competition, not really transparent and trustworthy competition, but nonetheless, competition, we are facing from China. In my work, I'm involved, you know, in working with our national laboratories, our universities, our companies, at the forefront of quantum computing, cybersecurity, resiliency, the whole bio frontiers, including the biotechnology and therapeutics, that are going to take us, hopefully, very soon, to having a, a vaccine to deal with COVID, and I'm very optimistic on that. But the Chinese are all over our innovation ecosystem. They are embedded in our research activities at universities, and fortunately, the FBI and this administration is taking very strong steps to deal with that. They are aggressively working through third parties to insert themselves into venture capital funds, to identify promising technology startups. One example that's very very serious I've learned about, and I will not mentioned the name of the university, but it is a pre-eminent university, has transferred very valuable technology paid for by US taxpayers to a quote, Canadian-US venture partnership, but the money and the control is from China. And in one of the discussions, I was told by one of the principles in this technology company, that the Chinese investors showed up and said, we don't care if this country company ever succeeds or goes anywhere. We just want access to the intellectual property. So, this is a huge race for the future, and the

standard of living and security of our country. It's also compounded with ever accelerating, massive scaled, cyber-attacks to steal intellectual property, as well as to undermine our democracy, etcetera, etcetera.

So, I want to support the work of this committee and this important letter. And, again, just close by saying, I think our discussion yesterday was very much wanting the same end goals of high jobs, high standard of living, advanced manufacturing, US technological leadership in the United States as we compete and thrive in the global economy, and add value and prosperity to the world at large. So, thank you, Mr. Chairman.

STEVAN PEARCE: Thank you, and I appreciate that, Deborah. Maria, invite you for comments now. And, if you could go just a little bit into the actual words that affected you, and the implications of those words in that sentence that we were wrestling with yesterday, so, if you would, Maria.

MARIA CINO: Sure. Thank you so much. Let me first also thank Chairman Reed for all that she's done to make this a strong organization as we look to the future. And of course, Chairman Pearce thank you for your leadership. And, of course, my colleagues that have been working over the last couple of months, appreciate all that you've done, and the staff at EXIM, who probably don't get thanked enough. So, with that, I want to thank particularly Owen and Deborah, we had, I think, a very good discussion yesterday in trying to work out of the language for this letter that we're sending to Congress, to make sure that we're promoting existing jobs, but also, look at the

innovative, high skilled jobs that are being created daily, and looking forward to those, not only the existing channels for future jobs, many of which will be in the tech sector, especially as the sector continues to grow. And I think it's important, as Deborah has pointed out, mentioning that you know, China continues to outpace us, and just to get more specific, they continue to outpace us with building, a bigger, better, faster, high performance compute. At one time, the United States was on top by hundreds of high-performance computers. And now, China over 10 years, has taken us taking us on. And they are number one with the US being number two. So, with that, I think that we continue with language that we worked out yesterday, to look for how we can be competitive, and with a little bit of flexibility, look at how we might include the transformational technology sectors that will continue to grow. And again, these are high paying jobs, so we need to continue to do work, to make sure that we outpace China, and with the help of EXIM we need to aggressively promote jobs in key sectors, for both long term prosperity as well as what we're presently doing. And I think that having some flexibility to, with regards to technology sectors, as we look, and I think the language we worked out is suitable. I think that makes a lot of sense, given where we're going in this country and the growing of the tech sector. So, I thank you for your patience and your leadership, and, again, to Owen and Deborah as we continue to, I think, make a good play and having some good language for the letter to Congress.

STEVAN PEARCE: Thank you very much, Maria. We have other people on the call who were just basically trying to help get that issue

really fine-tuned but then also tighten up the language. And so, I really am lacking the changes that were made to the letter. Larry Goodman, you were on the call yesterday, would you like to make comment on either the competitiveness report or the letter? Again, the letter is our report, our observation of the Bank and of the report to Congress. We're kind of like the eyes and ears, of Congress. Larry, to make comments.

LAWRENCE GOODMAN: Yes, thank you very much, Chairman Pearce. First, I also want to thank Chairman Reed, Chairman Pearce, as well as Jim Cruse and his team. You guys, first, for your strong leadership and Jim Cruse and his team, for an outstanding competitiveness report, a truly outstanding report. I have really one observation list with three points. The first is reiterating the notion that the US and global economies are experiencing large structural shifts. Here, the US Export-Import Bank can play a formidable role at helping adapt to these tremendous structural shifts as well as help the United States achieve higher growth rates. And there are three areas in particular where this can be the case. The first is that EXIM can complement international bank credit. International Bank credit to the export sector is really drawing on and EXIM can fill this void. Second, EXIM can facilitate a strengthening and developing of alternative supply chains and the events in the aftermath of COVID, and the fallout on the economy demonstrate those supply chain, fragilities. And third, EXIM can also help achieve these goals of an increase in economic activity through a leveraging of EXIM credit, throughout US industry. However, what's important is for EXIM to maintain its exceedingly high

standards in credit quality and risk management, maintaining this historically low default rate that would be the envy of any financial institution. So, thank you, again, for the report and the opportunity to comment on the report.

STEVAN PEARCE: Thank you very much. I appreciate those observations. And I would just again re-iterate what he just said about the structural changes and structural shifts that are occurring while the US economy basically shut down. If you watch closely, the Chinese economy really didn't ever shut down completely. And if we are not alert to the risks, then they have the potential to fill a lot of boards at a point where we became, had the quarantine shut down. So, in my, my urging to the permanent staff to watch and to look for this. Also, the, I think, as Larry spoke, just the specter of a liquidity problem throughout the world is easy to forecast. Again, we assume the institutional, the structural parts of our economy are there as permanent. But as nations have problems getting tax revenue in, because the economic activity is down, then you're looking at the liquidity crisis that begins at one point and extends to another point. And so, if I could as a, as an individual urge the permanent staff to be very watchful of these sorts of major seismic shifts and the current would do that. I welcome comments from any of the rest of the committee members on either the competitiveness report or the letter. Just speak up if you'd like to address any of the issues before us today.

OWEN HERRNSTADT: Yeah. Mr. Chair?

STEVAN PEARCE: Yes. Go ahead.

OWEN HERRNSTADT: Hi, this is, this is Owen again. Just very short comments. I just want to be clear. We, you know, we did reach an agreement on the wording of the letter. So, this is aside from the wording on that. But I just want to be clear because there has been some discussion about content requirements, and under no circumstances right now can I imagine labor ever agreeing to dilute content requirements for all the reasons I've already articulated. It seems like that's moving in the opposite direction that many people are talking about are needed to create and support jobs here at home. But I just wanted to make that clear, since I didn't really address the issue of content head on. Thank you.

