PRESIDENT'S EXPORT COUNCIL

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MEETING

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WEDNESDAY
JUNE 10, 2015

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The President's Export Council met in the Eisenhower Executive Office Building, 17th Street and Pennsylvania Avenue, NW, Washington, DC, at 9:30 a.m., Jim McNerney, Chair, presiding.

PRIVATE SECTOR MEMBERS

W. JAMES MCNERNEY, JR., PEC Chair, Chairman, President, and Chief Executive Officer, The Boeing Company

URSULA M. BURNS, PEC Vice Chair, Chairman and Chief Executive Officer, Xerox Corporation

DAVID ABNEY, Chief Executive Officer, UPS

MARY ANDRINGA, President and Chief Executive Officer, Vermeer Corporation

KENNETH C. FRAZIER, Chairman, President, and Chief Executive Officer, Merck & Co., Inc.

RICHARD L. FRIEDMAN, President and Chief Executive Officer, Carpenter & Company, Inc.

ANDRÉS R. GLUSKI, President and Chief Executive Officer, AES Corporation

GENE HALE, Founder and President, G&C Equipment Corporation

MARILLYN A. HEWSON, Chairman, President and Chief Executive Officer, Lockheed Martin Corporation

WILLIAM HITE, General President, United Association
VANESSA KEITGES, President and Chief Executive Officer, Columbia Green Technologies
ANDREW N. LIVERIS, Chairman and Chief Executive Officer, The Dow Chemical Company
RAUL PEDRAZA, Founder and President, Magno International L.P.
VIRGINIA M. ROMETTY, Chairman, President and Chief Executive Officer, IBM
ARNE M. SORENSON, President and Chief Executive Officer, Marriott International, Inc.
PATRICIA A. WOERTZ, Chairman, Archer Daniels Midland Company

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REPRESENTATIVE SUZAN DELBENE, D-Washington
REPRESENTATIVE MIKE KELLY, R-Pennsylvania
REPRESENTATIVE DAN KILDEE, D-Michigan
REPRESENTATIVE DAVE REICHERT, R-Washington

GOVERNORS AND MAYOR

JAY NIXON, Governor of Missouri
NIKKI HALEY, Governor of South Carolina
ASHLEY SWEARENGIN, Mayor of Fresno

WHITE HOUSE OFFICIALS

VALERIE JARRETT, Senior Advisor and Assistant to the President for Public Engagement and Intergovernmental Affairs
JEFF ZIENTS, Director of the National Economic Council and Assistant to the President for Economic Policy
BRODERICK JOHNSON, Cabinet Secretary and Assistant to the President for Cabinet Affairs
MAURICE OBSTFELD, Member, Council of Economic Advisers
ANDREW MAYOCK, Associate Director, General Government Programs, Office of Management and Budget
ADMINISTRATION OFFICIALS

PENNY PRITZKER, Secretary of Commerce
THOMAS PEREZ, Secretary of Labor
ANTHONY FOXX, Secretary of Transportation
AMBASSADOR MICHAEL FROMAN, United States Trade Representative
MARIA CONTRERAS-SWEET, U.S. Small Business Administration
BRUCE ANDREWS, Deputy Secretary of Commerce
CATHERINE A. NOVELLI, Under Secretary for Economic Growth, Energy, and the Environment, U.S. Department of State
ERIC HIRSCHHORN, Under Secretary for Industry and Security, U.S. Department of Commerce
FRED P. HOCHBERG, President and Chairman, Export-Import Bank of the United States
MARISA LAGO, Assistant Secretary for International Markets and Development, U.S. Department of the Treasury
MARCUS JADOTTE, Assistant Secretary for Industry and Analysis, U.S. Department of Commerce
ELIZABETH LITTLEFIELD, President and CEO, Overseas Private Investment Corporation
LEE I. ZAK, Director, United States Trade and Development Agency
KEVIN K. MCALEENAN, Deputy Commissioner, U.S. Customs and Border Protection
ALEXIS TAYLOR, Deputy Under Secretary for Farm and Foreign Agricultural Services, U.S. Department of Agriculture
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Adjournment

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It's great to see everybody back. I'd like to recognize some of the elected officials who are joining us today. Governor Jay Nixon is a very good friend of Boeing, certainly, and many in this room. Thank you for being here. We look forward to hearing from you later in the program.

Three new members of the PEC who are members of Congress. We'd like to welcome Representative Mike Kelly of Pennsylvania. Congressman, good to have you here. Thank you for your service and welcome to the PEC.

Representative Dan Kildee of Michigan. Is he -- there he is. Welcome. Good to have you here.

And Susan DelBene of Washington is also here, I believe. There she is. Welcome. And Congressman Reichert, is he with us? I was going to recognize him as the longest continuous attending member of the legislature.
And don't tell him I said anything. I'll recognize him later.

Mayor Ashley Swearengin of Fresno, California, welcome. Good to have you here representing the U.S. Conference of Mayors.

