The Advisory Committee convened in Room 1126, 811 Vermont Avenue, NW, Washington, DC, at 12:45 p.m., Stevan Pearce, Chair, presiding.

BOARD MEMBERS
KIMBERLY A. REED, Chairman
SPENCER BACHUS, III, Director

ADVISORY COMMITTEE MEMBERS
STEVAN PEARCE, Chairman
GARY BLACK
MARIA CINO
ROBERT DINERSTEIN
RODNEY FERGUSON
LAWRENCE GOODMAN
RICHARD POWELL
THOMAS RAGUSO
RICHARD ROGOVIN
ALEJANDRO SANCHEZ
CHRISTOPHER SMITH

HARVEY TETTLEBAUM
JOANNE YOUNG
STAFF PRESENT

JIM CRUSE, SVP, Office of Policy Analysis and International Relations

SIERRA ROBINSON, VP, Senate Affairs, Office of Congressional and Intergovernmental Affairs
A-G-E-N-D-A

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AC CHAIR PEARCE: Okay, if I could get the Advisory Committee members to have a seat. And we've got Sierra Robinson. Is Sierra with us? Sierra Robinson, you are right there.

Okay. Sierra Robinson is the VP of Senate Affairs at EXIM. Jim Cruse is again going to be back with us. We know who he is.

And so Sierra and Jim, if you'll take your seats. Sierra, take your seat and we'll round Jim up. He probably thought he deserved a break.

All right, go ahead if you would. We're convening this meeting of the Advisory Committee.

MS. ROBINSON: Well, thank you, sir. Congratulations to the Advisory Committee members. Welcome. I know we're all very excited to have you all here.

I know that the Chairman and the board members selected a great team so we're very
excited. Congratulations and thank you.

As you know the job comes with a good
bit of work under the law. So this segment of
our discussion, Jim and I are going to walk
through a brief PowerPoint, try not to read to
you all, but talk a little bit about the
expectations Congress has set forward with regard
to reporting requirements just to keep them in
your brain during these discussions and moving
forward. If we could go to the next slide,
please.

So as you all know the law requires
the establishment of the Advisory Committee. And
we have strict requirements with regard to the
different industries that will be represented.

You have to meet once a quarter and
your broad responsibility is to advise us on our
programs.

So specifically, the law says, and
there's some color coding here, that you will
advise the bank on our programs and you will have
to submit a report to Congress.
So we're going to pause there because the section 635(B)(1)(a) is pretty specific.

So consistent with that particular provision you will submit a report to Congress on the extent to which the bank is meeting its mandate to provide competitive financing to expand United States exports.

And I just want to re-point out as well that there is an additional provision of the law where they do want you to focus on textiles. So, the next slide.

What is this section that you're supposed to keep in mind in the course of your reporting? Well, it's there. It's pretty long.

So obviously it's setting out what Congress views as the policy direction for the bank.

And the red bit is the competitive -- what we call the competitiveness mandate. I'll pass it to Jim in a second to discuss that particular portion.

But you'll notice that that portion is
also immediately followed up by the portion of
the law requiring us to minimize global ECA
financing.

So like us you also will have a
challenge of trying to figure out how to report
to Congress on threading the needle of balancing
the need to reduce global ECA competition while
also increasing the competitiveness of our
exports.

So before I pass it to Jim I think
I'll just echo some of the stuff that Chairman
Reed has been working on for the Senate and for
Congress in particular.

As you all know Chairman Reed
committed to Senate Banking Committee to work
through certain reform efforts at the bank.

And just to reiterate those six
efforts, that's increase transparency, strengthen
taxpayer protections, improve protection for
domestic companies, ensure EXIM does not crowd
out private financing options, crack down on bad
actors and work to reduce the reliance of export
credit agencies globally consistent with the law.

So I think that is also a great opportunity to the extent that you all have advice in helping us move forward in that space that could be reflected in the committee report would be greatly appreciated as well. Jim.

MR. CRUSE: Just to give a common language context to all that legal stuff Congress said your main mandate is to be competitive.

Congress said you shall offer terms consistent with the best offer available. You, EXIM Bank, will write a report saying how you did that.

And then just to make sure you're telling the truth we're going to get a bunch of outsiders on a committee to review what you say and tell us if you were telling us the truth.

So your job really is the credibility function of EXIM Bank. You are to say their report was reasonable, right, or they missed over this important part.