STEVAN PEARCE: Yeah, Thanks, Owen, and I appreciate it. And that, that is the discussion that I was referring to, when we were going through that, this delicate balance between the content requirement and in future technology is very, very difficult, and other nations, I think, are skirting around it in different ways. So, we want to be mindful of the competition, which is the reason for the robust discussion yesterday. Competition drives us to a certain extent. But then, as Owen pointed out very articulately, the need to not lower standards of protection or standards of conduct between management and labor. Those continue to be things that, will always, should suitably always be in our field of vision, so thanks Owen. Other comments on the letter or the competitiveness report from members of the committee.

THOMAS RAGUSO: Chairman Pearce, this is TJ Raguso, can you hear me?

STEVAN PEARCE: TJ, thanks. Good. You were on the call yesterday, so appreciate I appreciate you checking in.

THOMAS RAGUSO: Sure, yes, just wanted to make a couple of comments. First of all, congratulations to Jim on a great, and his team on a great competitiveness report. I like the introduction of the executive summary with the key highlights, and I think that the transaction examples that show how EXIM transactions work, I think, is very helpful. Because I think sometimes, you know, absent an explanation, you know, people might jump to conclusions and erroneously arrive at the conclusion that well EXIM makes loans to US exporters directly and I think that the way this is laid out helps to explain that. And I also like that in near the end of the, I like the letter that we all worked on. I like the reminder in a couple of places in the letter about the importance of and inseparability of the supply chain of US exporters, which often include many small business exporters that contribute to a larger, a larger export of a larger US exporter. I think that's an important concept that we need to continue to emphasize, and I like the way we did that in the letter. So, congratulations to everybody that contributed to that. Thank you.

STEVAN PEARCE: Thank you very much. Other comments from committee members?

JOANNE YOUNG: Mr. Chairman, Joanne Young, can you hear me?

STEVAN PEARCE: I can, Joanne. Welcome. We look forward to your comments. Go ahead.

JOANNE YOUNG: Just very briefly. I would like to just also pick up on the what's been said about the importance of strengthening

alternative supply chains to what China has set up. And in that connection, I wanted to point out that I applaud the work that EXIM has tried to do and will hopefully continue aggressively to do with Puerto Rico because as some of you may, may or may not know, the pharmaceutical and medical equipment industry is the largest in Puerto Rico. And it's significantly the United States' best opportunity, I think, to redirect that supply chain to what it was before China undercut it. And so, I just, I'd just like to comment on the importance of focusing efforts on Puerto Rico and to include the small businesses involved with the pharmaceutical industry there.

STEVAN PEARCE: Thanks, Joanne. Appreciate that. Other comments from members of the committee.

BRAD MARKELL: Yeah, Mr. Chairman? I'm sorry, Brad Markell.

STEVAN PEARCE: Go ahead. Thank you, sir.

BRAD MARKELL: I just want to follow up on the part about supply chains and small business as well, and small and medium size enterprises in the way of supply chains and remind everybody about success that Ray LaHood had when he was the Secretary of Transportation where there are Buy American requirements. There were often, are often requests for waivers that we can't find X, Y, or Z in the United States, and rather than taking that at face, what Secretary LaHood did was say well, you got to go out and look. You got to put this on the Web for our people to create manufacturing partnerships, if they know anybody, turn to American small businesses. American enterprises can make almost anything you're looking for if you're working for the fact that somebody wants to buy it. So, I think we

have a chance now to really, as we're looking at restoring, take a hard look at what we can do and what we can't do in the United States.

STEVAN PEARCE: I appreciate that. Other comments from committee members.

CHRISTOPHER SMITH: Chairman Pearce, this is Chris Smith. Can you hear me?

STEVAN PEARCE: Yes. Chris, Go ahead.

CHRISTOPHER SMITH: I just wanted to compliment the group that put together the letter, and also the staff on the report. It's the best yet, and just reach you and the agency as, as the report and letter are transmitted to Congress, and elsewhere. The comments by Jim, earlier about the fact that China is a, is a Leviathan in the world of credit export finance. That fundamentally changes the nature of competition to me is the is the big take away from this. And we just encourage you to, to highlight that at every turn as this goes out the door. I think that's, that's the real impact here, that Congress and, and everyone needs to, needs to focus on, and the report does a really excellent job of explaining why that is.

STEVAN PEARCE: Thank you very much. Appreciate the observations, other comments from committee members.

RICHARD POWELL: Chairman, this is Rich Powell.

STEVAN PEARCE: Rich, Go ahead. Thanks. Appreciate it.

RICHARD POWELL: I just wanted to build on Chris's last points, both to congratulate the staff for a terrific, and very thorough report, so I think it's really well done. And just to note in the sort of, further descriptions, of China's program, one of the things that

is most troubling as we watch their export credit activity is their attempts to achieve global pre-eminence in the export of nuclear reactor technology around the world. A very important source of clean energy and obviously one with deep connections to national and global security, and unless we actively push back against that effort, it's very likely that not only will China become pre-eminent in nuclear technology domestically, but they'll also become the exporter of choice for much of the developing world. And so to the extent that we can use that as a prime example in our letter, to emphasize the depth of this threat from Chinese ECAs to our competitiveness, and indeed to global security, I think that that would be worthwhile.

STEVAN PEARCE: Absolutely agree, and I appreciate the observation. As a member of Congress, we wrestle with the fact that there are not many technological impediments to the US being a leader in the nuclear field. They are political impediments, and at some point, we with different political ideas have got to wrestle through these, because the ultimate clean technology is nuclear, the ultimate clean energy form is nuclear, with zero emissions. And the idea that you can put a nuclear component in an aircraft carrier and power it for 20 or 25 years. I mean, we just have to understand that, that piece of the equation, that much power density, so much power, out of, out of a small, dense area in nuclear. So, that, that idea of who's going to power and how we're going to power in the future is one that is imperative, so appreciate you reminding us that. Other comments from committee members.

ALEJANDRO SANCHEZ: Chairman Pearce, Alex Sanchez, how are you, sir?

STEVAN PEARCE: Fine, Alex. Good to have you on today. Go ahead.

