

EXPORT-IMPORT BANK OF THE UNITED STATES

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BOARD OF DIRECTORS

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MEETING

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THURSDAY
MAY 30, 2019

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The Board of Directors met in Room 1126, 811 Vermont Avenue, NW, Washington, D.C., at 9:30 a.m., Kimberly A. Reed, President and Chairman, presiding.

PRESENT

- KIMBERLY A. REED, Chairman
- SPENCER BACHUS, III, Director
- JUDITH DELZOPPO PRYOR, Director
- WILBUR L. ROSS, Jr., Secretary of Commerce, ex officio
- JEFFREY D. GERRISH, Deputy U.S. Trade Representative, ex officio

ALSO PRESENT

- DAVID SLADE, General Counsel
- DOUGLAS ADLER, Deputy General Counsel

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

9:35 a.m.

CHAIRMAN REED: Good morning. I am so delighted that all of you are here for our first Board meeting after the quorum has been confirmed.

I would like to welcome everyone. This is the first Board of Directors of meeting of Export-Import Bank since July 16th, 2015. I call the meeting to order.

Number one on the agenda will be the ceremonial swearing-in of the Board. I was sworn in yesterday, by President Trump and Vice President Pence, at the Oval Office. And I want to extend my deepest appreciation that our ex officio Board member, Commerce Secretary Wilbur Ross, is joining us today to do the ceremonial swearing-in of our two other Board members, Spencer Bachus and Judith Pryor.

USTR Representative Bob Lighthizer sends his regards and will join us at a future Board meeting. And we are also delighted to

1 welcome USTR Deputy Jeff Gerrish, who was our
2 former acting head of Export-Import Bank.

3 But now I'm really pleased to
4 introduce Secretary Ross to come to the podium.
5 As we said in the anteroom, I had the pleasure of
6 meeting Secretary Ross right at the start of the
7 administration, at his home, with Secretary
8 Lighthizer. And we talked about the great work
9 that EXIM could do. And I had just received the
10 nod to come to this great building, and so now,
11 two years later, Mr. Secretary, here we are, open
12 for business.

13 So, with this, I would like to present
14 Secretary Ross for some remarks.

15 (Applause.)

16 SECRETARY ROSS: Thank you very much,
17 Kimberly, for those remarks. It's really my
18 honor to be here today for the swearing in
19 ceremony of the reestablished Board of Directors
20 of the EXIM Bank.

21 A special welcome to Chairman and
22 President Kimberly Reed and to our two new Board

1 members, Spencer Bachus and Judith Pryor.

2 Congratulations to both of you.

3 (Applause.)

4 SECRETARY ROSS: I thank all three of
5 you for your patience and your persistence,
6 because it's been a long haul getting here.

7 But one thing I have learned in my job
8 as Commerce Secretary is that we do have a
9 government that doesn't run at the same speed as
10 the private sector. But this is a truly
11 important moment for the Bank, for the dozens of
12 great American companies that are ready to roll,
13 and American workers who will soon be busy making
14 the world's greatest products for customers
15 throughout the world with EXIM support.

16 After a very long, almost four-year
17 drought, the United States is back in the export
18 financing game. Congratulations for that.

19 (Applause.)

20 SECRETARY ROSS: The Trump
21 administration is fully supportive of your
22 initiative. We see the Bank as a critical

1 element in America's economic and trade toolbox.
2 And at the Board meeting I intend to support your
3 proposal that the level at which the Board must
4 approve the transaction be raised from \$10
5 million to \$25 million, as was suggested in the
6 congressional hearings recently.

7 And we will advocate strongly for the
8 reauthorization of the Bank by the end of this
9 fiscal year.

10 (Applause.)

11 SECRETARY ROSS: With EXIM back in
12 full operation, there is much work to be done,
13 both in working through EXIM's existing \$40
14 billion pipeline of export financing
15 applications, and in spreading the word to our
16 companies that the Bank is here to support their
17 export sales.

18 We also know we have a lot of ground
19 to make up. Today there are more than 100
20 foreign export credit agencies providing their
21 companies with hundreds of billions of dollars
22 more in export financing than they were four

1 years ago. And many of those countries no longer
2 follow the traditional rules for making loans and
3 guarantees.

4 But, with the swearing in today of new
5 officers overseeing ethics and risk, and Chairman
6 Reed's commitment to improve the Bank, a newly
7 reformed EXIM will go a long way to convincing
8 skeptics of your value to the U.S. economy.

9 (Applause.)

10 SECRETARY ROSS: Finally, the Advocacy
11 Center, run by the Commerce Department, has
12 almost \$1 trillion of projects in play. So we're
13 going to be your gathering-together office, or at
14 least one of them.