So your critical function to the
Congress is to confirm or amend what we say in our report. So that's really the guts of what's there is that they wanted an outside view to make sure that we weren't influenced by political or bureaucratic or whatever influences.

So it's a critical view because our report only has credibility if you say it does.

Now, in that context besides reviewing the competitiveness report this committee has had a fundamental role in several major events and policies of the bank.

In 1987 it was this committee and members on this committee that crafted the foreign content policy that currently exists.

Now, granted it's now 30 years old and needs to be updated, but that was a very major accomplishment at that time and at various times has also played a role in the development of other marketing and programs such as we have the City/State Initiative.

So the committee can have influence.

It is important to the credibility of our report
and it can play a role in the issues of the day in terms of coming up with ideas that we can implement for new programs.

So this is not just come and talk about things. This is a group -- we need your vote of approval and we need your ideas. That's what you were created for. Thank you.

AC CHAIR PEARCE: Okay. I'll get to you in just a second. So we're going to now go into discussion of the communication that will come from this committee to Congress.

I sent you all a draft of that and I asked for comments. And I'm going to go through those comments in just a second, but let me make one thing perfectly clear, that this is a letter from the chair of the committee. It will not come up for vote.

I'll try to reflect all of your opinions. I'll try to reflect accurately. And so I sent out the draft of what we are going to do and asked for comments.

I got two I think significant comments
and a few emails in the last day and a half. I'm sorry, I have not looked at the email since then. Just it has been that hectic.

So Richard in the corner there sent the first email saying that he sees the trend internationally that we've been discussing here today.

So he says, okay, the letter is on point to that. But he says also I'm a fan of brevity and a student of brevity also, and that maybe Congress would like a little shorter letter.

I will listen to you all. This is somewhat shorter than I've seen from past chairs so I appreciate that because I also like to be pretty brief. Being a member of Congress I always said if you can't get it done on the front page don't trust me to dig into three pages. So here I am with four. So we're going to take a closer look at that.

And then also mentioned that he really didn't like emphasizing perceived weaknesses and
stresses perceived obstacles that we have.

   And I would suspect that deals with
this listing of the improvements that we are
trying to make.

   But understand there are people who
completely blocked the reauthorization of the
EXIM in the past four years who -- this is trying
to address them.

   That's me knowing them personally and
saying, look, I know your concerns. I was on a
different side and this discussion became much
inside the Republican party. And I was on a
different side saying that I agree with reforms
that also favor reauthorization and that split
from a lot of members of the Financial Services
Committee.

   So I'm trying to address friends of
mine who I think would want to see this kind of
thing there.

   So that and then small business. He
says I'm a small businessperson and everywhere I
went in the world I'm trying to see the need for
small business.

I will tell you, small business is the ultimate democracy. Small business is where people get power.

Large businesses, I don't disfavor them at all. The small businesses, they give people the opportunity to make wealth individually.

And so I always like that aspect of small business.

Now, T.J. had several -- T.J. who's sitting right next to Richard came in with several words.

So if you've got your copy of the letter here I want to -- we weren't allowed by law to send these things out to you before.

And you may have the copies -- do you have a copy of the one that says draft here?

And on that one you see the shaded pieces is where T.J. had comments and I think they're all very applicable. T.J., do you want to run through those right quick?
And Richard, I'm sorry. Richard had a comment first and then I'm going to come to T.J. Go ahead. You had your hand up when I started it. Okay, Jim.

MR. CRUSE: The arrangement is within the OECD. It's the treaty which forms the basis of all the disciplines on interest rates, terms, conditions.

The signatories to that are basically your OECD countries. U.S., Japan, Australia, all of Europe, but not Russia or China.

But it is the arrangement for export credits within -- it is a part of, but not officially part of the OECD.

MEMBER RAGUSO: I don't have a copy of my red-line changes, but it was really -- I made comments on two points.

And it was basically that we should emphasize the supply chain impacts of EXIM Bank.

AC CHAIR PEARCE: Let me read your comment right here.

Okay, so if you're on the first page
you come down to the bullet points. And before "finally" he suggests adding a bullet point in there that says, "There is an inseparable link between U.S. exporter and its supply chain meaning thousands of U.S. businesses can be impacted when a single large contract is lost to a foreign competitor." Or we could reverse that when a single large contract is given to a U.S. company.

