

THE PRESIDENT'S EXPORT COUNCIL

Eisenhower Executive Office Building
Room 350
Washington, DC

Tuesday,

March 12, 2013

The meeting was convened, pursuant to notice,
at 9:38 a.m., Mr. James McNerney, Jr., Chairman,
presiding.

APPEARANCES:

PRIVATE SECTOR APPOINTEES

JAMES McNERNEY, Jr.
Chairman
The Boeing Company

URSULA BURNS
Vice Chair
Xerox Corporation

GENE HALE
G&C Equipment Corporation

ANDREW N. LIVERIS
The Dow Chemical Company

DENISE MORRISON
Campbell Soup Company

PATRICIA WOERTZ
Archer Daniels Midland Company

WILLIAM HITE
General President

United Association
BOB IGER
President and CEO
The Walt Disney Company

RAUL PEDRAZA
President
Magno International, L.P.

UNITED STATES SENATE

SENATOR AMY KLOBUCHAR
D-Minnesota

SENATOR KIRSTEN GILLIBRAND
D-New York

UNITED STATES HOUSE OF REPRESENTATIVES

REPRESENTATIVE LINDA SANCHEZ
D-California

U.S. CONFERENCE OF MAYORS:

ALVIN BROWN
Mayor of Jacksonville

ADMINISTRATION OFFICIALS

JOHN KERRY
Secretary of State

AMBASSADOR RON KIRK
U.S. Trade Representative

KAREN G. MILLS
Administrator of the U.S. Small Business
Administration

SETH HARRIS
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MIKE FROMAN
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DAVID SANDALOW
Assistant Secretary for Policy and
International Affairs
U.S. Department of Energy

SUSAN KURLAND
Assistant Secretary for Aviation and
International Affairs
U.S. Department of Transportation

JIM STOCK
Member
Council of Economic Advisors

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P R O C E E D I N G S

I. WELCOME & OPENING REMARKS

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4 CHAIRMAN McNERNEY: ...four years. In fact,
5 today we have 10 letters to review, as most of you
6 know. But before that, we have a number of visitors
7 here today and we'll start with them and some of their
8 comments.

9 But I think for perspective, I think most of
10 us remember that the National Export Initiative, which
11 I think is about three years old now, set a very
12 ambitious goal for our country. We are about 47 to 50
13 percent of the way there already.

14 For those of you mathematicians in the room,
15 off a 2009 base, 47 percent in 2012. 47 percent, by
16 the way, represents a record year for exports in this
17 country. So I think it's the often-stated situation
18 where we're feeling good about our progress but we're
19 also impressed with how far we have to go to meet the
20 NEI goal.

21 So we'll come back to a lot of that in our
22 recommendations and in some of the ensuing discussion,
23 but in the meantime, we have a number of distinguished
24 members of the PEC and of the administration here
25 today. As always, I'd like to call on many of them,

1 particularly those that are new, for their comments.

2 But let us start with Ursula. Ursula, do you
3 have any comments to make?

4 VICE CHAIR BURNS: Just to add my welcome and
5 to emphasize your point that we have made a significant
6 amount of progress but have a long way to go. The 10
7 letters that we'll talk about today, I think, a good
8 foundation for the next series of steps that we have to
9 take. Let's keep working, keep working hard and keep
10 our spirits up, and I think we'll make the progress
11 that we need to make.

12 CHAIRMAN McNERNEY: Thanks, Ursula.

13 Valerie, I had hoped you'd like to make some
14 comments.

15 MS. JARRETT: Sure. Good morning. Thank you,
16 Jim and Ursula, for your leadership here. It seems
17 like December was a lifetime ago. We've been awful
18 busy as the President is launching his second term and
19 a lot of our agenda, of course, is going to hinge on
20 the success of the ideas that come out of the Export
21 Council.

22 Looking around the room, this is really the
23 perfect model for how government and the private sector
24 should work together with the legislative and executive
25 branches of government. I want to thank our Senators

1 who are here with us today as well.

2 I want to mention a new person. You're going
3 to see a lot of new faces in the coming weeks, but
4 Danielle Gray--Danielle, raise your hand up there--is
5 our new Cabinet Secretary. She's been with the Obama
6 "family", let's say, from the very beginning and we're
7 just delighted to have her in this new role.

8 She is leaving Gene's team over at the NAC and
9 taking on the responsibility of really coordinating our
10 Cabinet, so she'll be a very important touch-point for
11 the work that we do. You will be seeing new Cabinet
12 members who will be participating actively as we go
13 forward.

14 But I really just wanted to thank you. We've
15 made an enormous amount of progress over the last year.
16 We just had a report from our Council of Economic
17 Advisors and what was a little disappointing is that
18 exports lagged a bit last year, probably due to what's
19 going on, according to Allen, in both Asia and in
20 Europe, but it just means we've got to keep our pedal
21 to the metal even more so.

22 So I want to thank you for everything that you
23 have done and thank you in advance for everything
24 you're going to do in the coming months ahead.

25 So, thank you, Jim.

1 CHAIRMAN McNERNEY: Well, thank you, Valerie.
2 I think everybody around the room knows of your
3 personal support here. I know you're helping us find
4 some new members to keep it fresh and keep it
5 integrated with the private sector, the administration,
6 and the legislative branch and we appreciate your
7 efforts. It is working and we appreciate being part of
8 it.

9 You did mention that we have two new Senators
10 who have joined us, Senators Klobuchar and Gillibrand.

11 Could we entice both of you to make comments? Maybe
12 the Senator from Minnesota, first?

13 SENATOR KLOBUCHAR: Well, very good. Thank
14 you, Chairman. Thank you to the Vice Chairman as well.

15 I'm very excited to be on this Council and excited to
16 be sitting next to my friend Fred Hochberg. This is a
17 great group and I really see this as the future of
18 getting out of this somewhat, I'd say stabilized, but
19 difficult economy we're in.

20 I've seen in my own State we are now down. I
21 think last month we are at 5.5 percent unemployment and
22 a lot of it has to do with exports. It is not just the
23 agricultural exports, agricultural machinery. We have
24 high-tech companies, from 3-M to Medtronics and
25 companies like Cargill.

1 What I love about -- I was just on an export
2 tour last week in Minnesota and literally all these
3 companies that have 50 employees, 100 people, you walk
4 through their warehouses and there are huge crates that
5 say "Ship to China", "Ship to India" everywhere. They
6 have really gotten into it and are employing just
7 millions of people. So I'm very excited about it and
8 would like to be a strong participant here. I'm really
9 focused on some of the workforce development issues.
10 Then in the export areas, I see we are going to lose
11 some of this exporting possibility if we don't have the
12 people to fill the jobs.

13 Tourism. That's my subcommittee. It's very
14 focused on the visa wait lines, which have greatly
15 improved with some good work from the State Department,
16 but there's so much more work that needs to be done in
17 that area, as well as with the Travel Promotion Act.
18 Then just moving on some of these trade issues, I
19 think, will be incredibly important to move our economy
20 forward. Thank you very much.

21 CHAIRMAN McNERNEY: I think a real signal that
22 you take exports seriously in Minnesota was the trading
23 of Percy Harvin to Washington.

24 (Laughter)

25 CHAIRMAN McNERNEY: I mean, if you're willing

1 to give him up in the name of exports --

2 SENATOR KLOBUCHAR: That's very good. Very
3 good. We won't mention our Brett Farb trade.

4 CHAIRMAN McNERNEY: There's a lot of us in
5 Seattle, though, that are happy with that particular
6 export.

7 SENATOR KLOBUCHAR: Okay. Very good.

8 CHAIRMAN McNERNEY: Senator Gillibrand, would
9 you care to make a comment?

10 SENATOR GILLIBRAND: Well, thank you so much,
11 Chairman. I appreciate your dedication to service and
12 advocacy. It makes a huge difference.

13 Madam Vice Chair, who is a star of New York
14 State who I continue to admire and watch her continue
15 to take greater and greater leadership roles, it's
16 extremely exciting.

17 Ambassador Kirk, thank you for all that you
18 do. I am incredibly grateful for your service and
19 commitment to a vision for this country that really
20 makes sense.

21 I just want to thank Valerie Jarrett for being
22 here, who has been not only the consummate public
23 servant, but somebody who has been a role model for
24 many in my State and for those in Washington. So,
25 thank you for your hard work.

1 I'm delighted to be on this Council and I'm so
2 excited to meet so many of you who are so focused on
3 how we increase exports in this country. New York has
4 a growing economy in exports, which is exciting for us.

5 As you know, New York really found its footing in both
6 agriculture and manufacturing that really built our
7 very strong middle class in our State. In agriculture,
8 we are now exporting. We are exporting fruits and
9 vegetables, even Greek yogurt. My husband commented
10 this morning, you need to export it to Greece to see if
11 they like it.

12 (Laughter)

13 SENATOR GILLIBRAND: But we have a lot of
14 opportunities in the agricultural sector. We also have
15 great opportunities in the manufacturing sector. I
16 spent the last four years in the Senate touring our
17 manufacturers across our State to see how we build
18 things.

19 Now, obviously for New York the 20th century
20 was the era of manufacturing, but a lot of that
21 manufacturing has left New York State. What we have
22 instead is advanced manufacturing. We have a highly
23 competitive, growing industry in advanced manufacturing
24 in high-tech, bio-tech, nano-tech, and energy
25 technology.

1 What we've used in our State to be successful
2 is our educational system. Because we have such a
3 strong system, we have been able to provide these hubs,
4 regional development goals, and allowing our students
5 to become the entrepreneurs of tomorrow and really
6 teaching entrepreneurialism and innovation as part of
7 our curriculum.

8 I know one of the President's goals in this
9 next term is to focus on education, and particularly
10 STEM education. If eight of the nine fastest growing
11 industries require proficiency in math, science,
12 engineering, and technology, we definitely need to
13 focus our educational goals along those growing
14 industries.

15 So that's including STEM education at the
16 grade school level, expanding it through high school
17 and college, and even integrating at the community
18 college level so we can train our workers for the jobs
19 that are available.

20 The most heartbreaking statistic to me is that
21 600,000 jobs went unfilled last year in the
22 manufacturing sector because we did not have the
23 workforce training designed to make sure those workers
24 met the manufacturers' needs. So if we're going to
25 have more exports and continue to grow our cutting-edge

1 technologies, workforce development is going to be key
2 to that.

3 So I just want to thank you all. Secretary
4 Kerry, thank you for joining us. I'm delighted to call
5 you Mr. Secretary.

6 (Laughter)

7 SENATOR GILLIBRAND: It's a real pleasure to
8 be here. Thank you.

9 CHAIRMAN McNERNEY: Thank you very much,
10 Senator. Appreciate that.

11 You did recognize our new Secretary of State,
12 who we are delighted to have join us here today. We've
13 had a great working relationship over the last four
14 years with the State Department and with many of your
15 Ambassadors around the world. We very much look
16 forward to working with you and your team going forward
17 and we'd enjoy any comments you'd like to make.

18 SECRETARY KERRY: Mr. Chairman, thank you
19 very, very much. Ursula, it's great to be here with
20 you. Thank you. Valerie. And everybody, especially
21 my ex-colleagues. I miss you guys, but not so much
22 that I want to come back.

23 (Laughter)

24 SECRETARY KERRY: But I do. I do miss parts
25 of it. What a privilege to be here with all of you.

1 Thank you for giving me a few moments to say a few
2 words.

3 I want to thank Acting Secretary Blank for her
4 cooperation and the team effort we have. I think the
5 most important thing to think about here is the team
6 effort. We have an extraordinary amount of clout
7 assembled in the various entities that are here, both
8 private sector and government. I think that
9 partnership is absolutely critical.

10 When I was back in the Senate, I remember
11 going to Hong Kong. This was back in the 1990s, I
12 think. I saw three commercial officers there and they
13 said to me, we're missing billions of dollars' worth of
14 business. I said, why? They said because we don't
15 have as many people as other countries do and because
16 we don't have a venue where we can meet with people and
17 marry RFPs and business. We just don't do the
18 salesmanship, we don't do the work.

19 You think about that magnified against the
20 bricks today and all the economic energy that is out
21 there. This is a huge, huge jobs program for us. We
22 have to sell it better, I think, to the Congress and to
23 the country as to why we need to engage in this.

24 So I said in my confirmation hearing that I
25 believe that foreign policy today is more economic

1 policy than at any time in our history. I am convinced
2 of that, and we know that. You and I have talked.
3 I'll get back to you afterwards with your letter.

4 But we have 270 posts around the world with
5 officers, commercial officers, economic officers. I
6 want to call them all jobs officers from now on. I
7 mean, that's what we ought to be. We ought to be
8 marrying this effort in the most significant way that
9 we can, all of these entities here, because the rest of
10 the world is voracious. The appetite is unending. They
11 are much more serious than we are, I hate to say it,
12 about going after these opportunities. I've seen this
13 over the years.