15 The Advocacy Center coordinates U.S.
16 government support for American companies bidding
17 on foreign government procurements, principally
18 on the basis of the U.S. content of the bid.
19 EXIM financing will make these U.S. company bids
20 more competitive vis-a-vis their foreign
21 competitors, because in most cases those have
22 strong export credit support.

1 This will be a real boon for American
2 companies, their workers, and local communities
3 that are so much in need of the financial boost
4 created by high value-added exports.

5 Thank you to my fellow Board members
6 and to the entire staff of EXIM for your patience
7 and your service to the citizens of the United
8 States. I, and the Department of Commerce, look
9 forward to working with you in the days ahead to
10 support American jobs and exports.

11 So I guess now we do the swearing-in.
12 May we call up Judith and Spencer? I've done a
13 lot of swearing-ins; this is my first double, so
14 if I stumble a little you'll forgive me.

15 (Whereupon, the Spencer Bachus and
16 Judith Pryor were duly sworn in as members of the
17 U.S. Export-Import Bank Board of Directors.)

18 (Applause.)

19 CHAIRMAN REED: So, with that, we will
20 now turn to item 2 of our agenda. And thank you
21 again, Secretary Ross, and congratulations to
22 Spencer and Judith.

1 The EXIM Bank Reform and
2 Reauthorization Act of 2015 amended EXIM's
3 charter to establish an office of ethics headed
4 by the chief ethics officer, who reports to the
5 Board. The chief ethics officer is appointed by
6 the President of the Bank from among persons with
7 a background in law who have experience in the
8 fields of law and ethics, and is to be approved
9 by the Board.

10 Lisa V. Terry was appointed by EXIM
11 Bank President Fred Hochberg as Chief Ethics
12 Officer. I hereby move to approve her
13 appointment. Is there a second?

14 DIRECTOR PRYOR: I second the motion.

15 CHAIRMAN REED: Thank you. I will now
16 request comments from my fellow Board members.
17 Director Pryor?

18 DIRECTOR PRYOR: Lisa, throughout our
19 nomination process and during these first few
20 weeks here at EXIM, it's been a pleasure to work
21 with you. You are clearly qualified for this
22 position and your knowledge and professionalism

1 will make you an effective chief ethics officer.
2 So, thank you for your service, Lisa. I'm happy
3 to support you in this important role.

4 CHAIRMAN REED: Director Bachus?

5 DIRECTOR BACHUS: Officer Terry,
6 you've served under difficult circumstances and I
7 applaud you for that. And I'm hoping that it
8 will be a much more harmonious environment going
9 forward.

10 CHAIRMAN REED: And I would like to
11 add Lisa Terry has been exceptional to work with
12 through our Senate confirmation process, and we
13 are so delighted now that she will be approved,
14 if the Board votes so in just a moment, to serve
15 as our Chief Ethics Officer. You're a shining
16 example in our government, and thank you for all
17 you do to help us as we ensure that we are
18 ethical and protect the taxpayer.

19 So, with that, I now call this item
20 for a vote for the approval of Lisa V. Terry as
21 chief ethics officer. Director Pryor?

22 DIRECTOR PRYOR: I vote aye.

1 CHAIRMAN REED: Director Bachus?

2 DIRECTOR BACHUS: Aye.

3 CHAIRMAN REED: I vote aye. So,
4 congratulations, Lisa.

5 (Applause.)

6 CHAIRMAN REED: During my confirmation
7 testimony I underscored at both hearings how
8 important ethics is. And I would like for you to
9 share with our audience today any comments that
10 you would like to provide.

11 MS. TERRY: Thank you for those very
12 kind words. Good morning, Chairman Reed, Board
13 Member Bachus, Board Member Pryor, Secretary Ross
14 and Ambassador Gerrish.

15 I am honored to be given the
16 opportunity to serve in the capacity as Chief
17 Ethics Officer at this outstanding institution.
18 I am even more grateful to be part of the effort
19 to implement the reforms that Congress mandated
20 in the 2015 reauthorization.

21 During the past three years following
22 my appointment we have made great strides in

1 bringing greater visibility and effectiveness to
2 our ethics program. I know that for many serving
3 at EXIM has been the highlight of their careers
4 and I share that sentiment.

5 I am looking forward to working with
6 each of you and the entire EXIM staff to ensure
7 that we continue to conduct ourselves with the
8 highest ethical standards. I know firsthand that
9 staff are truly committed to complying with the
10 ethics rules and doing the right thing at all
11 times. Together we can set the gold standard for
12 an exemplary ethics program across the federal
13 government. Thank you again.

14 (Applause.)

15 CHAIRMAN REED: Thank you. And now
16 item number 3 on our agenda, the appointment of
17 Kenneth M. Tinsley as Chief Risk Officer.

18 The EXIM Bank Reform and
19 Reauthorization of 2015 amended EXIM's charter to
20 establish a chief risk officer of the Bank who
21 shall oversee all issues relating to risk within
22 the Bank and report to the President of the Bank.