And so much of the discussion in Congress was always that the financing went to these big giants and why should the taxpayer be doing that.

And T.J.'s point is very adequately stated. And so I would anticipate putting that comment in, that don't think that just because we're losing this one contract to a big company all of the supply chainers are losing or gaining depending. Okay, very good point.

Next then he points out in the third page, so it's front and back. So third page, you get another series of bullet points there. I'll
give you a second to turn to that.

   And so you get that series of bullet
points. And again in the last bullet where it
states, "The bank should make." Everybody with
us there? Okay.

   So, T.J. has suggested, "The bank
should make more diligent efforts to support
small and medium-size business," and he adds,
"including those" -- strikes "as they" -- so
"including those attempting to enter the export
market and those that comprise the critical
supply chain of larger U.S. exporters," again
talking about those mid and small-size firms that
are like the feeder fish on the whales. They sit
there and I don't know exactly what they do, but
they live.

   Anyway, those were your two points,
right?

   MEMBER RAGUSO: Yes.

   AC CHAIR PEARCE: Okay. So
emphasizing the interconnectedness between the
supply chain and the big international firms.
Richard.

MEMBER ROGOVIN: I think I had a different introduction in mind. Would you mind reading that? I don't have a copy.

AC CHAIR PEARCE: Yes. You did do that. I did not get that printed up. You did the whole -- you did a whole suggested change.

Is that something that you would want -- I didn't get that to distribute. My apologies, because I completely lost his email in the whole hustle trying to get here to DC.

So let me get that and I will send it around. Yes.

MEMBER SANCHEZ: Chairman Pearce, not a critique but a compliment. Thank you for raising the China issue as strongly as you did in the letter.

I think members of Congress need to be reminded of what the threat of China is and need to stop playing games and reauthorize the EXIM Bank. So thank you.

AC CHAIR PEARCE: And you also made a
comment during the break not to forget our
friends in this hemisphere because we've got a
lot of trading partners in this hemisphere and I
think that's a very good point.

Chairman Reed is sitting here as we
discussed.

DIRECTOR BACHUS: In aircraft we're
number one in the world. Aircraft is our leading
export by percentage of anything.

You could take movies, I guess, but
actually it's aircraft.

And it used to be Boeing and Airbus.

But if you read there have been several articles,

The Chinese are entering that market.

And we've almost been exclusive.

Boeing is an assembler. They assemble
aircraft. They don't manufacture. They
manufacture almost nothing in that aircraft.

So 90 some percent of what goes in
that aircraft comes from another supplier. And
they actually have 11,000 subcontractors,
accountants, attorneys, law firms, advertisers, public relations firms, 11,000. Most of those are small businesses.

So even Bank of Boeing. When we financed the deal for Boeing probably 90 percent of that money filters through.

I'll close by saying this. Our numbers, when we talk about how many jobs we support, I was in a small town in Iowa two weeks ago.

That firm assembles, and it's agriculture. A soybean is not -- you can't eat a soybean. You can't eat it. You can't digest it. It has a portable machine that -- actually, portable, but it's about 15 feet long. It is really a digestive, it's almost like a mechanical stomach.

And you take it and they export them to Africa. And by the time that soybean gets through that machine it's easily digestible to the point that even a baby can digest it.

That company, there are 11 companies
that supply those parts. We don't count those 11 companies. One of them has 3,000 employees and about 10 percent of their work goes to this company.

So if you started counting how many jobs we support. And that doesn't even include the flatbed trucks, two a day that pick up the equipment.

They take it to a rail head and they ship it to the east coast. It doesn't include the railroad workers.

So you're talking about a multiple many times over.

MEMBER SANCHEZ: Chairman Pearce, thank you for mentioning South America because I know all my fellow board members, I know Chairman Reed fully supports strong relations in our hemisphere.

But we can't forget our back yard. Our great country has made that mistake too many times in forgetting our back yard.

We look at other continents, other
areas of the world, but Colombia is a strong trading partner with our country, with Florida, very strong.

We fully support the President’s strong leadership in Venezuela in trying to bring about change there.

Once that happens and give them a little time they're going to be back on their feet. They were our strongest trading partner for decades.

But you know, Argentina is trying to come back after their recent election. Chile is getting stronger every year in many forms.