14 I've led the first-ever Senate business
15 delegation to India after then-Finance Minister Singh,
16 now Prime Minister, started the economic reforms. When
17 King Abdullah first came in I hosted a luncheon up in
18 Boston at my home with King Abdullah and a bunch of
19 tech companies.

20 Every single one of those tech companies is
21 doing business in Jordan today as a result of that
22 luncheon. So we can, all of us, do more to try to make
23 these things happen. I think that my intention is to
24 really prioritize this in my tenure as Secretary.
25 We're going to do a lot more in coordinating this

1 effort between our own Under Secretariats at the
2 Department, as well as with the rest of the
3 administration.

4 If you look at the problems we face in terms
5 of the Mideast, the Mideast peace process, challenges
6 in Mali, Tunisia, Libya, Egypt, et cetera, it is
7 fundamentally, how are those people going to govern and
8 deliver to their people, and delivering to their people
9 means delivering jobs. Jobs. We have all the
10 technical and other capacities to be able to become
11 part of that and that's how we're going to change them,
12 not any other way, I don't think.

13 So in the trip I just took, I met with
14 business people in Cairo. I met with the business
15 community. I met with young entrepreneurs in Berlin.
16 I'm going to make it a staple of every effort that we
17 make in the State Department. I notice that every
18 single country I went to is interested in a stronger
19 business relationship with the United States.

20 So this is a moment of opportunity for us. We
21 are coming out of the difficult times because of the
22 President's leadership in the last four years and the
23 programs he put in place. I think we have enormous
24 opportunities staring us in the face.

25 But what I really found was the extraordinary

1 excitement in Europe, all the way to Turkey, with the
2 TTIP. The possibilities of taking the European market,
3 the largest market in the world, and joining it with
4 the United States, the second-largest market and
5 economic entity taken alone, and you have a powerhouse
6 that raises the business standards around the world,
7 begins to deal with cyber issues, internet standards,
8 regulations, all these inequities of the marketplace
9 that we have to try to cope with. That market power, I
10 think, will be unbelievably powerful, so that's an
11 opportunity staring us in the face.

12 I would just say that the State Department has
13 already launched a number of initiatives to try to
14 improve these things. One, is the direct-line calls
15 which link our ambassadors and country officers with
16 businesses.

17 If you don't know about it, you can go to
18 state.gov and sign up. There's a place there for you
19 to link in and do that. We also have made the internet
20 website much more friendly to businesses. There's a
21 separate business tab to be able to tap into different
22 countries and how you can involve yourselves in those
23 countries and what kind of business opportunities may
24 exist.

25 Finally, I think we're going to roll out

1 another initiative to help companies find timely leads
2 on foreign government procurement opportunities and see
3 if we can't partner with Commerce and do a more
4 effective job of trying to make those opportunities
5 available. So bottom line, we've seen some successes
6 in Canada. Officers in the embassy were able to work
7 with an automotive company and get them to invest
8 millions of dollars in Michigan.

9 Likewise, Jim, I think you know this, we had
10 people working very closely with the embassy in Jakarta
11 and the Advocacy Center worked with you on the largest
12 private deal for Boeing history. Boeing obviously has
13 its own ability to make things happen, but there was a
14 cooperative effort that I think was helpful in that.
15 So there a lot of other things we can do.

16 The final thing I'd just say is, folks, as
17 President Obama said, tourism is the number-one service
18 export. It's a \$1.2 trillion business. For every 65
19 visitors who come to the United States, we create a
20 job. So we're working to make our consulates as visa-
21 friendly as possible. Sequesters don't help in that
22 endeavor. This is a connection business community. We
23 ask you to help make to Congress, you know, people have
24 got to recognize the zero-sum aspects of this.

25 But bottom line, we are putting together in

1 the State Department now a new initiative at the
2 President's behest to really try to maximize the United
3 States' economic presence in these countries over the
4 next four years. Fred and I have talked about it, I've
5 talked to Elizabeth Littlefield about it. We have a
6 huge set of tools that I think join together: Ex-Im,
7 OPIC, USAID.

8 I've talked to Jim Kim at World Bank. We have
9 an ability, I think, to leverage ourselves far more
10 than we have in terms of these kinds of opportunities.

11 So I will look forward to working with all of you with
12 that. We are delighted with this initiative and
13 grateful for everybody's efforts.

14 CHAIRMAN McNERNEY: Mr. Secretary, thank you.

15 I mean, you have just redefined hitting the ground
16 running. I mean, that's a terrific and heartening
17 message for this group and your leadership is highly
18 appreciated. We look forward to working together with
19 you.

20 Secretary Blank, would you like to make a
21 comment?

22 SECRETARY BLANK: Great. Thank you very much,
23 both Jim and Ursula, for your leadership for this
24 group. Thanks to everyone for being here. I know
25 you've been busy since we last met in December, given

1 the 12 letters of recommendation that you have put on
2 our plate and that we're going to discuss later today,
3 so I'm really looking forward to this morning's
4 conversation.

5 As Jim noted, we hit a record level of exports
6 in 2012, \$2.2 trillion. That doesn't mean that we are
7 where we need to be, but it's a good sign that we're on
8 the right trajectory. We are going to come back and
9 talk about, what else do we need to be doing and
10 thinking about in order to keep those exports growing?

11 A couple of things that we are working on in
12 Commerce and jointly with everyone else here, with
13 State, with USTR, and Labor, Agriculture, as you all
14 know we are launching the partnership talks between the
15 U.S. and the E.U. at the same time that we're hoping to
16 complete the Trans-Pacific Partnership negotiations.
17 That is just a huge trade agenda. We make progress on
18 that and we will really transform our country's
19 situation in the world.

20 We have recently launched the Doing Business
21 in Africa campaign. I know we'll come back and talk
22 about that. We held the campaign's first State-side
23 forum about a month ago here and DC and had an overflow
24 crowd with actually more people than we expected, with
25 standers for most of the day in the back of the room.

1 In terms of the advocacy issue, as you know,
2 Commerce has long worked on advocacy and we're really
3 trying to coordinate that work across all of the
4 government. I'm just delighted at the partnership with
5 State. We've established an inter-agency task force on
6 commercial advocacy that is really designed to align
7 our Federal resources so that we can serve all of you
8 who need that type of support better.

9 In terms of the southern hemisphere, we are
10 gearing up for a trade mission to Brazil in May to see
11 how our businesses can help on the infrastructure
12 front, particularly competing with World Cup and
13 Olympics related business.

14 Michael Froman and I are going to be in Brazil
15 next week for the U.S.-Brazil CEO Forum and are going
16 to be talking with a number of both private sector and
17 public sector leaders there, including a meeting with
18 President Roussof. So I'm hopeful that that will also
19 put some new things on our agenda to help move forward
20 some of the issues with Brazil.

21 Then lastly, we are celebrating the third
22 anniversary of the National Export Initiative this
23 week. We are going to launch into a talk very soon
24 about exactly what is it that we need to be doing to
25 step things up here in the second term; given what

1 we've accomplished in the first term, where else do we
2 need to be going? So I'm looking forward to hearing
3 your insights about that and how government and
4 industry can continue to work together even more
5 closely to keep moving this whole agenda forward. So,
6 thank you.

7 CHAIRMAN McNERNEY: Thanks very much, Dr.
8 Blank. We appreciate that leadership very much.

9 I think we have Mayor Alvin Brown with us
10 again. Welcome back. Where are you sitting, Mayor?
11 There he is. There he is.

12 MAYOR BROWN: Thank you, Mr. Chairman.

13 CHAIRMAN McNERNEY: Would you like to make a
14 comment, please?

15 MAYOR BROWN: Yes. Thank you so much. I'm
16 happy to be here. I want to also thank the Vice Chair.
17 Mr. Secretary, good to see you and Valerie and
18 Ambassador Kirk. I want to thank the President's
19 Council for including the U.S. Conference of Mayors and
20 giving us a seat at the table. Since our last PEC
21 meeting, the conference held its 81st winter meeting
22 here right before the inaugural.

23 I am glad to report that we had a very engaged
24 session on exports in ports, where we heard from both
25 Fred Hochberg from Ex-Im Bank, Under Secretary Sanchez.

1 I think the mayors are interested in doing more with
2 the bank, particularly the outreach section, dealing
3 with their strategies for exports.

4 We have two main objectives, basically. One
5 is to make sure that the mayors put together an agenda
6 about exports in their economic development office, and
7 then two, really working with the private sector to
8 leverage their assets to help small business and
9 entrepreneurs get out there and create jobs.

10 As you know, the port is a big business in
11 cities. I know in Jacksonville it's a \$19 billion
12 economic engine. It's responsible for 65,000 jobs. So,
13 we know how important exports are in playing a major
14 role in putting people back to work. So, thank you for
15 this opportunity, Mr. Chairman. I look forward to the
16 discussion.

17 CHAIRMAN McNERNEY: And it is good to have you
18 with us. It's very important and we appreciate it.

19 MAYOR BROWN: Thank you.

20 CHAIRMAN McNERNEY: You mentioned Ambassador
21 Kirk. It's hard to believe--hard to believe--that he
22 may not be with us again. I think the administration
23 took some incoming for a dearth of FTAs early on. Now
24 there's the most, as Secretary Kerry just mentioned,
25 ambitious FTA agenda in this country's history when you

1 add Europe into the TPP. So I don't know if that means
2 a victory lap for you, but we would appreciate your
3 comments in any case.

4 AMBASSADOR KIRK: Well, Mr. Chairman and
5 Ursula, let me add my thanks to all the members of the
6 committee for your great support of all of our trade
7 efforts. I regret that I won't have the opportunity to
8 continue working, particularly on this new Trans-
9 Atlantic Trade and Investment Partnership that you
10 heard Secretary Kerry and Dr. Blank mention, as well as
11 completing our other initiatives.

12 But I do feel like we have set the table for a
13 very robust agenda going forward that will allow us to
14 focus on the matter that Secretary Kerry so wonderfully
15 framed, how we create jobs, and answer the question
16 that so many Americans have anxiety about, are our kids
17 going to have it better than us? There are no
18 questions where these jobs are going to come from.

19 What I am most proud of is I think we have
20 done more to begin to at least peel away some of the
21 cynicism and outright fear that Americans have that
22 trade really can be a part of our job-creating agenda.

23 A lot of that has been due to the President's courage
24 in elevating both enforcement, but also public
25 engagement as part of our trade agenda.

1 That's one of the reasons we were able to pass
2 the agreements with Korea, Panama and Colombia with
3 record margins and why I think there is so much excited
4 for this new Trans-Atlantic Partnership, and we are
5 working so hard to complete the Trans-Pacific
6 Partnership as well.

7 You all know more information on that so I'm
8 not going to go into great detail, but the two of those
9 are far and away the largest plurilateral trade efforts
10 going on in the world. I think it's important to note
11 they in no way at all signal our lack of commitment to
12 the global trading system in Geneva, but we frankly
13 believe this could be the biggest boost to sort of
14 creating more energy, more positive energy, to move
15 forward trade liberalization in a multi-lateral form if
16 we can move with these.

17 I do want to pick up on one thing and make a
18 request that I do all the time, and Senator Gillibrand,
19 I think, did a wonderful job of highlighting the
20 importance of STEM education to our economy in the
21 future. But imbedded in that is the reality that we
22 have a knowledge-based economy and we have to be able
23 to protect that.

24 The common thread that runs through our work,
25 both in this Trans-Atlantic Partnership, what we're

1 trying to achieve in the Trans-Pacific Partnership,
2 what we've done in every trade agreement, what we're
3 attempting to do in Geneva with an expansion of our
4 international technology agreement, is we have to have
5 the strongest intellectual property protection that we
6 can possibly seek in these agreements.

7 The one area I am most concerned about, Mr.
8 Chairman, is I think we are failing miserably in the
9 public debate about the importance of protecting our
10 intellectual property rights. It seems to be
11 singularly devolving to a debate about privacy and
12 others. I don't know the answer but every one of you
13 at this table is different, as your businesses are, and
14 are all linked by the ability to protect your work
15 product.

16 So I would just ask for your thoughts and help
17 as part of this Export Council that, somehow, we are
18 able to fashion an argument for the American public
19 that helps them to understand that if we give away our
20 work product, we just don't have a future. So we've
21 got an ambitious agenda at USTR. We're going to
22 continue to work with our colleagues at Commerce and
23 Agriculture and we are thrilled with the new energy and
24 leadership that Secretary Kerry is bringing to the
25 table, and appreciate the opportunity to be with you

1 today.