1 The chief risk officer is appointed by
2 the President of the Bank from among persons with
3 a demonstrated ability in the general management
4 of, and knowledge of, and extensive practical
5 experience in financial risk evaluation practices
6 in large governmental or business entities and is
7 approved by the Board.

8 Kenneth M. Tinsley was appointed by
9 the EXIM Bank President Fred Hochberg as Chief
10 Risk Officer. I hereby approve his appointment.

11 Is there a second?

12 DIRECTOR PRYOR: I second.

13 CHAIRMAN REED: Thank you. I will now
14 request comments from my fellow Board members.

15 Director Pryor?

16 DIRECTOR PRYOR: Ken, I'll say
17 congratulations in a moment after we vote, but
18 first just let me say that overseeing all the
19 issues related to enterprise risk within EXIM is
20 no small undertaking. But we all have a role to
21 play, so you should count on us to help you
22 manage and mitigate that risk. I believe you'll

1 take your role and responsibility very seriously
2 and on behalf of the agency. So, thank you for
3 that.

4 And as a member of the Risk Management
5 Committee, along with Director Bachus, I'm
6 looking forward to our first meeting with you as
7 chair. Congratulations.

8 CHAIRMAN REED: Director Bachus?

9 DIRECTOR BACHUS: Thank you. Mr.
10 Tinsley, you have served here for 40 years. I
11 think you are a wonderful, shining example of a
12 public servant. I first met you and talked with
13 you when I was serving on the Financial Services
14 Committee. I was impressed with you. Now I'm
15 even more impressed with you today.

16 I was probably most impressed when two
17 days ago you allowed me to get in the building
18 when I left --

19 (Laughter.)

20 DIRECTOR BACHUS: -- left my chip in
21 the computer. So, that sealed the deal.

22 (Laughter.)

1 DIRECTOR BACHUS: But I often think,
2 when I read about the Bank, I wish the people
3 that said what they did saw the good work that
4 was done here, or visited many of the businesses
5 whose jobs depend on this Bank and its success.
6 So, thank you very much. It's an honor to serve
7 with you.

8 CHAIRMAN REED: Ken, it's been a
9 pleasure to get to know you, as well, through
10 this long confirmation process. We are committed
11 to best practices when it comes to risk. And I
12 can think of no one better, knowing your record,
13 to ensure that we are upholding the law that
14 Congress has set forward for us, and as well as
15 we look at those who seek reform of the bank in
16 positive constructive ways to protect the
17 taxpayer. You will be key in this and we really
18 look forward to working with you as soon as we
19 approve you.

20 So, with that, I now call this item
21 for a vote for the appointment of Kenneth M.
22 Tinsley as Chief Risk Officer. Director Pryor?

1 DIRECTOR PRYOR: I vote aye.

2 CHAIRMAN REED: Director Bachus?

3 DIRECTOR BACHUS: I vote aye.

4 CHAIRMAN REED: I also vote aye and
5 congratulations.

6 (Applause.)

7 CHAIRMAN REED: Please share some
8 comments with us.

9 DIRECTOR PRYOR: Maybe about your fan
10 club.

11 (Laughter.)

12 MR. TINSLEY: Chairman Reed, Director
13 Bachus, Director Pryor, Secretary Ross,
14 Ambassador Gerrish, to say I'm humbled to be
15 appointed and approved by you as the Chief Risk
16 Officer of the bank, I think the first career
17 chief risk officer of the Bank, is an
18 understatement.

19 So I thank you very much for your
20 support and the confidence that you have in me to
21 perform, as you've mentioned, some pretty
22 important and challenging responsibilities, as

1 mandated by the charter.

2 When I first was asked to become
3 acting chief risk officer and I looked at the
4 charter mandate of responsibilities, I thought,
5 do I really want this job?

6 But I've been here, as you pointed
7 out, now almost 40 years. I call it the Jack
8 Benny anniversary, so to speak. You know Jack
9 Benny kept saying he was 39 for about 20 years,
10 right, so I have reached the Jack Benny
11 anniversary within the Bank.

12 I love this institution. I will do
13 whatever I'm asked to do in order to help the
14 Bank to perform its mission and its mandates.
15 Anything that you all need for me to do, I will
16 help in that regard, particularly with respect to
17 risk management.

18 As you all know, the charter states
19 that the position should be responsible for all
20 matters pertaining to risk within the Bank. And
21 that's a huge responsibility. It's paramount
22 that I have your continued support and your

1 leadership to exercise those responsibilities
2 effectively, as well as the continued support of
3 the staff here.

4 And I appreciate the reception that I
5 got from you all. You all are fantastic. You
6 are a great, talented bunch of people, and I love
7 you dearly.