So let's not forget our -- because China is in Brazil. China wants to be in our hemisphere in our own back yard as well.

AC CHAIR PEARCE: One thing that I would mention to the chair of EXIM is that many times American companies are starving for consumers and the other consumers are in our back yards, Mexico, Central America, South America, Canada.
And they just don't think of it in that fashion so I think we're going to have to have EXIM concentrate on a mindset that tells small businesses think outside the U.S.

But again I'm going to go back to Richard. Richard, I'm having your letter printed up. My apologies, I lost your email. And so we're getting that printed up. Yes, Robert.

MEMBER DINERSTEIN: I just wanted to ask a quick question. I take the point about the supply chain which I think is quite important and impactful.

I had a question whether the reauthorization discussion is occurring at an unfortunate time in the sense that the reputational problems of Boeing cast a pall.

And I was just wondering to what extent folks who were more knowledgeable about this than I share that concern.

AC CHAIR PEARCE: I don't think that the recent problems are going to color it that much in my opinion.
Just from previous deliberations.

Occasionally that sort of current thing would come up.

But usually the discussion is pretty long-term.

And the unfortunate thing is that I think Boeing is riding this. I don't always agree with Boeing, but as a lifelong pilot myself with thousands of hours in the air I think that the equipment exceeded the training and capabilities of the pilots and they were not keeping up with the equipment's capabilities.

And I think that the training was -- it was a major factor. So I'm not one that says Boeing created a bad product, but they let themselves get behind the power curve of the public discussion. And so now they're having to deal with that.

I think if they had prosecuted the discussion better. Of course you don't have a major fight with your pilots saying hey, you're not paying attention.
But I'll just tell you that the computers on that aircraft are exceptional and many times it looked like it was just not being used properly. I'll take that as it is.

Other questions and then --

MEMBER YOUNG: But they will need EXIM more than ever --

AC CHAIR PEARCE: Yes.

MEMBER YOUNG: -- to get past this.

AC CHAIR PEARCE: The point's well made. I'll come across to you next. Let me get Maria and then I'll come to you.

MEMBER CINO: Just a quick question and maybe not appropriate for this letter, but it seems to me and maybe I'm a little too close to it because of who I work for, but national security.

And obviously Congress is very, very, very interested in the national security of this country.

And I'm wondering -- and I see it kind of woven in there. Would it be inappropriate to
maybe someone like myself who's a little dense
maybe it have it stick out a little bit more
given --

AC CHAIR PEARCE: Yes, that's a fair question. Yes.

MEMBER TETTLEBAUM: I noticed -- at the beginning we went over some statistics and I just wonder if some of those can be included that you had made $1.65 billion in loans to small business, 680 small business loans. Just some of those statistics even if it's in a footnote just to assuage the concerns of some of the members of Congress like the one from my state who seems to feel strongly about that.

AC CHAIR PEARCE: We shall include those. Yes, I appreciate that.

And I will send out again to you individually. And keep in mind the Sunshine law keeps us from having the discussion.

So as you send back if you would not copy everyone, just send it to me directly and we will fine-tune this to the point that it needs to
be getting to.

Again I appreciate each one of the considerations here.

MEMBER YOUNG: To pick up on Maria's comment I think the Belt and Road Initiative is mentioned in here, but I think it would be -- could be stronger if it was tied in to the point Jim made that the Chinese through it are trying to create an alternate world order and that the ECAs play into that, and that the PLA is involved in that whole effort.

I think a comment I believe he or someone else made, I think that all ties in.

It's kind of mentioned in the letter, but it's not sort of tied in as directly as I think it could be with those comments.

AC CHAIR PEARCE: All right. I've got notes made on your comments. I appreciate that.

MEMBER YOUNG: Can I just say one other thing on the comments Member Bachus made that I think is important with respect to the Chinese manufacturers of aircraft.
I some years ago represented a company that tested food and materials. And it's absolutely shocking what the supply chain in China for the materials they're putting in those airplanes.

There is a whole supply chain that is not what it's cracked up to be. There are going to be a lot of problems with those aircraft.

DIRECTOR BACHUS: Russia produces some aircraft and usually about once or twice a year an engine falls off of one of them.

AC CHAIR PEARCE: Yes, Richard.

MEMBER ROGOVIN: We haven't addressed --

AC CHAIR PEARCE: Can you use your microphone for everyone?