ALEX SANCHEZ: Thank you. And I just want to thank you for your leadership and, and of course, Chairman Reed for her leadership. And the letter looks fantastic, as does the report. And I think we're all aware that we need to end our dependence on China and my only, uh, strong recommendation, Chairman Pearce is, that when I watch, you know, as an avid watcher of Maria Bartiromo on her show every morning, when I watch her, and this is a big issue for her. And then I turn it over to CNBC, or any of the other channels, it's like we're living in two different worlds. The China issue in the mainstream, either media or business media, it's, no one ever discusses it. The threat of China. We all know the COVID-19 virus began there; you would never know that. Or you'd never wouldn't even know the threat of China if you watch the mainstream business or regular news media. We've got to get the word out! We're here as an echo chamber. We all agree. We all believe what this letter says, but it just seems like, does anybody else? And that's concerning to me, and I know it is to you, Chairman Pearce, because it's very, very disappointing. I don't see the mainstream media talk about ending the supply chain in China. I never hear that discussion. As an avid watcher of many of the business channels, other than Maria Bartiromo. So, we got to get that word out. That is my only strong recommendation on the good work, that the team at EXIM Bank, and your leadership and that of Chairman Reed, is resulting in. Thank you, Mr. Chairman.

STEVAN PEARCE: Thank you, Alex. I appreciate those observations. And just to re-iterate that, at some point, we need a much more visible voice for American businesses, and, and-

BRAD MARKELL: Mister Chairman, Brad Markell.

STEVAN PEARCE: -that are coming from under China, excuse me, one second, let me finish. So we, we must be vocal about this, and, and frankly, the value of this committee and the EXIM Board, is that we're pretty non-partisan, and having, having voices from both sides of the political aisle are extremely invaluable, so that would be one of my challenges to Chairman Reed that, that we need to, need to figure out how to get much more visible, even if mainstream media wants to turn the other way on these China questions. So, thanks, someone else, was trying to speak, and I apologize.

BRAD MARKELL: Yeah, this is Brad Markell again.

DEBORAH WINCE-SMITH: This is Deborah.

BRAD MARKELL: Oh, Debra, please go first.

DEBORAH WINCE-SMITH: Oh, I was just gonna say on the last discussion, um, and the importance of the bipartisan consensus and building new strategies to deal with China and how all of this can impact our country in a positive way. I mean, clearly in the aftermath of this tragic killing of George Floyd and what's going on in our country, we clearly have to educate more Americans. We have to train more Americans. We have to provide high skilled jobs for Americans. And this is an opportunity to do so as we diversify, return supply chains, and build next-generation capability. But, you know, on both sides of the aisle, there're strong people that are thinking this way,

that we should be engaging on the challenges, particularly related to the EXIM Bank's mission and its critical role. And I will just share that Senator Warner of Virginia is an extremely strong proponent of everything we're talking about here on this call. And I know, at some of our meetings Chairman, we might have additional speakers, but I would certainly recommend having Senator Warner come and perhaps address our Advisory Committee on some of these topics as well.

ALEJANDRO SANCHEZ: Chairman Pearce, I would add Senator Cotton and Rubio to that list as well.

BRAD MARKELL: Brad Markell here, Senator Rubio has been a fantastic, Senator Hawley. You know, going back to what Alex said, Richard Trumka is the President of the AFL-CIO, and he was on, he's a regular guest on Maria's show, and they had quite a good conversation about this, and some other things, but about this, and she really did, you know, have a good back-and-forth with him, digging into some of the details, and we have a number of examples on either side of the aisle. And I would just note that the Department of Defense has become more and more concerned about China and of course, they've never been very good on Buy American, but they are arising to the strategic challenge of that.

STEVAN PEARCE: Okay, let's, I'm gonna go to Chairman Reed. I think I heard her trying to make an observation a moment ago but let me do a little housekeeping here. As you can see, we have drifted a little bit late on the schedule, and we're going to go past our normal quit time at three o'clock. And so those of you who are committee members, we're going to take a vote on this document, the letter, very

shortly. We're going to let the discussion continue. But don't worry, we're going to do everything on the agenda, and so I'm tracking very carefully the time, and we're just going to have to extend through that three o'clock. If that creates a problem, there should not be a substantive vote, on this, this letter, here. So let's keep that housekeeping detail there. Chairman Reed, you had a comment, I think, a moment ago?

KIMBERLY REED: That was not me. That was someone else, but thank you, for everyone's hard work and focus. Thank you.

STEVAN PEARCE: OK, thanks. Other comments from members on the letter, on the competitiveness report itself? Well, hearing none, and again, feel free to speak up, if we don't have other comments then, I'm going to ask for a motion to approve the letter that we have written, as it stands, it has been revised pretty significantly, you should have gotten that revision late last night or this morning, so, do I hear a motion on that?

MULTIPLE VOICES: Yeah. So moved, Chairman.

STEVAN PEARCE: OK, just for the record, if you'll identify the motion.

ALEJANDRO SANCHEZ: Alex, Alex Sanchez.

STEVAN PEARCE: Alex Sanchez moved that we accept the report as, or the letter as, written. The second was by whom?

HARVEY TETTLEBAUM: Harvey Tettlebaum.

STEVAN PEARCE: Harvey Tettlebaum is the second on that. Is there discussion on the motion on the floor? Hearing no discussion, then I would just ask for a roll call-not a roll call, just a voice vote. And

we'll ask for those in affirmation. If we have significant opposition in the vote against, then we will take a roll call. So all in favor of motion on the floor to approve the letter to Congress.

MULTIPLE VOICES: Aye.

STEVAN PEARCE: All opposed? Seeing no opposition, then, we will report that the, the report is unanimously adopted at a vote of the Advisory Committee and will subsequently be sent to the Congress. Any, any business as we close this discussion, again, I think, to the permanent staff members, I think you can tell from the conversation that people really appreciate the way you redesigned this report. I think, last year, we were somewhat critical, and for me, it was much easier to read, and I will read it from the eyes of somebody who is down the street a little bit in the Capitol. The amount of information that comes through is just overwhelming from all issues, and so the, cleaner, simpler, better that we can place our arguments, the better they will be seen and understood. And also, I think I have to talk a little bit about the transparency and the willingness for EXIM to acknowledge the shortcomings both in our trade, but also in our processes and to recognize where we need to improve. And those things, again, are very reassuring. If we self-discipline then the agency, the Congress, feels less need to come in and give direct, daily oversight when they feel like we're doing our own oversight. And so these things are so key to that I'm seeing that we're developing, and my experience with EXIM is very short, so it could be interesting. Just a very small picture, but these are important changes you're making. So, we're gonna go now to the item at two o'clock, on the agenda, you see, we're

about 23 minutes behind schedule, but we've been involved in a significant discussion, an important one, so, Stephen Renna will address us on the Coronavirus response. If you could, Stephen.