And then of course we have a number of the President's top advisors and members of his cabinet are also here.

I'd like to welcome of course Valerie Jarrett, senior advisor to the president.

Valerie.

As always, Jeff Zients. Jeff is over here. Director of the National Economic Council.

Maurice Obstfeld -- I can't pronounce your name as well as I should. Thank you very much. I appreciate your forbearance on that one. Of the Council of Economic Advisers.

Secretary Penny Pritzker, our sponsor, our leader.

Secretary Anthony Foxx of the Transportation Department is here.

And I think I saw Tom -- yes,
Secretary Perez is also here. It's great to have him.

Ambassador Mike Froman is with us as well.

And Ambassador Maria Contreras-Sweet of the Small Business Administration is here.

So, Maria, good to see you again.

And thanks to you and the other officials who are seated around the table who are doing all the work. We actually do know that.

It's great to have you with us today and we look forward to everyone's participation.

Since we last met in December this group broadly speaking has continued work in a number of important ways.

And that includes efforts to educate stakeholders around the country and in D.C. about why exports and trade are so important to the continued growth of the American economy.

We've been challenged by many members of the administration, most notably Ambassador Froman to keep selling out there. And we're
doing our best.

    I think we also undertook since we
last met some important midterm reviews of prior
letters.

    And we worked closely with many of our
executive branch partners to execute against that
blueprint and to fine-tune it and to update it
where we needed to do that. And that's reflected
in some of the letters here today.

    Finally, we are very excited today to
have a panel on 21st century competitiveness.
And I foreshadowed that with introducing Governor
Nixon and Mayor Swearengin.

    We'll also have Governor Nikki Haley
from South Carolina will be joining the two of
them.

    And the perspectives of these leaders
on the challenges, the opportunities and barriers
they see at the local and regional level is an
essential input for the Council as we try to stay
a step ahead of the competition around the world.

    And I've always felt that the closer
you get to the ground on this issue the more easy it is to understand why trade and exports are critically important.

We'll also receive updates on the economy from Director Zients and on the trade agenda from Secretary Pritzker.

We have a really full agenda and some substantive issues to discuss.

Hey look, this is my last meeting as the chairman of the Export Council. And I know all of you have had that on your calendar since I started five or six years ago.

But I am looking forward to continued service in other capacities.

But it has been a privilege, and I say this to particularly the members of the President's team and to Penny who's been a great partner here.

It's been a pleasure to serve and a privilege to serve the President as chairman of this Council for the last number of years.

And it's been an honor to work with
many of you around this table.

I just want to recognize the original renegades who I think five and a half years ago there's still a number of us still here.

Of course, Ursula, where is Ursula? Right here. Who is -- here's the world's worst secret -- who is going to assume my position here very soon.

Mary Andringa. There's Mary. She's from the very beginning.

Dick Friedman of Carpenter & Co.

Dick, I see you. You were here earlier.

Gene Hale, partner in crime. Probably has done more legwork than any PEC member.

Bill Hite. Bill, helmets and hard hats. There's Bill.

Bob Iger who could not be with us today. He called to offer his congratulations.

Andrew Liveris, our resident Greek Australian American.

And then Raul Pedraza. Where's Raul? He's right down there in his usual spot.
And then of course Pat Woertz. I think I picked up everybody. So thanks for your service and the ongoing service.

And quite frankly, the President has demonstrated a real commitment to this Council. And I did a little historical analysis I should say going back a number of years.

And I will not name names, but let's put it this way. A President has rarely been as engaged in this Council as President Obama was when you do the historical analysis.

And you'd be sort of surprised. And again, I'm not going to name names. You'd be sort of surprised who's committed and who isn't. So, I'm just going to leave it at that.

The Export Council has been a great model of public-private partnership. And I think Ursula led the trip to Turkey last year and Poland.

And I think that sort of embodied, I think, the power of that kind of partnership around the world.
And I would also remark on the progress on small- and medium-sized businesses that we made.

I mean, it gets lost in the debate on TPA, it gets lost in the debate certainly in Ex-
Im more than it should.

But small- and medium-sized businesses have made -- let's put it this way. We've tried to put in place the kinds of policies that give those folks as much of a chance to succeed on the global stage as some of us with more natural advantages have.

And so it's -- I think that's an important part of the work and something that we're proud of.

And the $2.34 trillion in goods and services over the last year, a record. I think we all feel good about that.

And I think, again, back when you get on the ground and understand what that really means. What that really means is high-paying, highly skilled, well-paid jobs for families and
for people and for the communities that have
supported services around them.

So, there's more work to be done. And
so there could not be a more natural transition
in the world. My right arm, my left arm, now
Ursula herself.

And we work side by side so she will
probably disown every policy I put in place, but
that's Ursula.

But we share the same goal. And so
it's going to be fun.