MEMBER ROGOVIN: We've addressed a lot of things, but not the elephant in the room. I'm talking about the elephant on Pennsylvania Avenue.

He's been notoriously silent about reauthorization. I mean, Kimberly said that he
supports it but I haven't seen anything and
frankly I don't know what efforts have been made
to get him to address it.

    He could unlock this thing
immediately, he really could.

    But aside from saying that there's
nothing to keep us from sending a letter to him
with a copy of the letter we're sending to
Congress.

    CHAIRMAN REED: We have had numerous,
numerous, numerous conversations across the
street and we're trying to get the message to
him.

    Besides my personal intervention with
him several times I have not had that pleasure
since being sworn in by him.

    So I have a document sitting on my
desk that he signed that talks about how much he
supports this bank.

    But beyond that just many
conversations. And we will see if we can have
something happen between now and month's end.
But I'm not going to tell this
committee what to do. That is your job. I think
I like your suggestion.

MEMBER ROGOVIN: It is a question and
I point that out in my draft.

AC CHAIR PEARCE: Yes.

MEMBER ROGOVIN: It's really a
question of national security, and it's a
question of the potential decline of our economy
on the world stage.

AC CHAIR PEARCE: Decline of our
entire civilization.

MEMBER ROGOVIN: It is, it is, very,
very serious matter. And I think that kind of
let's say straightforward, simply expressed point
subscribed by all of us might attract his
attention.

AC CHAIR PEARCE: Absolutely. And as
far as the addressing to the President, he's
actually coming to New Mexico next week and I
shall have the opportunity to maybe give him a
copy of the letter in person.
MEMBER ROGOVIN: Give him a letter and a copy of the one to Congress.

AC CHAIR PEARCE: Yes.

MEMBER ROGOVIN: Right.

AC CHAIR PEARCE: So, use the opportunities that present themselves to you. And so again I would urge each of you to do that.

Other points? Other questions? We have a requirement to go to public comments. I'm going to open it up to the audience at this point to make any comments that you might have.

Richard, your mike is still on.

Before that, yes. Let's hold on the public comment.

MEMBER BLACK: Do we have time for something that's not letter related?

AC CHAIR PEARCE: Yes.

MEMBER BLACK: Thank you for doing the letter. I've got my homework with my team so we'll go from there.

I love what you said about our values and that's what wins the day. I look at the
values of the country, but also the values of the states.

This is a down in the weeds marketing issue, Madam Chair. Maybe there's some facilitation that we can do as we get reauthorized, as we get in the marketplace again that we -- rather than being EXIM Bank, we're open for business and why don't you all just come to us we do have to get back to the trade shows that one of your presenters said.

One of the key places is the brands of the states. The brands of the states are where small business is. The manufacturers, the food, the products.

I saw many good New Mexico products this week. I've got some great salsa in my bag. I'm heading home tonight.

AC CHAIR PEARCE: Yes, and you've been trying to take our pecan market and our onion market and we really just have trouble with that.

MEMBER BLACK: The unbelievable falsehoods about the leading -- who is leading in
production of pecans that were propagated in New Mexico this week.

I'd love for us to see if there were opportunities for that co-branding with the bank, with the developed brands within the states, whether it's manufacturing or food or those many things.

I think there's a unique marketing opportunity there. And to the extent that I can do the things that we do I'd love to be a part of that.

CHAIRMAN REED: I have a homework assignment for you too.

So I absolutely agree with this. And Chairman Pearce was saying we're going to be the Netflix but we've got to get your stuff to us to be able to market it.

I know that we're not setting any subcommittees up at this meeting. The chair has the ability to do that in the future. So I hope that this will be one that I can work with you on and our staff can work with you on.
But before that even happens I am working really hard. We are on an ag and rural advisory committee together, and I really want to see an MOU signed between now and September 30 with USDA and EXIM.

We've had staff working on it. And our very first Under Secretary of Trade, Ted McKinney, he is only in town next Monday.

I've known him for a decade. I might not get him to sign an MOU with us by month's end, so do you think that you could get your fabulous former Governor Sonny Perdue, now Secretary of Agriculture to do an MOU signing with us by month's end. And you come and join us.

And we want to be sure we get that message up to Congress. That would be great.

And then we're going to work on marketing everything that we do in this country.

MEMBER BLACK: Of all the homework I've ever been given that's the most recent.