STEPHEN RENNA: Happy to, Chairman Pearce, Chairman Reed, and other members of the committee. Given that we are behind on time, I'm gonna try to be very succinct, and I'm gonna leave the balance of the time to questions, comments, and discussions amongst the committee. But with respect to our COVID response, we need to look at what we're doing in two general categories.

First category is dealing with our existing client portfolio. The liquidity stresses that EXIM clients are feeling because of the COVID shutdown, and how can we accommodate these clients as best as possible? Dealing with different types of forbearance, with respect to payments that are due, extension of default periods, extension of renewal periods, extension of claim filing periods, streamlining of claim filing processes, and basically, using, for the most part, with respect to our medium and long term financing, a very spoke approach, in contacting every one of our clients, and having continuous contact with them to understand the liquidity stress that they're feeling right now, and the liquidity stress that they see in the future, to try and work with them, with their associated lender that we provide the guarantee to in many situations, and see what we can do to provide them the payment relief that they need in order to get through the COVID economic lockdown period.

I will say that in many respects, our management of the portfolios is going very, very well. The area in which we're

experiencing the most stress, might be no surprise to members of the committee, is in the transportation sector. And also, oil and gas and chemical related sectors. With respect to the transportation sectors, this is mostly with airlines that purchase Boeing aircraft. And obviously, our incurring a significant amount of liquidity stress. We've dealt with many of their requests for different types of forbearance and accommodated them. And, so far, basically, so good, you know, this will all depend on how long the effects of the shutdown go on for the airline industry. But, so far, so good. There are some airlines, however, that are seeking our equivalent of Chapter 11 bankruptcy. So, that takes things out of the equation of what we singularly can do with respect to the payments on behalf of an EXIM-guaranteed loan, which puts us in a broader [inaudible] structure. But nonetheless, the managing all of these situations, our team is doing a fantastic job, keeping tabs on all these airlines, monitoring what's been going on. So, so far, so good on that. I'll just quickly, say, with respect to oil and gas and mining, for the most part, this is project finance that's involved, and in cases of these projects, there either is sufficient debt service reserve or sufficient capacity, revenue capacity being produced by the project, to enhance debt service, or the sponsors of the project have obligations to buy debt service for them. So, on those fronts, nothing catastrophic is happening, but obviously we can imagine some stress with that respect. But as I said, so far, so good, and that's what we're doing to manage the portfolio.

The other category of what we're doing with respect to COVID is, one, obviously being present as EXIM, which exists mostly, you know, for these times in the economy, when liquidity markets are dislocated and you need EXIM to step in to provide the financing that the private sector capital isn't providing. So just, generally, what EXIM does, as we saw during the financial crisis, is basically increase its presence as the private sector retreats from the marketplace because of credit risk concerns. In addition to what we do, normally, we have modified four particular programs, I think you've been briefed on these, I'll go through them, just very quickly.

Two of them are designed to serve the US exporter community, meaning the exporters and their supply chains. These are not geared towards credit support for foreign buyers, I'll talk about two other programs that do that. The first is our Working Capital Loan Guarantee, which all of you are very familiar with. For US exporters, we will provide a guarantee to banks that make a working capital loan to exporters so that they can have a working capital needed to fulfill their export orders. In this COVID response requirement, we have broadened the eligible collateral that an exporter can use to qualify for working capital loan financing. Under the normal base, it's export accounts receivable and export related inventory. We've broadened that to include any inventory that could potentially be related exports, some purchase orders that have enactments formed into accounts receivable. In addition to that, the guarantee that EXIM provides the bank is the 90% guarantee of exporter liability, which means the bank's exposed to 10% of exporter liability. We have increased that to

95%, so that's cut in half the amount of exposure that banks have to take with respect to liability.

The other product is a supply chain finance guarantee structure. Many of you may not be familiar with what that is, but it's something that EXIM used during the financial crisis, and essentially a supply chain financing facility is a facility in which a bank says to the suppliers of one of its clients that the bank is lending its money to, is instead of you, the supplier, having to wait whatever the payment term is, on your account receivable to get paid by the exporter, you can present those accounts receivable directly to us at the Bank, and we will pay you immediately, and it's on a discounted basis, but we will basically accelerate you getting cash in hand, and not having to wait the 30, 60 day, 90, 120 day, or whatever it may be on the account receivable. This is as important as now as it was during the liquidity crisis, because it is a tool to get liquidity directly and immediately into the hands of exporters. So, what we have done is provide a guarantee to the banks that have these supply chain financing facilities, without our guarantee, they can't send that kind of credit. So, we've also provided an up to 95% guarantee to the lenders, if they would work with it, with their clients to create these supply chain finance facilities.

With both of these products, we are able to get cash in the hands of the export community, the domestic export community in the US very quickly. We have in our pipeline well over a billion dollars' worth of applications, and more to come for these two different types of products. I was just talking with our business credit team earlier

today and asked when we see 3, 6 months out with respect to the need for this product, and they said, we see the need to be quite strong going forward. We don't think that the lender community is going to come back, you know, quickly, in order to alleviate the need for this type of additional support. Now, on a going forward basis for deals that the foreign buyers now are getting back in the game as the COVID lockdowns are being lifted in different stages. And as they want to engage with US exporters to buy US goods and services, they're going to find, as I just discussed, that the global trade finance lenders out there are not yet fully, well, not yet fully back in the marketplace, and therefore, there will be a gap, and EXIM has designed two products to fill that gap until the private capital markets can normalize again.

The first is essentially a bridge financing mechanism. And this is, you know, in the medium and long term, type of financing plan that if you have a foreign buyer wants to buy an export in the United States, is trying to get financing from long-term financing from a private sector lender, they may find that's simply not available, EXIM will to step in and provide bridge loans and, if necessary, take out that bridge financing itself and provide long-term financing or allow the private sector to take out that bridge financing. We want to make sure with this product that foreign buyers are not left without a financing solution once they want to be able to re-engage.