2 CHAIRMAN McNERNEY: Well, we are going to miss
3 you. Most importantly though, I think we're going to
4 take your advice on the IPR. I mean, we think we've
5 focused on it. We gave ourselves a yellow blending to
6 green when we assessed our progress at the end of last
7 year. But I think, based on your comments, we're going
8 to take a look at the practical application of some of
9 our recommendations and give ourselves an honest score
10 on this thing and maybe rejuvenate some more activity
11 here in
12 the --

13 AMBASSADOR KIRK: I don't want to belabor it,
14 but if I could just give you one example.

15 CHAIRMAN McNERNEY: Sure.

16 AMBASSADOR KIRK: I mean, while we are
17 negotiating with partners in this Trans-Pacific
18 Partnership, we've got 9, now 10, 11 other partners
19 with Mexico and Canada, it is very difficult to
20 convince them of the need to embrace, accept, and
21 implement robust IPR chapters when, many times, we have
22 NGOs from here in the United States that are sitting
23 there and giving them contrary information.

24 We will very shortly, as it relates to this
25 Trans-Atlantic Partnership, send our notice to Congress

1 which will begin the *Federal Register* process. That's
2 a wonderful opportunity for those of you at the table
3 to weigh in and put your thoughts on the record about
4 the importance of this and making sure we have a strong
5 IP chapter in that effort.

6 CHAIRMAN McNERNEY: Duly noted.

7 AMBASSADOR KIRK: Thank you.

8 CHAIRMAN McNERNEY: Thank you very much.

9 I think we have Secretary Harris here. There
10 we go. We'd love to hear your comments.

11 SECRETARY HARRIS: Thank you very much. Thank
12 you, Madam Vice Chair, as well. It's a pleasure to be
13 back for the President's Export Council and to be able
14 to congratulate you and all the Council's members for
15 the excellent work that you've done.

16 Let me say it's a special pleasure to be able
17 to welcome back my friend Bill Hite, the president of
18 the United Associated. I want to thank him for
19 speaking out for workers, not only in this forum, but
20 in every forum in which he is found and for his
21 outstanding leadership in the cause of veterans'
22 employment, which is central to our mission and close
23 to my heart.

24 As Bill knows, the Labor Department helped 1.3
25 million veterans with job training and job placement

1 services last year and we are proud to be partners with
2 the UA and with many of the corporate partners sitting
3 around the table here. We are looking forward to
4 continuing our work with Bill and with all of you in
5 the cause of veterans' employment going forward.

6 Let me also congratulate Patricia Woertz from
7 Archer Daniels Midland for her outstanding leadership
8 on the Workforce Development Subcommittee. When the
9 time comes I am going to--this is a little
10 foreshadowing--offer a full-throated endorsement of the
11 letter that you've recommended to the committee on
12 skills development.

13 A number of members of the Council have
14 already spoken about the critical role of workforce
15 development. I believe that the letter that you have
16 offered properly acknowledges the essential role that
17 workers have played, and are going to continue to play,
18 in advancing the President's national enforcement
19 initiative. So I thank you very much for that.

20 I heard in the letter, and in some of opening
21 statements this morning, echoes of the President's
22 State of the Union address where he called on all of us
23 to assure that U.S. workers have the skills and
24 training that they need for 21st century jobs.

25 Let me say I hear the same thing when I meet

1 with business leaders around the country. I have been
2 traveling the country and talking about skills
3 development. What I am hearing, particularly from
4 multinational organizations, is that they want to site
5 their business where they can be assured that there
6 will be a steady and reliable pipeline of skilled
7 workers who can drive their productivity and drive
8 growth in their businesses.

9 So skills development, as Senator Gillibrand
10 said and as Ambassador Kirk said, is a necessary part
11 of any successful strategy for expanding trade and I
12 think it can be the leading edge of economic
13 development for communities across the United States.

14 I think perhaps just as importantly, and this
15 is picking up on Ambassador Kirk's very important point
16 about the role of the trade discussion here in the
17 United States, U.S. workers have to be given an
18 opportunity to share in the benefits of U.S. trade.

19 So if this strategy is going to persevere, if
20 an aggressive, export-driven trade strategy is going to
21 persevere, middle class families have to see the
22 dividends of the success of that strategy, and skills
23 development, I think, is a very important part of that
24 equation as well. So let me applaud, again, the
25 subcommittee's work, Bill, your work, the PEC's work on

1 this critically important issue. Thank you again, Mr.
2 Chairman, for the opportunity. Thanks.

3 CHAIRMAN McNERNEY: Yes. Well, thank you very
4 much for your comments. I think this is a little bit
5 anecdotal, but as I just think around the business
6 community most of the folks who are growing employment
7 are our Nation's largest exporters. So there is
8 evidence within the workforces of some companies that
9 this is all connected, but I take your point, which is
10 that there needs to be a broader constituency for the
11 idea. We will take your comments very seriously and we
12 appreciate it.

13 SECRETARY HARRIS: Thank you.

14 CHAIRMAN McNERNEY: I think Administrator
15 Karen Mills, who is also on a victory lap here, it
16 won't be the same without you, but we'd appreciate any
17 comments you'd make and any thoughts you'd leave behind
18 for us.

19 ADMINISTRATOR MILLS: Well, thank you very
20 much, Jim, Ursula, and to the entire Council for your
21 leadership, particularly on the issue of small
22 businesses that are exporting and supply chains. Many
23 of you have supply chains that are part of your export
24 activity.

25 I have some show-and-tell for you in your

1 book. Tucked inside the blue binder is something that
2 speaks to the agenda that Secretary Kerry just set out,
3 which is the U.S. Small Business Administration's
4 Global Partnership with the State Department on
5 training economic officers in the State Department on
6 entrepreneurship and on getting access to capital and
7 building economic ecosystems for entrepreneurs in all
8 of these countries.

9 As the Secretary pointed out, all of these
10 things lead to connections with small businesses and
11 large businesses in this country that lead to more
12 export connections, so we are very excited to be
13 actively engaged in some of that agenda.

14 As you know, 98 percent of the exporters are
15 small but they only comprise about 34 percent of the
16 export dollars. That is up so small business exports
17 are one of the fastest growing pieces. We take
18 responsibility for the piece where we go out and try to
19 make sure there are more new small businesses
20 exporting. There are under 300,000 small businesses
21 that export.

22 We have committed, under the leadership of
23 Mike Froman and the Export Promotion Council--good
24 thing you got here right at this moment--but the first
25 thing is a chart I showed you last time, sort of a

1 green chart that is also a stop-light chart that's also
2 in your book. The good news is that it has a lot of
3 green on it.

4 That is reporting on the progress to add
5 another 50,000 exporters, small business exporters.
6 This is really building ecosystems on the ground that
7 help these small businesses get access to export
8 opportunities and the financing and opportunities to
9 provide those goods and services overseas.

10 The second little chart in your book talks
11 about the global business solutions. This is part of
12 the President's effort he has done from day one to make
13 sure export activities and all agency activities are
14 linked, leveraged, and aligned. We have been working
15 very closely with Ex-Im Bank and Commerce and you see
16 that on that on the 1st of April we will launch global
17 business solutions, a whole-of-government approach to
18 financing exporters.

19 This means that while the Commerce Department
20 counts as a small business, the products of Ex-Im Bank,
21 with trade insurance will be coupled with SBA loan
22 products and they will be available in a one-stop shop.

23 So look for that announcement in the 1st of April. We
24 are already behaving this way but we're going to make a
25 big deal of it.

1 The last piece is, to promote exports we have
2 an export video initiative. Now, I wanted to actually
3 bring one of the winning videos from last year here,
4 but we don't have the show-and-tell for the video. But
5 if you go on challenge.gov, you will see some of the
6 videos that small business exporters and other small
7 businesses have put into some of our competitions and
8 they tell the story better than I can about how they
9 have seen export opportunities grow their business.

10 We have partnered with Visa so there is a
11 10,000 prize from Visa for the winning export, and
12 there are several other cash prizes. So there's
13 nothing like a small amount of cash to get the
14 excitement going and we will look forward -- we've
15 already sent out some emails to 400,000 businesses that
16 we have on our contact list and we hope to generate
17 more businesses that are exporting and add to the
18 totals. Thank you.

19 CHAIRMAN McNERNEY: Thank you. Thank you,
20 Karen. Thanks very much for your participation over
21 the last few years. Appreciate it very much.

22 I think Dr. Blank was -- we're going a little
23 out of order here. I hope I'm not surprising you. But
24 you had a few comments on the world economic outlook.
25 Now would be a good time to hear them if you could do

1 it.

2 SECRETARY BLANK: All right. I do understand
3 that we might be interrupted and in that case we'll
4 just --

5 CHAIRMAN McNERNEY: We always know how to make
6 it up as we go along.

7 SECRETARY BLANK: Yes. We can make it up as
8 we go along.

9 CHAIRMAN McNERNEY: That's the distinctive
10 competency of this group.

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1 **II. NATIONAL EXPORT INITIATIVE UPDATE AND DISCUSSION**

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3 SECRETARY BLANK: Yes. So I think there are
4 slides in your book but there are also going to be
5 slides there on the screen. I know that this group
6 asked to actually really have a conversation about,
7 where can we be going with regard to an agenda to
8 increase exports.

9 I want to lead into that conversation with an
10 overview of, where are we economically. I am going to
11 use a couple of major, big slides about the economy and
12 then really turn and focus in on exports a little bit
13 more specifically.

14 As I said, it is the third anniversary of the
15 National Export Initiative, so it's a good time to sort
16 of assess where we've come, where we've been. We'll
17 start with the employment numbers. All of you, I'm
18 sure, saw the release this last Friday where we saw
19 that private sector payrolls rose by almost 250,000.
20 That was a very good number. That's three straight
21 years of growth and almost 6.4 million jobs that have
22 been created since the end of the recession.

23 The unemployment rate is also down to 7.7
24 percent, the lowest since the end of 2008. Let's hope
25 that that continues as well. The manufacturing sector,

1 as I think you know, has been particularly strong,
2 adding more than a half a million jobs over this time
3 period, which is the most jobs added over that period
4 of time since the mid-1980s. We really are seeing
5 manufacturing growth.

6 Now, I should note that all of these numbers
7 came in, of course, before sequestration started and we
8 are almost surely going to see an effect of
9 sequestration on some of this data, but I think the
10 President is going to talk a little bit more about
11 sequestration issues so I will skip over that.

12 The next chart is GDP growth. We have had 14
13 consecutive quarters. We just barely eased out a
14 positive number in the last quarter, but the
15 expectation is that we will have growth around 2 to 2.5
16 percent this next year. We were at 2.2 percent overall
17 last year. That was despite a number of headwinds,
18 including a spike in oil and gas prices in the last
19 spring and summer, turmoil in Europe that has clearly
20 slowed us down as well, and sluggish economic growth in
21 a couple of other areas of the world.

22 The main reason for that very bad fourth
23 quarter GDP number, why it's so low, is in the next
24 slide. This shows you the government spending
25 component of GDP. The red here is State and local, the

1 blue is Federal. You can particularly see what
2 happened. This was a defense spending decline.

3 I think people are still sort of trying to
4 figure out exactly why it was down so precipitously.
5 Those numbers are a little bit noisy in terms of
6 defense spending, but it shows you what the impact is
7 of pulling Federal dollars and pulling Federal jobs on
8 growth. You can see that there. Actually, in the last
9 two years government spending has reduced GDP growth by
10 about a half percentage point overall.

11 The other slide I want to show you, before we
12 get to exports, is the housing market. This is partly
13 just because I think the housing market is the most
14 important story to keep your eye on right now. Once
15 housing starts to recover, and we are in a recovery, we
16 have been for the last year, we are going to see those
17 effects on consumer spending.

18 One of the main reasons why economic growth
19 overall has been slower coming out of this recession is
20 consumer spending has been slower. The main reason
21 consumer spending has been slower is consumers are
22 still really cautious, because an awful lot of them
23 just don't have the wealth in their house and many of
24 them are still sitting under water on this one. You
25 can see here, both prices have started to go up as well

1 as housing starts. So housing starts are back to where
2 they were in 2008. Prices have gone up 7 percent over
3 the last year.

4 You can see how high we were in the mid-2000s,
5 and that was a bubble. So the question of how far back
6 we're going to get, you don't want to go back to where
7 you were before. This is the chart where you don't
8 want to hit your previous highs real quickly. We don't
9 want to return to a bubble, we want to go up slowly and
10 steadily. As the housing market recovers, I think we're
11 going to see some faster growth on some other fronts.

12 Let me then launch into exports and talk about
13 a couple of charts that discuss this. This first chart
14 shows the growth in goods exports in the U.S. That's
15 the blue line. In red is the euro area, and in green
16 is the rest of the world.

17 What you can see here is that U.S. exports
18 actually lagged a little in the 1990s and early 2000s.
19 We didn't fall as much in the recession. We came back
20 out of it faster in 2010, we lagged a little in 2011,
21 but we've done really well in 2012. I'd love to claim
22 a little credit for the National Export Initiative and
23 the work of everyone sitting around the table. Whereas
24 everyone else had a very bad export year, we actually
25 did have growth. We did set a new record for exports

1 over that time period.