8 So, with that, I'll just say thank you
9 again very much for the honor of having this
10 position and the ability to serve as your Chief
11 Risk Officer. Thank you.

12 (Applause.)

13 CHAIRMAN REED: So, with that, we will
14 now look at item number 4 -- congratulations,
15 again -- approval of amended and restated bylaws.

16 May I have a motion to consider item
17 number 4 on the agenda?

18 DIRECTOR PRYOR: I move to consider
19 item number 4, the approval of amended and
20 restated bylaws.

21 CHAIRMAN REED: Is there a second?

22 DIRECTOR BACHUS: I second the motion.

1 CHAIRMAN REED: David Slade, please
2 present the bylaws. And David is our new General
3 Counsel here at EXIM.

4 (Applause.)

5 MR. SLADE: Thank you, Chairman Reed,
6 members of the Board. You have before you a
7 resolution to amend and restate the bylaws for
8 two purposes.

9 First, pursuant to the 2015 Reform and
10 Reauthorization Act, Congress modified EXIM
11 Bank's charter to create a new Risk Management
12 Committee and at the same time required
13 termination of the Audit Committee.

14 The Audit Committee, however, is
15 contained in our bylaws, which can only be
16 amended by the Board. So, now that we have a
17 quorum, the first item is to amend and fulfill
18 that outstanding requirement from 2015, to amend
19 the bylaws to terminate that committee. That's
20 the first item.

21 And the second item is an amendment to
22 the quorum provision of the bylaws to clarify

1 that when a Board member chooses to abstain from
2 a vote, or when a member is recused from voting
3 due to a conflict of interest, his or her
4 presence is still counted toward the minimum
5 required for quorum and the vote may still be
6 approved by a majority of the members remaining.

7 Staff recommends approval of both
8 these amendments. And I'd be happy to answer any
9 questions.

10 CHAIRMAN REED: Director Pryor, do you
11 have any comments?

12 DIRECTOR PRYOR: No. Just welcome to
13 the Bank, David. I look forward to working with
14 you.

15 MR. SLADE: Thank you.

16 CHAIRMAN REED: Director Bachus?

17 DIRECTOR BACHUS: Well, David and I
18 have already worked on and sat down and discussed
19 many items. We've even eaten at the Eye Street
20 Grill and discussed things.

21 (Laughter.)

22 DIRECTOR BACHUS: I'm very much

1 looking forward to our working together.

2 MR. SLADE: Thank you, sir.

3 CHAIRMAN REED: General Counsel Slade,
4 we are so delighted to have you here to be part
5 of our team. I know the staff at EXIM have been
6 flying this plane for four years now. Thank you,
7 Ambassador Gerrish, for ensuring that. But these
8 actions we're taking today have only been
9 possible because Congress confirmed us.

10 And so this has been a long time in
11 the making, since the 2015 reauthorization, but
12 it is an honor to be able to finally, in 2019,
13 approve these key items from that legislation,
14 especially as we head into reauthorization.

15 So, for that I now call this item for
16 a vote for the approval of amended and restated
17 bylaws. Director Pryor?

18 DIRECTOR PRYOR: I vote aye.

19 CHAIRMAN REED: Director Bachus?

20 DIRECTOR BACHUS: I vote aye.

21 CHAIRMAN REED: And I vote aye. So
22 item number 4 is approved.

1 (Applause.)

2 CHAIRMAN REED: The open portion of
3 this meeting is now concluded. I am pleased to
4 announce that the Board has implemented three
5 congressionally-mandated reforms in the EXIM Bank
6 Reform and Reauthorization of 2015: the
7 appointments of the chief ethics officer and the
8 chief risk officer, as well as the amendment to
9 the bylaws terminating the Audit Committee.

10 I look forward to a reformed EXIM Bank
11 creating U.S. jobs while assuring the highest
12 integrity of its employees in minimizing risk to
13 the taxpayers.

14 Will members of the public please
15 leave the room? And I wanted to again thank
16 Secretary Ross and Ambassador Gerrish as our ex
17 officio members in attendance here today.

18 May I have a motion to close the
19 meeting?

20 DIRECTOR PRYOR: I move to close the
21 meeting.

22 CHAIRMAN REED: Is there a second?

1 DIRECTOR BACHUS: I second the motion.

2 CHAIRMAN REED: All in favor say aye.

3 (Chorus of ayes.)

4 CHAIRMAN REED: Any opposed? The

5 motion carries. Thank you.

6 (Whereupon, the above-entitled matter

7 went off the record at 9:59 a.m. and resumed at

8 10:00 a.m.)

C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Board Meeting

Before: Export-Import Bank of the United States

Date: 05-30-19

Place: Washington, DC

was duly recorded and accurately transcribed under
my direction; further, that said transcript is a
true and accurate record of the proceedings.

Neal R Gross

Court Reporter

NEAL R. GROSS

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