The last product is a little more specialized and it's really designed for larger capital goods, such as satellites, aircraft, turbines, locomotives. In the case of purchases of these types of

products, because they take so long to manufacture, the manufacturers, the US exporter, requires that these buyers make pre-delivery progress payments through certain stages of the manufacturing process. In the normal course of finance, many of these foreign buyers have access to lines of credit or other financing solutions where they can get the money that they need to make these progress payments. Again, we're in a dislocated financial situation right now - we can step in and provide this financing to these foreign buyers so they do not have to wait for the lending markets to fully return so they can qualify for this pre-delivery/pre-export financing. This is obviously designed to make sure that we can get our exporters of these large capital goods up and running as quickly as possible for their foreign buyers. We are starting to see some interest in both of these products as the shutdown restrictions are being lifted, that we see across the globe, economies start re-engaging, and so, we expect and hope to see more interesting uptake for both of these products. So, with that, I'll suspend for any questions or comments.

STEVAN PEARCE: Thank you, Mr. Renna. Comments by committee members on the response of EXIM to the coronavirus? Hearing none, we're going to go to David Fogel for the economic impact and additionality discussion. David, thanks for being with us today.

DAVID FOGEL: Well, thank you, Chairman Pearce. It's great to be with all of you. I wish we were in person, as usual, but hopefully, next time, we will be able to do so. And I just want to say, I'm joined in this presentation by my colleague, Jim Cruse, whom you know well, we heard from him earlier. He's done an excellent job, not only

on the competitiveness report but also on the topic I'm going to speak briefly to you all about today, which is economic impact and additionality. He's the real expert on these topics. And I want to thank him, and Scott Condren, a member of his team, for their hard work over 11 months on these issues.

So Jim and I just wanted to report back to the Advisory Committee, because this group considered these two important agency policies and procedures recently. In fact, following a public comment process, if you recall, the Advisory Committee spent almost two complete meetings last fall, and this January, hearing from a wide array of industry experts on this topic, and by wide array, I really mean a wide array of views, and that is because these issues of economic impact and additionality do engender strong, passionate viewpoints about the role of EXIM. But by way of an update, Jim and I wanted to share that on May 21st, and this is what the Chairman reported in her remarks, on May 21st, the EXIM Board voted to approve and endorse changes to our economic impact and additionality policies and procedures. The changes were very similar to the ones that were discussed with the Advisory Committee in those two meetings. I'll just give you a short summary on terms of economic impact, the changes include, among other things, increasing transparency in two important respects.

First, we now have on our website, an opt-in button so that interested members of the public may register to be notified by e-mail when EXIM's going to conduct an economic impact analysis. That allows the public to be informed about it in advance, and also, to, if they

want to comment on it there, they're welcome to do so. In addition to that, the second point is that, going forward, we will publish on our website summaries of the economic impact analyses after they are completed. We also separately updated the airline economic impact procedures, where are- which are a whole set of separate procedure specific to that sector. Now, as for additionality, we made a series of changes, and they're being implemented as we speak. It'll take a couple months to get them fully implemented, but, in summary, it's a more robust and explicit process in terms of additionality.

Collectively, these changes increase transparency and accountability of the process by which EXIM reviews transactions. But it does so in a reasonable way without compromising EXIM's ability to fulfill its mission. Now, like with any policy change, we received a diverse set of opinions including some dissenting views from outside parties, the public, and others. That also includes our inter-agency partners, that, who disagreed on certain additionality proposals. But in the end, we believe we struck a proper balance, and all of these changes are aimed at achieving Chairman Reed's stated goals of reforming EXIM to enhance transparency and accountability, and ensure that the American taxpayer is protected. But as we all know, at this critical time where EXIM is needed more than ever, whether it is responding to the COVID-19 economic aftermath, or, combating China's predatory, economic behavior, we need to preserve EXIM's ability to act. So, again, we think we struck the proper balance in doing these reforms. We appreciate your support throughout this process. You spent a lot of time on this, the Committee. So, thank you, all, for your

time and effort. We look forward to updating you, again, in the future after these reforms are implemented fully, and after we have time to reflect on their effectiveness. Thank you. I'm happy to answer any questions with Jim Cruse.

STEVAN PEARCE: Thank you, David and Jim. Questions or comments regarding economic impact and additionality? Hearing none, the next agenda item is David Trulio on China and transformational technology.

DAVID TRULIO: Thank you, Chairman Pearce. A quick sound check - can you hear me okay?

STEVAN PEARCE: I can, you're doing well. Thanks.

DAVID TRULIO: Wonderful, Chairman. Thank you again to the folks in this virtual meeting. My name is David Trulio. I'm the Senior Vice President here with EXIM, and I'm responsible to work with stakeholders and the EXIM team to expeditiously establish and lead the congressionally directed Program on China and Transformational Exports. And I'm just going to take a few moments here today to describe the program's purpose and our way ahead. So simply put, the program's purpose is to support the extension of loans, guarantees, and insurance at rates and on terms and other conditions to the extent practicable that are fully competitive with the rates, terms, and other conditions established by the People's Republic of China. It is explicitly stated in the bipartisan legislation that breathed life into the program as a result of the 2009 authorization, or 2019 author-reauthorization in December. The new program is intended to, quote, "directly neutralize export subsidies for compute in goods and services financed by official export credit, tied aid or blended

financing provided by the PRC." Furthermore, Congress intended the program to advance what it called the "Comparative Leadership" of the United States with respect to China. And the program will support United States innovation, employment, technological standards through direct exports to countries around the world in 10 crucial industries, and those range from artificial intelligence to wireless communications equipment, including 5G, to renewables, to high performance computing. Of note, the law charges EXIM with a goal of reserving not less than 20% of the agency's total financing authority. That's a whopping \$27 billion of what you know to be the total of \$135 billion to support, for support made pursuant to the program. So, this was part of that December 20th, 2019 reauthorization. And, as you can imagine, we're sorting through a number of stand-up issues, including goals and metrics, to be very responsible stewards of taxpayer resources. But I really want to emphasize today that it's crucial that our ultimate goal is to achieve tangible results in the form of completed deals that help specific businesses here in America generate exports and support US jobs. And to that end, it's important that we identify potential new deals early and that we'd be willing to think openly about how we may further deliver on our mission, of supporting American jobs. So, I'm going to pause there. I'll invite any questions, and I know there's, there's time for Q&A later, as well. So with that, Chairman Pearce, I'll return to the microphone to you.

STEVAN PEARCE: Thank you very much. Appreciate that, David, and I appreciate your good work. Comments about these presentations? The next one is the reauthorization update from Ross Branson, but I want

to pause and kind of catch up with any comments or questions that we might have. Hearing none, we'll go to Ross Branson now for the reauthorization update.