2 The next chart shows the breakdown of U.S.
3 exports between services, basically food, beverages,
4 agriculture, and manufactured goods. Again, throughout
5 the 1990s and early 2000s, those were really balanced
6 in their growth. You then look at this recession and
7 you see the cyclical nature of manufacturing. It fell fast
8 in 2010. It rose fast in 2009, it rose faster in 2010,
9 and now by 2011 we're back to a more balanced growth
10 again and those bottom numbers show you manufacturing
11 is 65 percent of this.

12 So if you look at what's been powering exports
13 in the recovery, it has been manufacturing two-thirds
14 of our exports and manufacturing has been growing very
15 rapidly, with a little help from agriculture, if you
16 look at the red line there.

17 The next chart shows you the record numbers of
18 2012. We're up to \$2.2 billion. I should say as a
19 percent of GDP, exports are also at record levels, at
20 almost 14 percent of GDP, so that's good news as well.

21 Highlights in 2012 were the aerospace industry, up a
22 third; U.S. exports of motor vehicles and parts, up
23 nearly 80 percent; and travel and tourism, as we've
24 mentioned. Our largest category of services hit an
25 all-time record of \$168 billion, up 10 percent from

1 2011. So there are a couple of areas here that are
2 going very strongly.

3 Then the next chart is something that I know
4 everyone here cares about, the jobs supported by
5 exports. As Senator Kerry says, this is one of the main
6 reasons you want to export. The number of jobs
7 supported by exports is at 9.8 million, an increase of
8 1.3 million since the beginning of the recovery. We
9 are 60 percent of the way to the President's goal at
10 the end of 2014 of \$2 million additional export-
11 supported jobs, and this looks really promising here.

12 I should also note that we continue to see
13 that the jobs supported by exports are, on average,
14 slightly higher paying jobs, good jobs, another reason
15 we want to expand the export sector. Okay.

16 Then finally, if you want to know what's going
17 to happen, you want to look at what's going to happen
18 to growth in some of our competitor economies, so the
19 next slide if we can go to it, again shows the U.S.,
20 the euro area, Mexico and Canada, our two biggest
21 export partners, Japan, and developing Asia. You can
22 see exports in these three areas. I will stop.

23 (Pause)

24 (Whereupon, the President of the United States
25 entered the room.)

1 (Applause)

2 PRESIDENT OBAMA: All right. Everybody please
3 have a seat. Becky looks like she had some terrific
4 charts. So, I want to get back to the official
5 business at hand but I did want to stop by.

6 First of all, I just want to say thanks to the
7 PEC for the unbelievable work that you guys have done
8 and the extraordinary leadership that you have provided
9 to our team and to the administration as we have tried
10 to promote exports all around the world.

11 I'm glad to see that we've got a couple of our
12 outstanding Senators here as well who I know care
13 deeply about exports because their States benefit from
14 exports. We all do. I assume that part of these charts
15 was Becky going over the progress that we've made over
16 the last several years, so I won't reiterate it.

17 The good news is, we are well on our way to
18 meeting a very ambitious goal that we set several years
19 ago to double U.S. exports. What we know is that a lot
20 of the growth, a lot of the new jobs that we've seen
21 during the course of this recovery have been export
22 driven.

23 What is also encouraging is it's been coming
24 from a whole variety of sectors. Obviously our
25 agricultural sector has always been strong and it's

1 gotten even stronger. But what we have also seen is
2 that our manufacturing base, our high-tech, our
3 services, across the board we're seeing significant
4 increases.

5 The question now becomes, how do we sustain
6 this momentum? Part of it is making sure that we get
7 in place strong trade deals. Having ratified, with the
8 help of a number of our legislators, the Panama,
9 Colombia, and most significantly the South Korean trade
10 deals, we have now been moving aggressively on the
11 Trans-Pacific Partnership, a high standard trade regime
12 that we think can advantage U.S. companies and U.S.
13 workers because it sets a bar that ensures that trade
14 is fair and free.

15 For those of us who abide by high labor
16 standards and high environmental standards, obviously
17 being able to lock in those kinds of high standards in
18 the fastest-growing region of the world and the most
19 populous region of the world can yield enormous
20 benefits and help to generate billions of dollars in
21 trade and millions of jobs.

22 As I announced at the State of the Union
23 address, we're also going to be launching an effort to
24 lock in the E.U.-U.S. trade deal as well. Already,
25 Europe is our largest trading partner, the E.U. as a

1 whole, and we think that we can expand that even
2 further.

3 Some of this has to do with us being able to
4 break down some existing barriers across the Atlantic
5 to U.S. products and services, but some of it also has
6 to do with smoothing out the differences in regulatory
7 approaches, just trade frictions that arise that are
8 unnecessary, that carry over from earlier periods. We
9 think, just as the TPP can be an enormous boost to U.S.
10 trade and growth, that our trade with Europe can expand
11 substantially and that will advantage U.S. companies
12 and U.S. businesses.

13 But in order for us to do this we are going to
14 need the help of industry and labor and all the parties
15 that are represented here. One of the things that
16 we've also been trying to do during the course of this
17 process is to make sure that it's not just the Xeroxes
18 and the Dow Chemicals that are benefitting from this,
19 although we want our Fortune 100 companies to be
20 selling as much as possible, they also have a whole lot
21 of suppliers so small businesses stand to benefit
22 immensely from this process.

23 We actually think that there's room for small-
24 and medium-sized businesses to export directly, not
25 just supplying large businesses but also to break open

1 and enter into these markets. That can make a huge
2 difference in terms of our long-term prospects.

3 So overall, this is a good story. This is an
4 optimistic story, but it's one that we're going to have
5 to continue to sustain. One last point, just because I
6 had a chance to see Bob. I think many of you are aware
7 of the fact that when tourists come here and spend
8 money, that's an export. That goes on the export side
9 of the ledger.

10 Thanks to some of the great work that we've
11 done in a public/private partnership, we've been able
12 to accelerate visas, we've been able to make sure that
13 we are out there actively seeking visitors to come here
14 and promoting the U.S. as a tourist destination.

15 Just to give you a small example, something I
16 didn't realize until I went to Disney World, it turns
17 out that in Florida, for example, Brazilians are the
18 fastest-growing -- one of the largest sources of
19 tourism in Florida. And by the way, when they come
20 they stay a lot longer and they spend a lot more money.

21 The problem we had, was we had, I think, three
22 places to get visas in all of Brazil, which is a pretty
23 big country, so we've been able to cut down visa times
24 drastically. We have seen as a consequence some
25 significant expansion in tourism out of South America

1 because of some of the steps that we've taken. That's
2 the kind of smart, very cost-effective set of steps
3 that we can take that can make a big difference.

4 A lot of those ideas have been generated from
5 this group, so I just want to say thank you to all the
6 terrific people who've been involved. I am looking
7 forward to us just staying on this thing until we get
8 it right. Okay.

9 CHAIRMAN McNERNEY: Great to have you here.

10 PRESIDENT OBAMA: Good to be here.

11 CHAIRMAN McNERNEY: We discussed a lot of the
12 FTA momentum that was started during your first term,
13 and now you're doubling down in the second term and
14 many of us around the room are very supportive and
15 delighted to be part of the effort. I think maybe just
16 another word or two on the European effort from your
17 point of view. TPP, I think we all get, we're working
18 on, we're in the flow. The European thing, because it
19 is a stalled back-and-forth situation right now because
20 of their economy, we just wonder what the theory of the
21 case was from your standpoint.

22 PRESIDENT OBAMA: Well, here's why we're
23 modestly optimistic that we can get this done. I think
24 in the past the EU, because they've got it coordinated
25 among so many countries, consistently had to pursue the

1 lowest common denominator. There were certain
2 countries whose agricultural sector is very strong, who
3 tended to block at critical junctures the kinds of
4 broad-based trade agreements that would make it a good
5 deal for us. If one of the areas where we've got the
6 greatest comparative advantage is cordoned off from an
7 overall trade deal, it's very hard to get something
8 going.

9 What I think has changed is the recognition
10 throughout Europe that it is hard for them to figure
11 out a recipe for growth at this point, in part because
12 of the austerity measures that have been put in place
13 throughout the euro zone in the absence of a more
14 aggressive trade component.

15 So I think they are hungrier for a deal than
16 they have been in the past. I think, thanks to the
17 good work of people like Mike Froman, we've been able
18 to narrow some of the differences. We have identified
19 on the regulatory side, Customs side, areas where we
20 can synchronize without hurting either side but simply
21 lubricating more effective trade between the two
22 countries.

23 So we have narrowed down the issues. I think
24 it will still be a heavy slog. There's no guarantee
25 that in the end some of the countries that have been

1 hard cases in the past won't block it again. But I
2 think that you're going to see more pressure from more
3 countries on the other side of the Atlantic to get this
4 done than we've seen in the past.

5 Lael, Mike, is that a fair assessment? These
6 guys spend more time in Europe than I do. Yes.

7 CHAIRMAN McNERNEY: Do you have time to take a
8 couple of questions from the group?

9 PRESIDENT OBAMA: Sure.

10 CHAIRMAN McNERNEY: Anybody care to weigh in?

11 PRESIDENT OBAMA: Or comments.

12 CHAIRMAN McNERNEY: Or comments? Sure.

13 Anything?

14 (No response)

15 PRESIDENT OBAMA: Everybody is just dying to
16 get back to Becky's charts.

17 (Laughter)

18 PRESIDENT OBAMA: They're nice-looking charts.

19 SENATOR KLOBUCHAR: They're very good. Mr.
20 President, thank you for your leadership on this issue.
21 I just think setting that goal of doubling the exports
22 was one that many of us have used over and over again.

23 Many of us were talking about the need for more kids
24 to go into science, engineering, technology. We
25 literally have so many jobs that are unfilled right

1 now, particularly in western Minnesota. I think
2 finding some simple goal like that, getting the
3 increase in the number of kids going into these areas
4 and selling it as something that they want to do would
5 be a good idea.

6 I wanted to commend the State Department--I
7 did earlier--for their work on the visas. I still
8 think there's so much more that can be done. We've
9 doubled--doubled--tourism, it's up 50 percent, from
10 China. I think that there is even obviously more that
11 we can do with video conferencing on visa interviews
12 and other things that we should try to use the
13 technology that we have. As you've noted, people are
14 spending tons of money going to Disneyland. I would
15 also add, they're going to the Mall of America in
16 Bloomington, Minnesota.

17 (Laughter)

18 SENATOR KLOBUCHAR: It's a hot spot for Asian
19 tourists especially. Not as much Brazilians, it's too
20 cold in our State for them. But I see so much promise
21 here with the tourism. The last is what you mentioned,
22 this growing political support for fair trade
23 agreements is huge.

24 It's about the big companies, but when people
25 see in their own towns these small- and medium-sized

1 companies where their brothers and sisters work, it
2 creates a kind of support for trade that is much more
3 organic and really goes in a grassroots way across the
4 country.

5 I think we have to remember that as a piece of
6 what's good for the economy, but also will grow support
7 for this new global economy. So I just wanted to thank
8 you for your efforts and hope that we can look at this,
9 the workforce training issue, in a different way in
10 terms of setting some goals for these kids so they see
11 it as a career opportunity.

12 PRESIDENT OBAMA: Well, look, what's
13 absolutely true is that exports, trade, are one brick
14 in this broader economic foundation that we're trying
15 to build. But we're not going to succeed in meeting
16 our export goals if we're not making great products and
17 delivering great services, and we're not going to be
18 able to do that unless we've got a great workforce.

19 You may want to come with me because after
20 this I'm about to go to these Entel National Science
21 Award winners, where you meet 15- and 16-year-olds who
22 invent plasma and cure cancer. Most of the time I have
23 no idea what they're talking about, but they're very
24 impressive and inspiring.

25 We are setting a set of goals for STEM

1 education, the number of engineers that we need to
2 produce. All that stuff is going to be important. But
3 one of the things that I've also been pointing out,
4 when you look at a lot of those jobs that go unfilled,
5 they're not necessarily Ph.D. jobs.

6 The issue here is, can we reintroduce an
7 effective model for vocational training? Part of the
8 goal that we've set for ourselves with respect to high
9 schools is duplicating some of the things that are
10 being done, for example, by IBM where they go into a
11 high school in New York and they say we'll train you
12 and, during high school, you will get the equivalent of
13 an associate's degree so that by the time you graduate,
14 maybe you take two years of community college, you are
15 now fully trained for jobs that we know are out there
16 and that people are hiring for, which makes the kids
17 more engaged in high school, saves them money, reduces
18 the number of PEL grants they're taking out. It's a
19 win-win situation for everybody and the employers then
20 have great quality control in terms of knowing who it
21 is that they're getting. We want to see if we can
22 duplicate that across the board.