(Laughter)

MEMBER BLACK: I will try -- to the
extent, to go with that, don't forget. And I've
actually tried to encourage them ad nauseam.

The first thing when the Secretary was
sworn in, the President appoints him to be this
Rural Prosperity Initiative.

And it was great. It was just as good
as this, not quite as thick but looked just as
nice. Had a lot of good -- but besides rural
broadband had not done much with that.

And I think EXIM could really -- you
could do a wonderful job of trying to paste back
into the Rural Prosperity Initiative.

I think it's good for the President.
It's part of that whole messaging. Because a lot
of this is messaging. We have a lot of good
tools, we've just got to get the message out.

And so to that extent I readily accept
my homework.

AC CHAIR PEARCE: My daughter at one
point, she was in marketing for Walmart. She was
-- so at some point I would think that there is
benefit in having people come and make
presentations to EXIM, here's a product that we've developed.

And so you go to Costco, you go to all those people that put hundreds of thousands of products out just like that.

And if we could capture that innovative spirit in its infancy for the export market as well as for the domestic market.

I just, I think that you all could piggyback on there. And now then we're working with every small business in America that go through those retail chains to try to pitch their product. And they could equally be pitching to you all.

So if you had a presence there, or had somebody to watch over the shoulder of those big marketers, big retailers and those innovative things that are hitting our shelves, see if we can hit the shelves across the world.

That's where the Chinese will never be able to compete with the mobility and the vitality of our innovators across this country.
Their system of closed control will never allow that kind of innovative genius that we have.

So if I would have a challenge based on what Gary is saying it would be that across the board.

Other comments as we pull -- I really do need to go to public comments at this point if we don't have anybody else on the committee.

Yes.

MEMBER FERGUSON: Mr. Chairman, I'll just tell you very briefly to your last point that we would be delighted to help with that initiative because as I mentioned in my introduction we run the innovation incubator for the state of Arkansas.

So, we have at any given -- plus for the DRA. So at any given time we have a network of 80 to 100 small companies ranging from 1 person to 50 people who are in development.

The majority of those companies have either an export component or are primarily an export-focused company.
And so I'd be delighted to bring our network to bear in any way we can to make that very point that you just emphasized. So thank you.

AC CHAIR PEARCE: I heard a volunteer then if I never heard one before.

(Simultaneous speaking)

AC CHAIR PEARCE: That subcommittee that we hadn't yet stood up is standing up very quickly here. I really appreciate that.

And that is exactly -- EXIM shouldn't have to duplicate these processes. We should reach out and touch the processes and communicate with them.

You've already got them set up. And so I think that's the value this group brings to EXIM. They carry the discussion back to the board there.

Yes, Alejandro.

MEMBER SANCHEZ: Mr. Chairman, I was talking to Chairman Reed during the break and I think just a suggestion to my fellow board
members especially with the timeline of September 30.

For anyone of us who deal with the media, locally, nationally, it doesn't matter I think we should make an effort to try to bring up the reauthorization issue and advocate for it with the media so that word can get out.

AC CHAIR PEARCE: Well stated.

MEMBER YOUNG: Just a question. We've heard from various speakers from EXIM about different initiatives, going to trade shows, getting the word out.

Does EXIM have an overall person that does marketing, oversees all these efforts for the agency? Whose responsibility it is to kind of tie all that together?

CHAIRMAN REED: So you've heard from our small business staff and our field staff.

We have been looking at a new model. We have a strategic plan that we just submitted to OMB on Monday. We're looking at expanding what we're doing and how we're doing it.
We have a comms team of Jennifer Hazelton in the back of our shop here who can share a little bit about what she's doing and working on if she would come forward.

And then we're closely looking at whether we are reauthorized or not because it is pencils down, no -- nothing looking forward until we're reauthorized.

So before we do new hires we have to see, get clarity on that. But Jennifer, would you share just briefly what we're doing?

MS. HAZELTON: Yes, ma'am. Excuse my voice, everybody, I'm under the weather a little bit.

As the chair said I'm Jennifer Hazelton. I'm the senior vice president for communications and marketing at the bank.

I know Commissioner Black. We're both Georgians so go dawgs.

Anyway, we are -- under the chair's leadership we are trying to completely change the way we talk to small business customers.
The cornerstone of that effort is remaking exim.gov into a digital storefront for small business customers.