ROSS BRANSON: Great. Thank you, Chairman. Can you hear me as well? Is that all right?

STEVAN PEARCE: I can, yes, you're loud and clear.

ROSS BRANSON: Perfect. Thank you. So again, Ross Branson, Senior Vice President for Congressional and Inter-governmental Affairs. As you all have received updates prior for our implementation reauthorization, we have established several cross-divisional working groups that have each been tasked to work on the implementation of all of our various provisions that we've been given from Congress in our reauthorization. So, excluding Dave Trulio's update on the China and Transformational Exports Program, the other provisions that we've been working through, we have Section 403, which is our small business policy, which directs us to make financing available for minority- and women-owned businesses, veteran-owned businesses, those with disabilities-owned businesses, as well as startups. We have Section 404, which is our small business threshold. Congress increased that from 25% to 30%. We have our Section 405, which is dealing with how we count unutilized insurance policies as it relates to our small business threshold, so the counting of those policies towards our 20 or 30% small business threshold. We have Section 406, which is the anti-fraud, or going against, or fighting against those who defraud the Bank via their applications, etc. We're working through those, those implementations. We have Section 407 dealing with renewable

fuels, energy, and energy storage, or efficiency, sorry. Then we have Section 408, which deals with our reporting requirement on businesses, that, or business that we do with state-owned enterprises as it relates to China and our consultations with the Department of State. And then we have Section 409 that deals with our what we call the Board Quorum Fix, which establishes a temporary Board, depending on various scenarios on when we, potentially will lack certain Senate-confirmed members of our Board. So, each of those working groups have been working through implementing those provisions. I think we're very much on track to making great progress. Here recently, we have had, for the Section 405 on unutilized insurance policies, as well as Section 404 on the small business threshold, each of those working groups have presented their plans for full implementation and recommendations to the Chairman, and we're working on providing those updates to our Board of Directors, as well. So, those are now proceeding forward with full implementation, and we're working through the other, the other provisions as we speak. So I'll just leave it at that. If there's any questions, I'd be happy to answer. Thank you.

STEVAN PEARCE: Thank you, Ross, I appreciate that. Let me lead off the observation period here and I would ask what the legislative staff has done since the reauthorization bill was passed. What visits have you made to Capitol Hill? What updates are you giving? And I'm not going to ask you to answer that. I'm just asking it rhetorically, because I will tell you, in every bill, you have people who support it a lot, they vote yes, who support it a little, and they vote yes, who didn't support it, but decided to help a good path. And so you really

have just the same thing as far as any commodity, you have commodity buyer's remorse. And I would urge, I would urge you really hard to not, most of the time you do a reauthorization, you don't see an agency come around until the next reauthorization. This issue is so difficult, and we need to wrestle with these issues with the Advisory Committee. Staff or the Advisory Committee members are wrestling yesterday. Now you go, you visit with the people who were really recalcitrant, didn't really- getting some feedback, if I could get everyone to mute their mic. So don't, don't wait around for five years. I will tell you that a seven-year reauthorization is very, very unusual. And I just think that you should go and let the people who are, who are opposed, speak up, show them what you're doing. You have, you have really good changes. You have good reforms. You, you have good responsiveness to offer to people. But don't, don't, don't just sit here for another seven years waiting for the next reauthorization battle. Start that process right now and be reassuring people who were questionable votes that they made the right decision. So that's just me from my point of view, other comments from committee members?

ROSS BRANSON: If I may, sir, this is Ross again. I know. I know that you meant that as rhetorical, but I do want to re-assure you that a part of our strategy, as we get through the various working groups, providing their recommendations and plans for full implementation. Built on the back end of that is going to be very specific briefings for our Hill authorizers and appropriators, and so we have built that into our strategy. And then even beyond that, you strike a really good point on having the seven-year reauthorization, not waiting until 2026

to start coming around and talking to folks about the value of the Bank. We're going to be working on a long-term outreach strategy plan. That will hopefully last through to 2026 that will allow the Bank to be visible and to provide this positive information for the folks on the Hill. That's all I have, Thank you.

STEVAN PEARCE: Yeah, and I appreciate that. Other comments? Someone was going to make comments in the committee, go ahead.

KIMBERLY REED: Kimberly Reed here. Thank you for that, and Ross is having to hold me back, because I'm ready to get up in conversations with that, with the Hill pushing at all times. Being a former Hill staffer myself, I want to be sure the committee knows I testified before the Appropriations Committee on March 4th, and we had good conversations with the appropriations staff. And as we work through our China Program, which was put into our reauthorization, that was after the main components of our, of our budget were built, so that we're working through that process, which I'm sure you can imagine, we want it to be successful, and I actually had a member call a week ago, and look forward to explaining all aspects of this. But thank you to the Committee members, and especially to Spencer Bachus, former Member and you for, for you, your counsel on engagement with the Hill.

STEVAN PEARCE: Thank you very much. Other comments? Questions on anything in the program, but especially on the reauthorization? Anything from the agenda today?

DEBORAH WINCE-SMITH: This is Deborah. I have a question and a comment. Maybe it's for future meeting. But I've been thinking a lot- Oh. Hello?

STEVAN PEARCE: Yeah, Go ahead. Thanks.

DEBORAH WINCE-SMITH: Thank you, Chairman. I've been thinking a lot about, given the strategic partnerships we have in national security and increasingly now in advanced technology, with the Five Eyes, has any thought been given-this is maybe perhaps for Chairman Reed-has there any thought been given about the potential under the new competitiveness mandate for the Bank and the strategic industries to think of somehow building coalitions of export financing with our Five Eye partners, to create, you know, significant amounts of money to counter what China's doing. I mean, I'm thinking of Australia's, you know, huge sovereign wealth funds and, and, in particular, but also Canada and others that we might collaborate as close partners on this, given that we work so closely a national security through the Five Eyes.

DAVID TRULIO: Ma'am, this is David Trulio, if I may jump in. As the preface to any remarks Chairman Reed would like to offer. Just week before last, or thereabouts, I was invited in my capacity as SVP for the program on China to brief an NSC-hosted Five Eyes meeting pulled together by the NSC Cyber Directorate. So, the Senior Director there, his intent, was precisely in line with the sentiment that you have, which is, how can the Five Eyes community work together. As you may know well, building on past successes, in unrelated areas, around aircraft finance, where, for example, Japan, UK, and US, worked

together to finance deals. So, it was a, it was an initial act of evangelization about some of the possibilities. One of the things that we need to be very mindful of is that the security side of government, just like in the United States, but those sides of government in the different, in the different, you know, governments, in our Five Eye partners, they don't know their civilian counterparts very well either. So we raised awareness, and there'll be more follow up. But I think you're spot on that. And the point I made was that we're stronger together. So with that, I'll pause, invite any questions, but also see if Chairman Reed would like to make any comments.