23 Yes, Kris?

24 SENATOR GILLIBRAND: I want to thank you, Mr.
25 President, for your vision because I'm telling you it's

1 making an absolute different in my own State in high-
2 tech manufacturing and increasing our exports. We also
3 had an easy win. I appreciate the leadership you took
4 with regard to Canada, something so parochial, so easy.

5 But increasing our exports to Canada -- for New York
6 State to have Montreal and Toronto a stone's throw away
7 is such a huge market for our entrepreneurs.

8 Some work still can be done. There's no
9 streamlining of what governmental requirements are
10 required on both sides of the border. That is
11 something that we can actually fix, making a one-stop
12 shop for a young entrepreneur who is starting business
13 who wants to know, what forms do I have to fill out to
14 export my product abroad. That's a place where we have
15 enormous export potential.

16 Even just in agricultural products, for apples
17 that are going from New York to Canada, they have to be
18 inspected on both sides of the border, unnecessary. So
19 there's some real streamlining I think we could do to
20 increase exports just between those two areas of the
21 country.

22 But I just want to thank you because, as Amy
23 said, in terms of filling these jobs, what's really
24 worked is part of your initiatives of allowing the
25 community colleges to work directly with the

1 manufacturers to build the coursework for the job the
2 manufacturer needs.

3 We had a fantastic example where Bombardier,
4 who builds a lot of things, including subways, needed
5 advanced welders. Well, they went to Adirondack
6 Community College, built the coursework, and those
7 employees got their training, got a higher wage, and
8 filled the spots.

9 So it's really exciting, what you're doing in
10 education innovation, which is training the people for
11 the jobs that are available with the collaboration of
12 the employers building the coursework. It's a win-win
13 for everybody and I just want to congratulate you for
14 your vision on that issue.

15 PRESIDENT OBAMA: Sure. A couple more?

16 MAYOR BROWN: Mr. President, I want to thank
17 you for supporting the U.S. Conference of Mayors for
18 the ports. Ports are a big economic engine in our
19 cities and they really focus on small business and
20 entrepreneurs, helping them to export. So I want to
21 thank you for that. I know the policy you pushed to
22 allow the study to be released early from the Army
23 Corps of Engineers, which helped Jacksonville, Florida,
24 by the way. I really appreciate that. Florida is very
25 important.

1 Like you said with Brazil, which is Florida's
2 number-one trading partner, we really appreciate your
3 support on the ports and modernizing the port so that
4 we can compete and position in cities to really be
5 competitive in the marketplace.

6 PRESIDENT OBAMA: Well, one of the things that
7 we talked about is if we're going to export effectively
8 we've got to have effective infrastructure. The ports
9 issue all around the Gulf is going to be critical. The
10 Panama Canal is being modified. You're going to have
11 bigger ships coming in. If you want to unload those
12 ships you've got to have high-quality ports. That
13 obviously is a gateway for everything that's happening
14 in Central and South America.

15 Recently we had the challenge of--I know I
16 talked to Pat about this--getting goods from the
17 midwest down the Mississippi when the water started
18 going down. If in fact temperatures are warming--I
19 know this is not our climate change meeting--but I
20 think we can anticipate that we may end up having some
21 challenges in terms of managing our waterways well.
22 Whether or not we can continue to use barges to move a
23 lot of product out of the American heartland to ports
24 around the world, that's going to depend on our
25 infrastructure.

1 So we are going to, in our budget, continue to
2 push Congress to see if we can essentially deal with
3 deferred maintenance. Sometimes when it comes to
4 government spending everybody thinks it's all the same.
5 I think everybody around this table knows, in your
6 businesses, you think very differently about capital
7 investments, long-term investments that are going to
8 make your company more competitive versus wasting
9 money. Here's an example of where we should be doing
10 less of some things that are not helping us grow.
11 Building infrastructure is something that does help us
12 grow. Okay.

13 All right, guys. I think you've got smarter
14 people around the table than me to deal with some of
15 these issues. Again, I just want to thank all of you
16 who have been involved. We are going to continue to
17 push this agenda.

18 One of the things I hope that you've seen
19 during the course of these last four years is that if
20 we hear good ideas, we'll implement. We'll move them.

21 So the great thing about a council like this is that
22 it gives us insight into how things are actually
23 operating or not operating and we can start cutting
24 through some of the red tape and get things done. So
25 continue to provide us with recommendations. We'll

1 work them through.

2 There's an interagency process. It's a good
3 way for us to break down some of the silos that develop
4 between various agencies and I think we can make
5 significant improvement and continue to build on the
6 goals that we've set. All right. Thank you,
7 everybody.

8 CHAIRMAN McNERNEY: Thanks very much.

9 (Applause)

10 CHAIRMAN McNERNEY: As you predicted, as you
11 predicted.

12 SECRETARY BLANK: It's always hard to follow
13 the President, or precede him, for that matter.

14 I've got one more slide and then I will see if
15 we can take some time for conversation and go from
16 there.

17 So this last slide--we talked about free trade
18 agreements--simply looks at how our exports have
19 evolved in the last two years and over the more recent
20 years for countries that we have free trade agreements
21 with and countries that we don't. The main message
22 here is free trade agreements are good for exports.
23 That shouldn't surprise anyone here but I thought I'd
24 at least show you the data on it.

25 So if we go to the next slide here, I thought

1 it would be very useful, and I know a number of you
2 wanted to have something of a conversation about what
3 should we be thinking about here in the Federal
4 Government across all of the agencies represented in
5 this room for how we push in the next several years to
6 complete our NEI goal.

7 I just want to throw the questions out for
8 you: what should we be doing in terms of market access?

9 In particular, how should we be setting ourselves up
10 for the free trade agreements that we're all working on
11 and there are some negotiations? What can we be doing
12 further in terms of trade promotion and advocacy,
13 export financing, and in terms of attracting export-
14 driven employers to the U.S., investment in the U.S.
15 here.

16 So I just want to throw it open for however
17 much time we have to let you talk back to us about what
18 you think our highest priorities are and what you see
19 not happening out there or that we aren't doing enough
20 of among the things we are doing. Thank you.

21 CHAIRMAN McNERNEY: Thank you very much. I
22 think the answer is, all of them are important. The
23 point becomes, what are the best rifle shots within
24 each of them to drive home actionable things? That's
25 been the purpose of our letter writing over the last

1 two or three years.

2 I know some of the letters we're going to be
3 presenting today anticipate some answers to some of
4 these questions, but I think we've all had a chance to
5 see the book and see the letter so maybe we could ask
6 the group, if it's okay with you, just maybe some
7 things that are missing from what we're going to
8 present later today that we could catalog as a couple,
9 two or three areas of additional emphasis that we can
10 add to the list.

11 SECRETARY BLANK: And we're in a nice
12 position. It's the beginning of a new term and we
13 really have some time and space to think about, what
14 are we going to build and what's that agenda. So the
15 letters are a great start but really we are looking for
16 your ideas of not just what can we do next month and
17 next year, but what should we be doing over the next
18 several years?

19 MS. MORRISON: I'm pretty new to the Council
20 but I'm just wondering, the goal of doubling the
21 exports and the three industries that were pointed out
22 as doing it right, you know, aero, auto, and tourism,
23 do we have goals by sector and is there a way in the
24 next round to get a little bit more granular in terms
25 of, what are our greatest possibilities?

1 Not to do selling here, but we know in my
2 business that 70 percent of the growth in food will be
3 outside of the United States and so the United States
4 companies have a great opportunity in that area. I
5 know Pat has probably represented that here as well.
6 But I'm just wondering, how do we get the next trillion
7 could be a really good challenge for us.

8 CHAIRMAN McNERNEY: Good comment.

9 Andrew, did you want to jump in?

10 SECRETARY BLANK: I was just going to say, we
11 don't have sector-specific goals. We, in terms of the
12 Commerce Department--and I know this is true elsewhere
13 as well--have tried to focus on the sectors where we
14 thought there was real potential for growth, such as
15 travel and tourism, where we've done quite a bit. But
16 it's an interesting thing to consider.

17 MS. MERRIGAN: When the President came out
18 with that goal three years ago from Department of
19 Agriculture's point of view, we just assumed that even
20 though we were doing very aggressive export work and
21 that we were very successful, that we just took it upon
22 ourselves that it meant doubling what we were doing in
23 our sector. So I don't know if my colleagues around
24 the table assumed the same, but if we all keep pushing
25 in that direction, that is at least the brass ring that

1 we're working towards.

2 CHAIRMAN McNERNEY: But I think the sector
3 idea is a good one. I mean, I think, as you'll see,
4 the preponderance of the gain that we're anticipating
5 from the letters that we're offering today are in the
6 services side, as Ursula and some others are going to
7 discuss in a minute, which you could view as a sector.

8 But we can break this down, I think, a little
9 bit more. Andrew, who is as usual flitting around --
10 Andrew, I was going to ask you because at one point I
11 remember a year ago or so you looked at sectors and
12 their relative attractiveness. So the idea has come
13 back again.

14 MR. LIVERIS: I was actually going to make a
15 comment on that.

16 CHAIRMAN McNERNEY: It might be a chance to
17 take it up again.

18 MR. LIVERIS: I think it's great to comment
19 again because actually we did look at sector
20 strategies. Mike, I, the team, the subcommittee worked
21 on it. I think it's probably time. I think we've done
22 a good job at the high level, like manufacturing,
23 services, agriculture. But let's deep-drill a little
24 bit and get those sector reports back.

25 The other thing is, we've used the word

1 "competitiveness" a lot. At the end of the day, what
2 will drive this for the long term is competitiveness
3 across all the inputs. Not only do we have the
4 labor/technology SME topic, financing, and all the
5 things that U.S. Ex-Im does, but now we have resources,
6 as in energy resources.

7 So American competitiveness on a global stage
8 is actually entering a new era. Maybe we should look
9 at it with that lens as well. That will help a lot of
10 supply chains when you look at the oil and gas
11 competitiveness that we have as a Nation. So maybe we
12 should take a look across those sectors.

13 MS. LAGO: Maybe some best practices from the
14 industries that --

15 CHAIRMAN McNERNEY: Leading versus lagging.
16 Yes. Good. Any other comments? Yes, Karen?

17 ADMINISTRATOR MILLS: On this, I did not
18 mention the American Supplier Initiative, but I do want
19 to thank Andrew and some others who are leading efforts
20 to make sure that their supply chains get the
21 opportunity to get access to some of this export
22 ecosystem that we're building. The President talked
23 about both independent small businesses exporting.
24 Senator Gillibrand talked about even small agricultural
25 exporters.

1 I was in Tampa last week with a guy who
2 refurbishes, in the worst part of Tampa-St. Pete,
3 second-hand trucks and he exports to eight countries:
4 Nigeria, Nicaragua, and they want American-built major
5 transportation trucks. So this kind of opportunity
6 comes out all over the place.

7 I think when you look at really the numbers,
8 there's actually a fairly small number of
9 manufacturers, exporters, and people in supply chains.

10 It's probably a half a million small businesses. That
11 is a number that we can reach between the on-the-ground
12 resources of the Department of Commerce, ourselves, and
13 the efforts of Export-Import Bank. We probably already
14 know, because of the Department of Defense supply
15 chain, 200, 250 of the 500,000.

16 So we are making a very targeted effort. It's
17 not sector based but it ends up being sector based
18 because it is largely manufacturing, it's very defense
19 oriented, and it's in all of the area that have large
20 and important supply chains here in this country. We
21 know if we strengthen those, not only will we export
22 more but we will in-source, we will attract more
23 foreign investors and other American investors to bring
24 their production back here.

25 CHAIRMAN McNERNEY: Okay. Well, listen, I

1 think the PEC staff and your staffs, we'd love to hear
2 some ideas that are responsive here. I think the theme
3 of one step, more granular in the second term, that's
4 an interesting way to think about it. Denise, thanks
5 for pushing that way of thinking. We tried last time
6 but we had low-hanging fruit, and now coming back to it
7 I think is the right way to think about it.

8 So the PEC staff, in our next meeting, will
9 lay out the agenda for the next term in a more granular
10 way, so please give us your ideas. Thanks for laying
11 it out, Dr. Blank. In the interest of time we should
12 probably move on.

13 I notice we have Gene Sperling here. Gene,
14 would you care to make a comment?

15 MR. SPERLING: Well, thanks, Jim. I think
16 I've been asked, maybe since you have so much of the
17 leading lights on our export team, to just give people
18 a quick couple of minutes on where we are on our larger
19 fiscal goals, but I'll keep it quick.