So instead of being positioned as a government agency website it's going to be positioned as presenting our value proposition to small business owners and showing the three main products that we have.

And then when a prospective customer or business comes to that website to be able to click on one of those value propositions that will take them through a funnel to help them understand better how we can help them and give them options in terms of how to interface with us and get the help they need.

We don't want to leave anybody with an answer of no. So if it's something that EXIM can't handle the website will then be able to link a prospective customer, an American business, with another resource from the federal government, whether it's our friends at the Department of Commerce, or SBA, where they may
have a mission to help where maybe we don't.

We're also going to be increasing our
digital media efforts, our outreach efforts
through search engine optimization so we're
better positioned digitally to help small
business owners across the country.

We are in the middle of creating a
video knowledge base on exim.gov with very
simple, short, two-minute or less videos that in
a very clear and simple way explain how we can
help and give businesses a better idea of how
they can utilize us to expand and grow
internationally.

What we're finding is that some of the
language associated with export credit isn't
really widely known or understood among small
businesses.

So we're making an effort to speak the
language of the customers and not expecting them
to speak our language.

And then including on this will be
paid search where we're buying -- this is getting
a little in the weeds, but buying keywords that relate to how small businesses can grow their businesses overseas and into new markets so that they can find us.

And so that was what Jim Burrows was sort of hinting at when he was talking about increasing our digital marketing efforts.

And then that's going to be combined with the stuff that Jim's team is doing as well with the regional directors in that more traditional sales outreach.

So it really is a tip to tail overhaul on how we're going to be reaching out to American small businesses.

MEMBER TETTLEBAUM: Can I ask her a question?

AC CHAIR PEARCE: Sure.

MEMBER TETTLEBAUM: Have you all considered linking -- going to the states which each have economic development agencies and most states, our state has foreign -- and foreign countries, have their desks in foreign countries.
And having each one of those have a link to the Export-Import Bank on all of their websites so that people don't have to go anywhere except right on their website.

MS. HAZELTON: Yes, sir. We actually have talked about that as well.

My home state of Georgia, we have a Georgia Bureau of Economic Development. We want to be in connection with them and all of the other similar organizations across all the 50 states.

That will be a collaborative process between my office, the Office of External Engagement and the Office of Small Business.

But it is something that we've definitely discussed doing and we've also discussed being better plugged in to the lieutenant governor's offices around the country because oftentimes those offices are heavily involved with economic development.

So yes, sir, I think you're exactly right and it is something that we plan on doing.
AC CHAIR PEARCE: Okay. As chair I would say I appreciate your innovative look to the future and especially given the uncertainty of the future for you all.

I understand the quandary that you have to be in. So the fact that you are looking at a looming deadline in Congress and yet you continue to plow straight ahead into the storm waters. Thank you very much from a group of appreciative Advisory Committee members. Thank you.

MS. HAZELTON: Thank you.

AC CHAIR PEARCE: Comments from the audience. That microphone is active and anyone care to make comments? Don't want to short change you on the opportunity.

Other closing comments then from members. I'm passing around Richard's suggested communication there and I will let you all peruse that and then send comments to me about that, or the one that we have.

I want to get this into final form
today or tomorrow. I fly back tonight so I'll probably work on it on the flight back to New Mexico. And we will get that out tomorrow if possible. So that communication will take its place.

Any other comments before we adjourn this meeting? Yes.

DIRECTOR BACHUS: All three of us are committed to the small business outreach. I was actually named by the Senate or the President as the small business person, but it's really all of us. I don't think there's any distinction between any of us.

But what Gary said and what Mr. Tettlebaum, what you said, when I've gone to these states the most successful forums have been put on by the Des Moines -- it was a council there that was made up of the Chamber of Economic Development. They brought a lot of exporters in. More importantly for what we're talking about reauthorization, the district directors for the two U.S. senators were there.
And they got to hear all these different companies.

You talk about rural outreach. You're exactly right. The companies I've visited, one of them only had 40 employees. Another one, 45. One had 40, but it was the only really employer in this little town.

So I mean, it's big business in that town. And the guy there was talking about he had built a soccer field for them.

And almost every university has these agencies.

And we do need to get those out. And as we travel around we develop stories that we can then use to talk about different companies' innovation.

There's all kind of stories that I could tell you all day. I'm going to shut it down, but just some fascinating things about companies.