KIMBERLY REED: Yes, and thank you very much, Dave Trulio. Obviously, my recruitment of Dave from the Pentagon speaks to what you're getting at, Deborah, and also, I'm sure you know, I have a very long relationship with Robert O'Brien, our National Security Advisor. And so we're working really hard to bring EXIM into the, not only tools of the trade toolbox, but into the national security space. And we were to host our international colleagues, and I know that this call does have some international participants on it, as we speak. And so having a dialogue with my colleagues around the world is appropriate, and that will continue. So absolutely hearing you, and we are, we are engaged, so thank you so much.

DEBORAH WINCE-SMITH: Thank you.

STEVAN PEARCE: Thanks, Chairman Reed. Early in the days of the Iraq War, I was, there was a Congressional Representative and we were in some of the forward areas of operations, and at that point, part of the, part of the appropriation was designated for developing small

business, and so literally battlefield commanders were given the freedom to make 2, 3, 4, or \$5000 microloans to people that were opening up. As I look at the Chinese breaking down the ability of small businesses around the world to compete, I just, I would throw that out as something that, in this military discussion, this coordination of the military, don't forget that some of the times military people are in the most dangerous pieces of the world, where they desperately need to be rebuilding some sort of job basis and some sort of economic activity at all, and so just throw that out to be considered as you look at possible tools in the toolbox that you all have available. Other comments from committee members?

BRAD MARKELL: Yes, Brad Markell, Mr. Chairman.

STEVAN PEARCE: Brad, go ahead.

BRAD MARKELL: One of the things I would like to see us address in the future is energy export. We were successful in standing up that Mozambique facility that's gonna have a lot of American equipment in it, but especially when it comes to LNG, we've got a very large job creation potential in that area. And I know that Chair Reed met with some producers last August, and we'd be very supportive of anything we could do to help make sure we're exporting energy in a way that is creating the maximum amount of [inaudible] here. So, just wanted to put that on the table.

STEVAN PEARCE: Yeah, I appreciate that, and if I were to take your comments on energy as a whole, and then, maybe, dial the microscope down to look at a subsection of that, the oil and gas export business. That was approved by Congress about six years ago,

and was a tremendous fight during the last years of the Obama Administration, and may ultimately find that, so right now, what you have going on in the oil and gas sector is that, literally, Saudi Arabia and Russia are reportedly having a disagreement and they're overproducing. I think the real target is this export capability of the US, I think they're trying to, I think, Saudi Arabia, is trying to really do a hard blow to our energy sector here domestically. There are ships coming, there're 36, about three weeks ago, oil tankers sitting off the coast of California ready to offload into the refineries, but because of the COVID-19, the demand for oil and gas, for gasoline, for cars, diesel for trucks, was tremendously curtailed, and so, the refineries are full, the pipelines are full, but if we're not mindful of what, that, what is happening with Saudi Arabia moving exports into our market. And I know the President is watching, he's addressed the couple of times when he's not going to let the oil and gas sector just be decimated by what's going on from outside. Again, I urge you to look at what's going on in that market because we have become basically energy self-sufficient, and it's my belief that Saudi Arabia is trying to disrupt the internal market, both to gain back market share in worldwide exports, but also market share domestically in the US that they've had to sacrifice, they've given up to American energy producers. Other comments from the Committee?

BRAD MARKELL: Mr. Chair, let me, let me just follow up by saying that I think most people know that many unions and the energy companies were successful in getting that provision stricken, that we couldn't do this, in the reauthorization, and so, we would, we would

like to, we would like to see that pay off, the green, we've got a green light for doing this, you know, tubular products, and the steel sector, and so it's just a win-win all the way around for us.

STEVAN PEARCE: I appreciate your comments, Brad. I agree with you.

DAVID FOGEL: Chairman Pearce?

STEVAN PEARCE: Yes, go ahead.

DAVID FOGEL: Chairman Pearce, it's David Fogel, Chief of Staff. I'm sorry to interject, but just in response to Brad's point, I want to say a couple of quick things. One is that Chairman Reed made supporting domestic LNG exporters a big, priority issue. She convened a conference call, of all stakeholders, and it was widely attended, where we talked about, we really introduced EXIM to this group, and talked about ways we could support them and subsequent- that was months ago, and subsequent to that, we've been engaging with that community, and we want to do more. In fact, literally, while we were on this call, I was e-mailing the CEO of one of those companies setting up a meeting with some of our deal team members to talk about ways we can help him.

But let me make another point, and, and not to get into a debate on this call about it, but really to enlist Brad's support and Owen's, as well, as labor representatives. Because when we talk about helping energy companies, US exporters, one segment we really want to help are renewable companies, because that's an important segment. And in fact, our reauthorization bill created a new goal for us, of 5% of our \$135 billion should go to renewable projects, renewable financing by EXIM.

The challenge we have is that, given our content requirements, we can't meet that target. We can barely finance renewable deals because of the content requirements and again, I don't say that in an antagonistic way. I say it in a way that we want to enlist their support to find a way to support these companies, but also, obviously, support US jobs. So, I'll leave it there.

BRAD MARKELL: Well, no, you can't, you can't leave it there, because we're not gonna, or there's no movement or no quarter from our, on our part about that. It's one of the real shames of the renewable energy sector that they have chosen to make their living off foreign production. The conditions under which solar panels are produced in China are shameful. There's toxic waste dumped all over the place, so on and so forth, and that is actually one of our problems with the renewable sector, because you've switched spending from fossil fuels, to manufactured items, doesn't want to make them here. So I'm not at all gonna caught in anything that is around, know, loosening the content requirements in a sector that we are trying desperately to incentivize to locate in the United States. We're about to push forward a big bunch of money for 48C, which is a thirty percent tax credit for renewable energy manufacturing. We hope that'll do the job. But I think as far as labor's concerned, they have [inaudible] 'til they get their act together. Sorry to be so harsh about it, but it's really, really difficult for labor because we are losing so many good union jobs to non-union offshored renewables.