20 Just to say that obviously it has not been
21 pretty, the last two years. Despite that, that degree
22 of unfortunate dysfunction, we have actually seen the
23 deficit come down \$2.5 trillion. Of that \$2.5
24 trillion, \$620 billion has been from revenue, the other
25 three-fourths has been from spending cuts and from the

1 reduction in interest, projected interest spending.

2 That is not insignificant. We are actually
3 now having the largest fall in the deficit over four
4 years in any period since the demobilization after
5 World War II. But what is not satisfactory about it
6 area really two things, which is: 1) while we get down
7 significantly, we don't get down as low as needed. In
8 the current path, we will not get under 3 percent of
9 GDP. We will not see the debt declining as a
10 percentage of GDP; 2) the revenues and the
11 discretionary spending cuts have missed obviously the
12 need to have serious long-term entitlement savings as
13 part of a larger balanced package.

14 So the thing that I want everyone here to know
15 is that while this will be a week or two weeks where
16 you will see perhaps some pretty broad differences
17 between the Senate Budget Committee and the House
18 Budget Committee, what the President has kept on the
19 table is his last offer to Speaker Boehner, which had
20 another \$1.8 trillion in deficit reduction, enough to
21 get us well on a path to debt sustainability.

22 That \$1.8 trillion included \$400 billion in
23 Medicare savings, it included a correction of the CPI
24 that has very serious long-term fiscal impacts. In
25 fact, the Medicare savings are well over \$1 trillion in

1 the second decade.

2 The correction to the Consumer Price Index and
3 how that affects cost of living adjustments is again
4 another \$1 trillion. So there is a real serious effort
5 in entitlement reform in here. We have been very
6 explicit about that. We've actually even done a clear
7 one-pager that we've given out to everybody. The
8 President will be up talking to all four caucuses.

9 So what I think you've seen from many of the
10 people the President has talked to privately or had
11 dinner with is that while we may not have closed all
12 the gap, I think more and more people are realizing
13 there is a very, very serious plan out there.

14 It does include tax reform that would raise
15 from revenues to contribute to deficit reduction, but
16 far more savings from entitlement reform, and
17 particularly entitlement reform that has strong, long-
18 term impacts.

19 So he is, as he said, going to be reaching
20 out, trying to find that caucus of common sense. I
21 think there are people in this town who understand we
22 have to do some tough things, but sensible things, on
23 entitlement reform and that we can't really have a tax
24 reform process that does not do anything at all to
25 contribute to deficit reduction. He's going to keep

1 making that point serious.

2 I think that it is not unrelated to what we're
3 talking about here today because what happens in the
4 United States affects the world. I think that while we
5 see real momentum in many areas in housing and other
6 areas in our economy, I think when you ask what has
7 kept us from taking off, one, we think that housing
8 could take off even more if we could clear out some of
9 the regulatory uncertainty, make refinancing available
10 to all. That's going to be an important agenda item.

11 But we also think that taking away the
12 uncertainty that there's going to be a manufactured
13 fiscal crisis every two months, taking away perhaps the
14 loss of a half percentage of growth from a harsh
15 sequester that doesn't even deal with entitlement
16 reform, will be helpful.

17 But I think all of you, as you've told us
18 repeatedly, there's another factor. It's a confidence
19 factor. If you saw that we were replacing the
20 manufactured crisis with a bipartisan plan that was
21 dealing with our long-term deficit and you could see
22 sustainability, you could see this locked in, that this
23 could have a very positive effect and that positive
24 effect helps us and our positive effect helps
25 projections of growth and sales overseas, and

1 ultimately exports.

2 It's exactly that virtuous cycle that this
3 recovery has been straining to reach and we think a lot
4 of what we're trying to do on the fiscal and housing
5 side can be helpful in reaching that virtuous cycle we
6 all want.

7 CHAIRMAN McNERNEY: Thanks very much, Gene,
8 for your comments. Mr. All Things Global among
9 everything else, Mike Froman is with us.

10 MR. FROMAN: Thanks, Jim. There's very little
11 I could add, I think, to what Ambassador Kirk, and most
12 importantly the President, said. Let me just update
13 you on a few things.

14 On TPP, we are literally, as we speak,
15 finishing our 16th round of negotiations and they've
16 actually gone quite well. We're beginning to see more
17 and more chapters close out. We made it clear that we
18 want to enter the end game here of trying to finish
19 this agreement by the end of the year. We've got some
20 good momentum behind us.

21 What we call the TTIP, our Trans-Atlantic
22 Trade and Investment Partnership, we are about to
23 notify Congress and begin that process to begin to
24 prepare for negotiations there. I just wanted to
25 underscore something the President said, which is that

1 this will be an agreement that covers tariffs and it
2 covers market access issues and IPR issues and all the
3 usual things that an FTA covers.

4 But the real benefit, potential benefit of
5 this agreement and also the most difficult part, is to
6 see whether we can deal with the regulatory differences
7 and the standards differences. No one on either side
8 of the Atlantic thinks the other side is a low
9 regulatory environment or an unsafe environment, it's
10 just that our regulators have come up with slightly
11 different regulations and ways to approach standards.

12 That is our goal, is to try and get our heads
13 around that. It's an area where we could use input
14 from the outside. We've had some public *Federal*
15 *Register* notices soliciting input from stakeholders and
16 we would welcome the input of the PEC on how to think
17 through bringing the regulatory and standards pieces
18 together.

19 In Geneva, through a series of efforts by the
20 President at the G-20 and elsewhere, we now have a
21 global consensus that we need to move beyond what was
22 sort of a sterile debate over the Doha trade round and
23 focus on things that we can get done.

24 We actually have three very productive
25 negotiations going on in Geneva right now around

1 services, around the expansion of the information
2 technology agreement, and around trade facilitation and
3 we are hopeful that we can make progress on all of
4 those.

5 If we succeed in executing on this TPP, TTIP,
6 Geneva, we will have created free trade with two-thirds
7 of the world, both by GDP and by global trade and with
8 70 percent of all global services. That will be
9 perhaps the most ambitious trade agenda we have seen in
10 a while.

11 Now, the remaining third is very important:
12 it's China, India, Brazil, Indonesia, South Africa. We
13 can't ignore these but we are very much prepared to
14 work with them when they're ready to come to the table
15 and play the role that we think they should play in the
16 global economic system.

17 Beyond that, let me just mention a couple of
18 other things. Whether it's the Middle East and North
19 Africa or sub-Saharan Africa and the East African
20 community in particular, we're working on a series of
21 initiatives to help promote investment, trade, regional
22 integration, and greater efficiencies in those regions,
23 both amongst themselves and with the global trading
24 system.

25 All of this, I think, is underscored and

1 undergirded by a robust environment agenda. The
2 Interagency Trade Enforcement Center that the President
3 launched last year has been tremendously successful
4 under USTR's leadership and Commerce's leadership in
5 bringing cases that could not be brought before just by
6 pulling together different resources from across the
7 government to look at and do the hard work to put
8 together cases and we're making great progress.

9 You've already talked about export promotion
10 so I won't go into that. I'd just say great work by
11 Karen, Fred, and Lee, and all the other agencies that
12 work together to promote exports.

13 I'll conclude just with one mention because
14 it's an important week and I know you're talking with
15 the PECSEA later, and that's about export control
16 reform. Actually, this week marked a time -- the
17 President launched -- or last week he signed an
18 executive order cleaning up the export control system
19 in many ways.

20 We notified Congress of the first movement of
21 products from the State Department list to the Commerce
22 control list, so the first several thousand products of
23 what will be an effort that will take the remainder of
24 this year to redefine our export control system is now
25 well under way.

1 CHAIRMAN McNERNEY: Thanks very much, Mike,
2 for those comments. We're going to hear, on the
3 PECSEA, in a little bit, a little more detail.

4 Fred, comments?

5 MR. HOCHBERG: Thank you. Two quick comments,
6 actually, picking up on one of the things that Karen
7 mentioned. Large companies also help a lot of small
8 companies export. The largest export financing ever in
9 the history of Export-Import Bank was for Dow Chemical
10 and the Siddhara project. One of the hallmarks of it,
11 we had over 700 million of direct small business
12 exporters as part of that, so that was a key way of
13 actually, one, creating over 18,000 jobs here, and a
14 lot of jobs in small businesses. So that was a key
15 aspect of that.

16 We have also, just to comment quickly, put
17 more focus on energy, power, and have dedicated teams
18 that know -- as you know, Jim, in aircraft and
19 transportation, we've got people who do nothing but
20 aircraft transactions, locomotive transactions,
21 satellites. I was actually just out at the Boeing
22 facility out in Los Angeles where they used to make the
23 Nash Rambler in the 1950s, the same factory.

24 So we're increasingly focusing our teams not
25 so much on countries, but on industries, so they know

1 the industry well. We work with companies like
2 Caterpillar so we know what their business plans are
3 and can work with them in mining, energy, power,
4 transportation.

5 Those are the large sectors that are
6 generating a lot of jobs where we, because we have a
7 large content requirement because we're about jobs--
8 we're not about national interests but purely about
9 jobs--so we look at those industries where there's
10 large content. So, those are the ones that we're
11 really focused on and it is much more segmented.

12 CHAIRMAN McNERNEY: And it makes a lot of
13 sense because it deals with the cycle time issue,
14 because you've got people who have a base understanding
15 of the industry and the financing types behind it.
16 It's great.

17 MR. HOCHBERG: Right. We have cut cycle time
18 at this time. Ninety-eight percent of all transactions
19 are out in 100 days or less, 2 percent, which is about
20 70 transactions -- and they tend to be a little more
21 complicated, like \$5 billion in Saudi Arabia is harder
22 to do in 100 days than some of the small business ones.
23 In the small business, 90 percent get out within 30
24 days.

25 CHAIRMAN McNERNEY: Thanks for your

1 leadership, Fred. It's important to many of us in the
2 room, for sure.

3 Director Zak, some comments, please?

4 DIRECTOR ZAK: Thank you very much. I want to
5 continue with a theme that I've been hearing throughout
6 this morning, and that is focusing on collaboration,
7 the amount of collaboration that is going on among the
8 U.S. agencies, and also the private sector. I want to
9 thank the Council for their letter with respect to sub-
10 Saharan Africa.

11 As the President mentioned, the development of
12 infrastructure is extremely important to our exports
13 from the United States, but it's also extremely
14 important with respect to the receipt of the exports on
15 the other side. So I want to thank you for your focus
16 on the infrastructure and financing.

17 With respect to collaboration, just one little
18 example is that many of the agencies in this room are
19 involved in the Clean Energy Development and Finance
20 Center in sub-Saharan Africa.

21 This has been a collaborative effort with the
22 State Department, Department of Commerce, OPIC has a
23 representative there, Ex-Im Bank is working with us
24 virtually there, and USTDA has helped to put that
25 center together along with OPIC. I want to thank

1 Acting Secretary Blank because she had mentioned it
2 when she launched the Doing Business in Africa
3 initiative when she was in South Africa.

4 I think the important part about this is what
5 this demonstrates is that there really is a win-win
6 scenario, that this Clean Energy Center, one, is going
7 to help the climate, it's going to help people develop
8 their energy within Africa where there are plenty of
9 natural resources, and frankly, from USTDA's point of
10 view, it's also going to create jobs in the United
11 States. So it's a real win-win scenario and I think
12 one that we can replicate in other parts of the world.

13 But I think the other thing that this really
14 demonstrates, and when I travel I see a lot of
15 competition, as you all do, from other parts of the
16 world. I think what this really demonstrates is there
17 is a Team USA that is working for businesses. As a
18 matter of fact, this team is going to have a
19 stakeholder meeting next week in South Africa, meeting
20 with leaders from South Africa, but also with the
21 private sector in South Africa and the U.S. private
22 sector. This is a matter of us working
23 collaboratively. So that is a bit of my theme, is that
24 we have a Team USA. Two other things that are
25 happening. As a matter of fact, right now in my office

1 there is a meeting with the Colombian embassy and
2 Assistant Secretary Sanchez from the State Department,
3 a meeting talking about opportunities in Colombia.
4 Tomorrow we are hosting at USTDA a webinar focused on
5 Turkey with the Commercial Service and the Ambassador
6 will also be appearing.

7 So from the business point of view, we clearly
8 have a Team USA. The recommendation that I might have
9 for the future that we might think about are two
10 things. One, I've heard throughout today a lot of
11 really good success stories and I think this may be one
12 thing we might want to publish and start telling people
13 about, that this Council has been successful in getting
14 that word out of what the successes are.

15 The other thing that we talked about, very
16 briefly, is what we see in competition is an issue with
17 respect to cost and people looking at low cost. One of
18 the things our agency has been doing is focusing on
19 training people, that it's not just about low cost,
20 it's about quality. That's where the U.S. wins all the
21 time, so that may be something we can take up in the
22 future.

23 CHAIRMAN McNERNEY: Okay. Some good thoughts,
24 Lee. Appreciate it very much. You mentioned OPIC.
25 President Littlefield? Let's see. Here she is. A

1 couple of comments before we move on to the letters?