And those companies, they all say I cannot believe they try to shut down EXIM. But
they also, they're fast-growing companies. One's
going to build a factory in a rural county in
Hildebran, North Carolina that hadn't attracted
an industry in 20 years. They're going to put
250 people there.

And they started off in a garage 15 years ago. And about half their business is overseas.

MEMBER SANCHEZ: Mr. Chairman, can I just add something to Board Member Bachus?

AC CHAIR PEARCE: Sure.

MEMBER SANCHEZ: My good friend, Spencer. Look, in Florida we don't have many Fortune 500 companies headquartered in our state and small businesses in the Doral and the Miami area, they're big users.

I know the criticisms of the EXIM Bank. This is something I've followed for many years. And we're big users in our state of the EXIM Bank and it's small business.

It's critical to small businesses in Florida that the EXIM Bank be a viable player.
So Spencer, I totally agree with you on that.
Totally agree with you.

DIRECTOR BACHUS: We visited Shield Air there. And we visited -- I think they're one of your clients in Utah but they're located there.

The pet supply business, if you go into Walmart or Target there's three different products usually.

The Cadillac is a company that's about 15 years old and the way they started, they got Amazon, Target and Walmart now stock their product.

But the way they did, the guy said we exported to Singapore and to Saudi Arabia and Kuwait where people had all these people expensive cats and dogs. And they started seeing that, that there was a market.

And now they -- if you go in a Walmart you'll see their product is $12, Hart's is $5 and something else is $3. They serve sushi grade cat food. And I mean they make their product. And they're actually located right there in --
MEMBER YOUNG: In terms of efforts on Capitol Hill is there anything -- something in place where you can find a summary of what the objections are to EXIM, what the arguments are we need to be prepared to address?

And I guess I -- the only comment on the letter would be are we covering those.

CHAIRMAN REED: I'm going to look at my legislative team here to help me answer that, but I would highly recommend you look at the six promises in your packets that I made under oath to Senator Toomey.

He stood on the Senate floor during my confirmation vote and you can read the Congressional Record, some points that he also makes.

Again, I had a very constructive, positive meeting with him yesterday. And he's very pleased to hear about our reinsurance pilot program.

Beyond that I'm going to ask that Sierra say any extra points and we're happy to
talk offline.

MS. ROBINSON: So I think to answer the specific question if you are looking for a singular point of a high-level summary of some of the discussion we can see if we can get you a copy of a recent report by the Congressional Research Service that kind of outlines the issues to consider in a neutral fashion that Congress has to take up and talk through.

I think that for context the folks who have been kicking around some of these issues would perhaps say that these are not new conversation points, they're not new to this administration or this particular Congress.

They're just some old things out there that I think would be succinctly summarized by the CRS report which we can pass along.

AC CHAIR PEARCE: All right. We're going to have closing comments now.

So first of all, Madam Chair, thank you very much. I think from my point of view this has been very informative.
And not so much the information, but I get a sense of belief in yourselves as members of an agency that have been kind of whipped around a little bit that I see fire in your souls that for me is very critical. Because you can never win the fight without the fire here. You can never win the fight here. It has to come from here.

And so when I see the presentations I am realizing that you have a belief in yourselves and you have a belief in the future and that's also a requirement to winning the game.

We're in a high-stakes battle to determine the future of the world, not just our country but the future of the world.

For me I want this nation's values to be exported. I want this to continue to be the place where people come to find their hopes, dreams and ambitions.

I want us to be the ones to send that belief out to other nations. I want us to give them the foundations to where whether it's South
America, Africa, or Asia, or any of the other continents in the world that we give them values by which they build their own road to prosperity.

I think we can do that through exports. I think we can export not just our products, but also our value system.

So from me, thank you very much, Madam Chair. Appreciate it. And thanks to each one of our presenters today. But especially thanks to each one of you, giving your time to volunteer for this committee.

I look forward to working with you and I think that we've got great things that we can do just in our ability to communicate with Congress and with the President.

So let's get out, let's communicate, let's continue talking to each other and we shall make this thing happen. God bless you all.

Thank you very much.

(Applause)

(Whereupon, the above-entitled matter went off the record at 1:39 p.m.)
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Before: Export-Import Bank of the U.S.

Date: 09-11-19

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.

[Signature]

Court Reporter