STEVAN PEARCE: Thanks, Brad, for those comments. Other comments in this area?

RICHARD POWELL: This is Rich Powell. I would just like to second or third the suggestion to open up a significant, dedicated discussion on the energy export front. I think, particularly on the clean energy export front, we should recognize that, regardless of what the United States does, on economic stimulus, and whether or not that has a specific energy provision, a number of European countries, and, indeed, I believe the EU as a whole, is planning to put an enormous amount of resources into energy, infrastructure, and clean energy infrastructure build, which strikes me to be a massive opportunity for US exporters, and so I think exploring the full breadth of these issues would be a really productive area for discussion for us.

STEVAN PEARCE: Thank you. I'll work with Luke before the next meeting, and we'll see if we can give a focus to this entire area. I think Brad and Owen and others have obvious input on the issue, and so we will welcome that. Again, the discussions I find to be productive, we have to find a way to start, to start threading these needles to where we acknowledge the obstacles, but we also find a way forward, and so, with the committee's permission, I'll explore this issue for, for the next meeting when it's possible for us to. So, again, appreciate those comments, other comments, as we move toward the conclusion of today? Luke, you've got a couple of housekeeping notices there.

LUKE LINDBERG: Yeah, Chairman, thank you very much. I'll be very brief, and I'll actually follow up with an e-mail to the Advisory Committee members in the coming weeks. Instead, maybe I'll take one minute today, and just, I'd like to extend my appreciation to two

groups of folks. The first group being the members of my External Engagement team at the Export-Import Bank who've worked tirelessly over the past year to host these meetings and help facilitate the logistics behind the scenes for these Advisory Committee meetings. And then the second group being all the Committee members, I think today marks a special moment for you all, in the fact that you've come together from a variety of industry areas, like finance and labor and textiles and small business, the environment, and come together to create what I think is a very good draft letter or now-finalized letter to Congress talking about American competitiveness. Just a pat on the back to you all for your willingness to dialogue as Advisory Committee members to us at EXIM. We're listening and we're so appreciative of your leadership on these issues. It's, it's incredibly helpful, and it has been over the past year for the hard work you all have done to get to this point in time. So, kudos to you, and, and thanks for dedicating your time and energy towards the towards these important causes. And then the last thing I'll just briefly remark is, we will be opening up our new Advisory Committee opportunity to apply for the next year's committee in July. As always, it will be published in the Federal Register. For the registrar and, and folks that are listening in, certainly, you know, can find that information as well, but more to come on that in the coming weeks. So, thank you, Chairman, that's all I have to say.

STEVAN PEARCE: Thanks very much. It's a point now where we accept our public input. So, we would-Luke, I suspect you have a way for people to identify themselves, to raise their hand digitally, to be

recognized. So I will offer to now go to the public who joined us, and thanks to each one of you for being a part of this, but we welcome your comments at this point.

LUKE LINDBERG: Yeah, Chairman, thank you. So for, with respect to that, the, the opportunities is, comes through the chat function. Unfortunately we haven't, we don't have a raise hand function with this particular online tool. But we have been monitoring the chat box, we have not received any comments yet. But now would be the time to let your comments be known. Otherwise, as always, you can send an e-mail to external@exim.gov and our team would be happy to transmit those to the Advisory Committee members as well.

STEVAN PEARCE: Thank you, and we'll open back up for Committee discussion, as we're waiting, we'll wait 5 or 6 minutes here for any public comments to be made in, during that time. If Committee members have observations, questions, or whatever, feel free to add. We've conducted the main business, that's the, the report, to, to the Congress. I think we're all pretty satisfied with what we're communicating. I think we're all indicating now some strong support for the direction that the Bank is moving under Chairman Reed's able direction. So other comments that people have to make here?

LUKE LINDBERG: Chairman, I did receive one question now from the audience, and the question was, how can one get the report? The Competitiveness Report is being finalized right now. This is part of the final document. It will be completed and remitted to Congress, as it is mandated for us to do by June 30th, and so our team is working diligently to get that out the door. As soon as we submit it to

Congress, we publish copies that are available at the EXIM offices, as well as posting it on our website for public consumption.

STEVAN PEARCE: Thank you for that, and other comments from committee members, or the public? Just feel free to e-mail those comments, and Committee members, feel free to speak up here. Well, if we don't have additional comments, then it's time for us to, to close the meeting. If I could close on a note of caution to the EXIM Bank itself, to the full-time employees: I think that we have not seen the last of the economic difficulties. I think we're going to experience very difficult times ahead, and the key is not, whether or not we face storms, but how we respond to the storms that we do face. And so, my challenge is that you all keep the same agility that you've developed in the last year and a half, two years, that I've been associated with you, and I'm proud to be associated with you. But keep that same mobility and agility, because it's just how we respond to the storms of life that get us through. And people will be looking. Exporters will be looking to you all, for reassurance, for some solution for ideas, for just some hope. And, and so I think that you're going to have to entertain that, an openness to that element, which I don't think that probably people in the past, would've ever looked to you for help, but I think we're going to reach a point where the uncertainty and the instability affect a lot of people who before would never have been affected and that always creates new concerns. And so, I would just urge you to be aware of those, those responsibilities and those opportunities, influence, and to encourage, to uplift. The American ingenuity is the most powerful engine that we

have going, and we will activate that, and if we will return to that, and to encourage it, we can certainly dominate the economy for the next 50 years.

But like was mentioned today, we're in a point of tremendous transition. We're in a point of systemic change. We're in a point of systemic instability. And so, how you all lead through this, how we all as Americans adapt to this, will determine the future makeup of the world economy and the exporter prosperity, or the success of the Chinese. And so, we're, we're in a struggle that, I think has never been contemplated in human history before, and we are aware enough to see the struggle in front of us to be aware of the players and where they want to go and what they want to do. But we will keep in mind, our native capabilities are inherent capabilities. That we, as Americans, have this competitive genetic makeup, that that's very rare in the world, and it's, and it's foster through the generations of people picking up the challenge, and figuring out how to solve problems. That's what we've got to offer. Chairman Reed, I can't express. I think you've heard every committee member express their appreciation for the way that you're guiding this institution through this. Thank you for your vision, for your courage, for your leadership, and just keep it up and know that I think we're going to be called on to solve problems that we've never seen before. So God bless you all. Thank you very much, and, uh, this meeting is adjourned.

MULTIPLE VOICES: Thank you. Thank you. Outstanding. Yeah. Yeah. Thank you. Bye.