2 MS. LITTLEFIELD: Absolutely. Thank you very
3 much for the chance to say a few words.

4 As you know, OPIC, as a development agency,
5 supports U.S. businesses, not exporting, but investing
6 in emerging markets, particularly in foreign policy
7 priority countries. We do that by providing long-term
8 loans, political risk insurance, and support for
9 private equity funds.

10 As your letter, Jim, observes, we all know
11 that U.S. investment overseas not only supports
12 economic development and our foreign policy objectives,
13 but also creates a platform for U.S. exports to follow.

14 In fact, since the time that OPIC was carved out of
15 the side of U.S. AID about 40 years ago, U.S. foreign
16 direct investment abroad has grown from about \$7.5
17 billion to over \$400 billion a year.

18 Last year, for the first time in history, U.S.
19 foreign direct investment, outgoing to direct
20 investment to developing countries, exceeded that of
21 developed countries for the first time in history. In
22 fact, as the President noted, this is not just large
23 companies investing abroad, it's also small companies
24 as well.

25 About two-thirds of OPIC's business by volume

1 as well as by transaction number is with U.S. small
2 businesses. We reach those businesses through
3 workshops that we host throughout the country together
4 with SBA, TDA, Commerce, and others, particularly
5 workshops focused on women and minority-owned
6 businesses.

7 Now, we have placed a very strong emphasis in
8 Africa in the last few years. In fact, under the Obama
9 administration our portfolio in sub-Saharan Africa has
10 grown about 50 percent. In the last two years, we've
11 done more than the previous five years combined. So,
12 Africa has been a real focus for us.

13 As Lee noted, together with State Department,
14 TDA, and others, we have created several initiatives to
15 support the Doing Business in Africa initiative: U.S.
16 Africa Clean Energy finance, the U.S.-Africa Clean
17 Energy Development Finance Center, and other
18 initiatives like that that really do represent a whole-
19 of-government approach to our business in Africa.

20 Now, finally, my penultimate comment is we've
21 also placed a very strong emphasis on renewable energy
22 and on climate finance. I am amazed to tell you that
23 we've actually multiplied our support for renewable
24 energy 100-fold under the Obama administration,
25 starting with \$10 million in our portfolio in

1 renewables in 2008 to \$1.1 billion last year. I think
2 that just shows that American technology in renewable
3 energy is really increasing in the low-cost way that
4 the developing world is getting its energy.

5 So last, I would say really just acknowledging
6 in particular the Foreign Commercial Service--I want to
7 thank Francisco, Bob, Becky--the Foreign Commercial
8 Service and the Econ officers who we rely on extremely
9 heavily to market and identify opportunities for us,
10 since we're a tiny little agency all based in
11 Washington, DC. So the partnership with State and
12 Commerce is one that we really do appreciate very much.

13 So we see really tremendous opportunities for
14 our clients in the coming years in these areas,
15 particularly in Africa, particularly in the renewable
16 sector, and we are very proud to be supporting the
17 administration's export goals with our partner
18 agencies.

19 Thank you.

20 CHAIRMAN McNERNEY: I think many of those
21 efforts are going to line up with a couple of the
22 recommendations we've got and the theme of granularity
23 moving forward. So, thank you very much.

24 We're rounding the far turn. We're a little
25 bit behind on time and I know we've got some schedules

1 we're bumping into, so can I suggest we dispense with
2 parliamentary perfection and vote all at the end on the
3 10 letters? So let's just have, shall we say,
4 tightened up presentations by the sponsors. Andrew,
5 maybe you could set the bar on the first two letters.

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1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **i. Doing Business in Africa**

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4 MR. LIVERIS: Thank you, Mr. Chairman. The
5 African letter, our subcommittee has worked on it.
6 It's there, the six recommendations. Director Zak,
7 President Littlefield, Secretary Blank and
8 Representative Kirk have already talked about the
9 importance of sub-Saharan Africa.

10 So the six recommendations are really the
11 engagement strategy. The administration obviously
12 clearly has launched this in December and we fully
13 support it. I think it's a no-brainer. Maybe it's
14 aged a century, but boy, it's certainly Africa's
15 decade. So let's move forward and put this letter
16 forward as our specific granular recommendations, Mr.
17 Chairman.

18 CHAIRMAN McNERNEY: Okay. We will hold it in
19 abeyance for a vote at the end.

20 So your second letter, Andrew?
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1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **ii. Bilateral Investment Treaties**

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4 MR. LIVERIS: Yes. So this is the area of
5 bilateral investment treaties. You know, we have trade
6 and investment as our agenda but investment treaties
7 are very important. There are lots of barriers and
8 we've heard a lot about a lot of those as it relates
9 to, of course, Europe, as Mr. Froman just talked about.

10 So really what we're talking about here is,
11 let's get some early indicators on treaties in
12 difficult countries and difficult jurisdictions. We've
13 talked about India in the letter in particular. We all
14 know what's going on in India. It's quite a mess in
15 terms of engagement.

16 So maybe if we go on the investment front
17 first, then we can ultimately get to the trade front.
18 But certainly the spirit of that letter is to begin the
19 process of engagement in some difficult jurisdictions,
20 but China, Vietnam, India as examples.

21 CHAIRMAN McNERNEY: All have the impact of
22 tightening up regulations, cycle times --

23 MR. LIVERIS: For standards, regulations,
24 access, all the things Secretary Blank covered in her
25 questions.

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CHAIRMAN McNERNEY: Okay. Okay.

Thank you, Andrew.

MR. LIVERIS: Thank you for your indulgence,
Mr. Chairman.

CHAIRMAN McNERNEY: You teamed them up.

I think, Ursula, the Russian PNTR and
services?

1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **iii. Russian Accession to the World Trade Organization**

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4 VICE CHAIR BURNS: Right. I have two on
5 Russian PNTR. This is in response a little to the
6 "what we can do" discussion to make it move along a
7 little bit. First of all, the good news is that we
8 have made significant progress in getting Russia into
9 the WTO. That's very good. We are a little
10 disappointed in the fact that they have not yet signed
11 on to join the information technology agreement portion
12 of the inclusion into WTO.

13 The only way that we would feel comfortable
14 with continuing support of Russia's ascension to WTO is
15 if they actually do what we agreed for them to do when
16 they joined, so we have to actually have an enforcement
17 mechanism. We have to be very firm and clear on this.

18 As a services company and a technology company, it is
19 vital that they actually do join on.

20 So the first discussion is on that, let's make
21 sure we continue to put the pressure on and not let up.
22 We are happy with the work that the administration is
23 doing but we cannot back down on this one. Success is
24 not just joining, it's also following the rules as they
25 join.

1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **iv. International Services Agreement**

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4 VICE CHAIR BURNS: The second, is on the
5 International Services Agreement. I'm a services
6 company and U.S. is a services powerhouse.
7 Interestingly enough, about 80 percent of the total
8 U.S. output in a year is services output. Our export
9 of services, while good, is way behind what it could
10 be, well behind what it could be if we actually focus
11 on it and actually loosen up some of the practices that
12 we use, some of the infrastructure that we have that
13 actually slows down services and exports.

14 Most of this infrastructure is written when
15 manufacturing was the key export. We have to actually
16 look at this and rewrite the rules to actually include
17 services-type exports and services-type language. We
18 are really supporting the administration on this, the
19 PEC is, services companies are.

20 So I urge the administration to bring to a
21 rapid conclusion this ambitious portion of the services
22 activity here and we think it will liberalize and
23 actually allow us to grow significantly our services
24 exports, which not up to manufacturing exports, but
25 could be. Could be. Thank you.

1 CHAIRMAN McNERNEY: You know, it's
2 interesting. When you look at the numbers, services,
3 whether tourism is in it or not, and tourism, are the
4 two biggest single opportunities that we have focused
5 on in our recommendation. So this is a big deal. It
6 will be a bit of a slog.

7 VICE CHAIR BURNS: It'll be a slog.

8 CHAIRMAN McNERNEY: But now is the time to
9 start. There's a lot of informal protectionism across
10 services, across countries, et cetera.

11 VICE CHAIR BURNS: It's actually more
12 protectionism than even in the manufacturing sector.

13 CHAIRMAN McNERNEY: I think so. I think so.

14 VICE CHAIR BURNS: That's something we have to
15 work on.

16 CHAIRMAN McNERNEY: Great. So that's a great
17 one to take on.

18 Pat, were you going to talk about barriers to
19 agriculture?
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1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **v. Reducing Agricultural Trade Barriers in the Trans-**
3 **Pacific Partnership**

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5 MS. WOERTZ: Absolutely. Thank you. Just a
6 little history. Back in 2011, the PEC recommended and
7 encouraged and applauded the TPP. I'd like to take the
8 opportunity to thank Ambassador Kirk for all that
9 you've done for these last four years in the
10 advancement of trade. Mike mentioned the 16th round, so
11 TPP is great.

12 As many others maybe have delays at borders, I
13 just want to bring to light the perishable products of
14 food, feed, beverages. When we get to borders and
15 there are delays, this is a big obstacle to continued
16 exports.

17 So it's outlined in the letter. It just shows
18 some effort and encouragement to make sure there is a
19 mechanism to allow for advice to the exporter, to rapid
20 resolution so we can get these exports into market.
21 They're perishable, they're important. It's what the
22 letter is about.

23 Thank you.

24 CHAIRMAN McNERNEY: Thanks, Pat. Thanks very
25 much.

1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **vi. U.S. Export-Import Bank Board Nominations**

3
4 CHAIRMAN McNERNEY: I will deal with the Ex-Im
5 letter here. I'll introduce it personally. Fred is
6 still there. We have three directors on July 20th that
7 we're going to lose. We won't have a quorum at Ex-Im.

8 Important to all of us big companies, and increasingly
9 small companies with a number of programs that Fred has
10 promulgated over the last two years that are making a
11 big difference for small- and medium-sized firms that
12 not only support us, but independently accessed
13 markets.

14 For many of us, Ex-Im is a fundamental
15 competitiveness issue. Every competitor around the
16 world has an Ex-Im Bank equivalent. If we decide to
17 stand down for whatever reason, we're at a fundamental
18 disadvantage. Ex-Im has never lost money, has always
19 made money.

20 So the importance, I think, that we emphasize
21 in this letter is simply getting the administrative
22 task of getting three new directors handled by July
23 20th. I think it's not much more. It makes the case
24 for Ex-Im as part of the letter.

25 Okay. Denise, were you going to talk about

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U.S.-Canada trade facilitation?

1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **vii. U.S.-Canada Trade Facilitation**

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4 MS. MORRISON: Yes, I am. Thank you very
5 much. First of all, thank you to the companies and the
6 agencies who reviewed the draft of this letter. It
7 basically thanks the President for his leadership in
8 enhancing the U.S.-Canada trade relationship,
9 especially with the launch of the Beyond the Border
10 program, which is about half-way through its two- to
11 three-year implementation and making good advances,
12 particularly on cross-border trade, but has great
13 potential for enhanced regulatory cooperation between
14 our two countries.

15 This is a good model that, as we negotiate
16 these larger arrangements in the TPP and Europe, we can
17 learn a lot from what has already gone before us with
18 Canada. For example, when we bring an ingredient in
19 from Asia and it goes through Port of Prince Rupert in
20 British Columbia, it's inspected by the Canadians and
21 then it's also inspected by the United States when it
22 comes across the border. So we're finding lots of
23 duplication in the efforts.

24 The essence of the program would make the
25 border easier to cross, especially for trusted shippers

1 and travelers, and allow for mutual recognition of each
2 other's standards and inspection regimes, even though
3 they're not identical.

4 There is good cooperation, the relationship is
5 good, but it recommends to the President that the
6 administration slightly more formalize the stakeholder
7 engagement process. The good news is, there is a
8 process and there have been several meetings to work on
9 this but more can be done.

10 We think that there is an opportunity for
11 enhanced public awareness of Beyond the Borders,
12 particularly as the construction begins on the new
13 international trade crossing between Detroit and
14 Windsor, which is the first major infrastructure
15 improvement in many years. So that might be a catalyst
16 for us to bring a lot more attention to some of the
17 success stories here. Thank you.

18 CHAIRMAN McNERNEY: Thanks very much, Denise.
19 Appreciate it.

20 Pat, were you going to deal with the workforce
21 readiness, a very thorough recommendation?
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1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **viii. Workforce Readiness**

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4 MS. WOERTZ: I will. In fact, it's a very
5 comprehensive letter. This has been an issue for the
6 PEC and we heard about it much this morning, so I'm
7 delighted to represent the group in presenting this
8 letter. Thank you, Secretary Harris, for commenting
9 earlier about it.

10 There are four key areas. I'll just talk
11 about two and then yield to two of my colleagues who
12 want to talk about the others: one is high school
13 retention; second is post-secondary skills as a gap;
14 third is STEM, and the fourth is veterans.

15 So on high school retention, as we know, many
16 of the unemployed in America, 78 percent of Americans
17 who are unemployed lack a high school degree. Many
18 programs address this. ADM happens to be involved in a
19 JAG program that's in 33 States. It's a very
20 successful program. Others that are very successful we
21 mention in the letter, including in Illinois, Oklahoma,
22 Georgia, and Minnesota, recognizing Senator Klobuchar's
23 great efforts and leadership in that regard.

24 There are successful programs in post-
25 secondary skills, which are also a gap. We note them

1 there in Tennessee, Iowa, and others, again trying to
2 get benchmark and best practices shared more broadly.
3 But this is to take the graduation rate and maybe get
4 post-secondary skills, whether they're two-year
5 programs, apprenticeships, advanced.

6 The other two, STEM and veterans. I know,
7 Ursula, you probably want to talk about STEM a little
8 bit more, and I know, Bill, you have the veterans
9 letter and maybe the combination of what is addressed
10 with veterans here is also in the second letter.

11 CHAIRMAN McNERNEY: Great. We can just flow
12 into your letter.

13 VICE CHAIR BURNS: STEM, real quick. Everyone
14 spoke about it this morning. It is vital to our future
15 to enable us to actually create goods and services that
16 are exportable. The letter actually suggests that the
17 administration adopt five recommendations that are in
18 the letter to get to our goal of one million more STEM
19 graduates.

20 Programs across the board, they're everywhere.

21 A little bit better coordination would be useful,
22 which we're working on in the business community but
23 focus is clear, the goal is clear, and the
24 recommendations that are laid out in the letter, I
25 think, are solid so we should go forward there.

1 CHAIRMAN McNERNEY: Thanks for your leadership
2 there, Ursula. You're really working that one hard.

3 Bill, why don't you just transition right into
4 your letter and comment on Pat's.

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1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **ix. Veterans Hiring Practices**

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4 MR. HITE: Right. I'm going to comment on the
5 veterans. We all know it's important to integrate the
6 veterans into the workforce, especially manufacturing.

7 There's a lot of great programs that are already under
8 way by many people sitting around this table.

9 Our program that we do, that I think is quite
10 successful, we're actually on military bases recruiting
11 young men and women as they're transitioning out. We
12 spend up to 18 weeks on the military bases, training
13 them for a future in our industry.

14 Then when they come out, we immediate take
15 them in and place them and then we continue their
16 training going on. We feel it's very important to get
17 the individual when they're coming out of the military.

18 They're recruited into the military, so in effect
19 we're recruiting them coming out of the military.
20 There are a lot of ways you can do that.

21 There's job fairs that you can go around,
22 there's websites that you can go looking for people.
23 Also, if you're go and you talk to the people on the
24 bases, the supervisors and officers on the base and
25 tell them what you're trying to do and trying to

1 recruit some people coming out of the military, they'll
2 help you.

3 But I think it's critical to get to them as
4 soon as possible coming out of the military because
5 once they come home, the unemployment rate is double
6 that of the national unemployment rate for veterans
7 coming home.

8 It's the right thing to do to help our
9 veterans make the transition into our industry with
10 good-paying jobs for the future. I mean, it's
11 something that they can work with for the rest of their
12 lives. It's not a job, it's a career in manufacturing
13 or whatever.

14 CHAIRMAN McNERNEY: Sure. Sure.

15 Valerie would like to make a comment, I think,
16 Bill.

17 MS. JARRETT: Thank you, Bill, for your hard
18 work. I just want to highlight an initiative that the
19 First Lady and Dr. Biden have under way, joining forces
20 where they're reaching out broadly to the business
21 community and encouraging business leaders, small,
22 medium, and large businesses, to hire service men and
23 women when they return home, as well as their families,
24 who often have moved around from city to city.

25 The First Lady and Dr. Biden spoke to the

1 governors when they were in town a couple of weeks ago,
2 and also called on them to provide reciprocity with
3 licenses, because oftentimes when you have to move you
4 have to reapply, if you're a nurse, a lawyer, or
5 whatever, so trying to get reciprocity for their
6 spouses.

7 So we are encouraged by the fact that you are
8 focusing in on this as well. In the not-too-distant
9 future, the First Lady is going to make another call to
10 the business community using what Wal-Mart has done as
11 an example, where they have offered that within a year
12 of being honorably discharged, they will offer a job at
13 Wal-Mart to every service man and woman who leaves the
14 military, which is an extraordinary commitment.

15 But we have about, in the coming years, about
16 a million people who will be leaving service as we wind
17 down the wars. So having the business community really
18 engaged on this issue, because certainly the very least
19 that we owe our military families is a job when they
20 come home. Thank you.

21 CHAIRMAN McNERNEY: And we look forward to
22 hearing from the First Lady tomorrow at the Business
23 Roundtable. Thanks, Valerie.

24 Gene? Where's Gene?

25 MR. HALE: Yes. Right here.

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CHAIRMAN McNERNEY: Oh, he's over here.
UNIDROIT.

1 **III. DISCUSSION OF LETTERS OF RECOMMENDATION**

2 **X. UNIDROIT Cape Town Convention on International**
3 **Interests in Mobile Equipment**

4
5 MR. HALE: You can pronounce the name, huh?
6 Good morning.

7 As you know, the SME committee is committed to
8 breaking down barriers that inhibit exporting
9 opportunities for SMEs. That's why we submitted the
10 letter in support of encouraging the International
11 Institute for the Unification of Private Law to put a
12 protocol in place that would cover construction
13 equipment, agriculture, and mining equipment.

14 We believe that this would help U.S. companies
15 and manufacturers export more because they do not have
16 a captive financing arm in place. But with this
17 protocol in place, we believe that the banks would have
18 more of an incentive to loan to those companies.

19 The other area of our new focus is going to be
20 trying to get the silent exporters that Karen talked
21 about earlier into the mix here, because we think
22 that's very important. The other area that we want to
23 concentrate on is trying to find a way to harmonize
24 across these government agencies the real definition of
25 what is a small business and what are medium-sized

1 companies because there are conflicts between the
2 agencies in terms of their definitions.

3 So we think there are tremendous opportunities
4 there. We think that by having a cohesive definition
5 we can create a tremendous number of subcontracting
6 opportunities and, therefore, lead to more job
7 creation.

8 CHAIRMAN McNERNEY: Good, Gene. We have a
9 similar arrangement already in the aircraft world.

10 MR. HALE: Yes.

11 CHAIRMAN McNERNEY: And it is very helpful.
12 It gets more financing. People can go get the asset
13 when things go wrong. It gives them a little more
14 confidence.

15 MR. HALE: Yes.

16 CHAIRMAN McNERNEY: It's really worth it.

17 Before hearing from Raul on PECSEA, why don't
18 we all try a vote on the 10 letters. I think I'm at
19 the end of the 10. So why don't we just simply,
20 without dissent, adopt the letters. Yes. Okay. Thank
21 you. Running companies does provide you with some
22 experience in situations like this.

23 PECSEA. Raul, could you give us an update,
24 please?

25

1 **IV. PECSEA UPDATE**

2
3 MR. PEDRAZA: Thank you, Mr. Chairman. Before
4 I start I'd like to say you have adopted very good
5 dictatorial competence there. That's very good.

6 (Laughter)

7 MR. PEDRAZA: Anyway, the PEC has been
8 steadfast and consistent in the position that the
9 reform of our export regulatory network is essential
10 and that it will have a significant and positive impact
11 on our Nation's security and our ability to collaborate
12 more efficiently with our allies and partners and the
13 global competitiveness of our defense industry.

14 We made notable progress since our last
15 meeting, I'm happy to say. We've been advocating for
16 improved regulatory clarity and transparency and are
17 especially pleased with three major deliverables in
18 this area. The first, is the National Defense
19 Authorization Act, which President Obama signed this
20 past January.

21 This Act restored the President's authority to
22 determine the appropriate export controls for
23 satellites and related parts and components and was the
24 product of bipartisan--I have to say it again,
25 bipartisan--collaboration between Congress and the

1 administration. This legislation strengthens the
2 competitiveness of a sector whose health is key to U.S.
3 national security.

4 The second item deals with important updates
5 to the delegated authority to control exports of
6 defense articles and services. These updates contained
7 in an executive order signed by the President last week
8 consolidates all responsibility for licensing brokers
9 of controlled items within the Department of State, a
10 one-stop shop approach that provides better clarity for
11 the trade community and makes for better-informed
12 compliance by industry and enforcement by the U.S.
13 Government.

14 The updates also provide for relief of
15 possible double licensing requirements for systems and
16 accompanying parts and accessories once the latter are
17 transitioned from the U.S. munitions list to the
18 commercial control list.

19 Finally, we should applaud a significant
20 milestone in the reform process, the first notification
21 to the Congress of the intended transfer of export
22 control jurisdiction over certain aircraft and engine
23 items from the State to the Commerce Department. This
24 formal notification, which went to Congress on March 7,
25 starts a 30-day clock to the publication of final rules

1 on these categories, as well as corresponding
2 transition rules which we understand should take place
3 in April.

4 It paves the way to industry using license
5 exception STAs, Strategic Trade Authorization, for
6 exports of the transferred items to the governments of
7 our closest allies. We look forward to similar
8 announcements concerning all remaining categories
9 within 2013. First and foremost, these actions will
10 enhance U.S. national security and at the same time
11 they strengthen U.S. competitiveness in the global
12 marketplace.

13 Although a lot of progress has been made, much
14 remains to be done. We trust that the administration
15 will continue to pursue an aggressive schedule and
16 allocate sufficient resources to complete the arduous
17 task ahead, including transition to a single IT system,
18 outreach and education to the trade community, and
19 additional enforcement resources to ensure the ongoing
20 compliance.

21 That being said, the red-headed stepchild of
22 PECSEA has --

23 (Laughter)

24 CHAIRMAN McNERNEY: No, your work there is
25 important, Raul, and the administration's leadership

1 is, too. We're at a real competitive disadvantage
2 versus a lot of European industries on this basis and
3 moving forward in the aircraft was greatly appreciated,
4 so thank you.

5 Two quick things before we head toward
6 adjournment. David Aguilar, I think this is your last
7 meeting, and retirement. We just want to thank you for
8 your service. We very much appreciate it. You stuck
9 it right out till the end. Thank you.

10 (Applause)

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1 **IV. NEXT STEPS**

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CHAIRMAN McNERNEY: I think the other thing, before asking if either Ursula or Secretary Blank have a final word before adjournment, just a reminder, our next meeting is December 4. I think it's been disbursed, but you might note it. That seems a little far away, doesn't it? Usually it's September. There's probably something going on that I don't know about. We'll get to you. It will be no later than December 4, how's that?

(Laughter)

CHAIRMAN McNERNEY: Yes. We usually have one in September. I lost sight of that. We'll be back to you on that.

Ursula or Secretary Blank, anything final --

VICE CHAIR BURNS: Absolutely nothing. Thank you.

CHAIRMAN McNERNEY: Okay.

SECRETARY BLANK: Just to say thank you for all of your work.

CHAIRMAN McNERNEY: Well, thank you for your leadership here. It's really important.

Ambassador?

AMBASSADOR KIRK: Just two updates because I

1 know the Information Services Agreement -- we're
2 actually holding the public hearing on that as we speak
3 to get comments and input here, and on the Russia
4 matter, we have raised this. The good news is, they
5 have now accepted that those lines that they left out
6 they have to include. That's the first time they've
7 acknowledged that, so we continue to press to try to
8 get that done.

9 CHAIRMAN McNERNEY: Good.

10 VICE CHAIR BURNS: That's very good news.
11 Thank you. Very good news.

12 CHAIRMAN McNERNEY: It's a good start.

13 Any other comments? Gene?

14 MR. HALE: Just quickly. Assistant Secretary
15 Nicole Lamb-Hale has agreed to be the speaker in Los
16 Angeles in April to address about 500 SMEs regarding
17 the policies and things that we're trying to do with
18 exporting, so we appreciate that. Also, Bob Iger has
19 agreed to host a round table for us in Los Angeles as
20 well, so I just wanted to make people aware of that.
21 Thank you.

22 CHAIRMAN McNERNEY: Thank you, Gene.

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1 **VI. ADJOURNMENT**2 CHAIRMAN McNERNEY: Okay. With everything
3 being said, I think, the meeting is adjourned.4 (Whereupon, at 11:34 a.m. the meeting was
5 adjourned.)

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C E R T I F I C A T E

This is to certify that the foregoing proceedings of a meeting of the President's Export Council, held on Tuesday, March 12, 2013, were transcribed as herein appears, and this is the original transcript thereof.

LISA L. DENNIS,

Court Reporter