And Valerie, again, let me just finish
with thanking you for facilitating it all. And I
think you very nicely put everybody in positions
to succeed including myself. And so I appreciate
not only that partnership, but your friendship as
we've gone through all this.

So now, with that said I think the
normal practice. Valerie, would you like to kick
off the meeting?

   MS. JARRETT: Thank you, Jim, Ursula,
members of the President's Export Council. Good
As Jim mentioned, we have a robust agenda. You are here at a pivotal time in a national debate that we'll get into in a moment.

But before we get into the substance of the meeting I just wanted to say a few words about Jim.

As he mentioned he is stepping down after five years. In public service 5 years often feels like 35 years.

But he has led this Council through coming in at a time when our economy was still on the verge of collapse to seeing the progress that we've made over the last five years and the advice of the Council that this Council has given to the President has been inextricably linked to the progress that we've made.

And Jim, your leadership here has had a direct impact on the policies that the President has adopted and has advocated.

And it has led to the retention and creation of jobs here in America in everything
from growing the automobile industry to being as robust as it is to the hospitality industry.

And everything in between, small, medium, and large, have benefitted from your leadership and the advice of this Council.

And so, on behalf of the President who just returned, as I think everyone knows, from the G7, having a very productive meeting and threw himself fully into his agenda of getting trade passed, couldn't be with us this morning.

But he asked me to express to you his appreciation for your service.

You have always been there for -- not just for this Council and the President, but for our country.

And appreciating the fact that while you're running this extraordinary business you have always made time for the people's business.

And on a personal note there isn't a single time that I have called you or emailed you and asked for help where you have not been right there. And we just appreciate that service.
So, to commemorate your service there's kind of an inside joke between the President and Jim having to do with gold watches. Well, I don't have a gold watch for you, but I have what I think is like the next best thing. Perhaps you'll open this and show the group.

How about a round of applause?

(Applause)

CHAIR MCNERNEY: Thank you, thank you. This looks promising, it looks promising. Oh, fantastic.

MS. JARRETT: Just to remind you that you were --

CHAIR MCNERNEY: Presidential --

MS. JARRETT: Presidential cuff links with President Barack Obama's name on it.

CHAIR MCNERNEY: Thank you.

(Applause)

MS. JARRETT: And even a more personal gift from the President that you may open at your leisure.
CHAIR MCNERNEY: Okay. Thank you very much. I appreciate it.

MS. JARRETT: So, and as Jim also said there could be nobody more capable than his left and right, I don't know which to call, both hand than Ursula Burns who has also been here throughout, and has provided advice and counsel and leadership.

And also on a personal note has done yeoman's work for the people of our country, and the businesses of our country, and helped make sure that our competitiveness stays second to none.

So, I look forward to working with you in your new capacity. But it will be a seamless transition beginning tomorrow.

So, please join me in welcoming Ursula.

(Applause)

CHAIR MCNERNEY: Thank you very much, Valerie. That was very nice. Ursula.

VICE CHAIR BURNS: I've had the
benefit of sitting next to Jim and Jim doing most
of the heavy lifting as most of you know. And I
come in whenever Jim needs specific help.

He has an expression that I love which
is called -- he said it earlier -- hey look.
Which is his phrase for "let's move along." I
just want to thank you as well.

We joined together and when we spoke
about this before we actually both said yes. One
of the key points that we talked about was we
would do this together if we could make a
difference.

And I think that we have been able to
make a difference under your leadership. We have
three trade agreements, we're on the verge of
TPA. And I think we have to get Ex-Im
reauthorized. You'll do that before tomorrow
morning.

CHAIR MCNERNEY: I'll try.

VICE CHAIR BURNS: We have midnight.
You still have a couple of hours.

I will try to do as well as you. I
will probably call you if I need some help.

I just want to thank you from all my heart and for all of America and for business.

(Applause)

CHAIR MCNERNEY: I'm supposed to businesslike after all this?

Congressman Reichert, good to have you here, the longest continuing attending legislator on the PEC. It's good to have you here.

Let's see. Secretary Pritzker. Do you have some words for us?

SECRETARY PRITZKER: Thank you. Thank you, Jim.

And I too want to personally thank you for your service to our country. You've been a fantastic leader of the PEC for the last five plus years.

And what all of us really appreciate is that you and your team have helped the Council develop and prioritize recommendations and deliver specific actionable advice to all of us in the government.
And that is a tall order. It sounds easy, but it's very -- a lot of people, a lot of coordination, a lot of conversation. But it's really helped guide us and we're very grateful for that.

And Ursula, I want to congratulate you as the new chair. I very much enjoyed leading the PEC trip with you to Poland and Turkey last fall.

I took particular delight in that our press conferences were all women. I think we may have shocked a few in some of those countries, but it was really, I think we held our own and then some.

And I look forward to working closely with you to advance our trade and export goals going forward.

And to all of you on the PEC, this Council really plays, as Valerie said, an invaluable role in advising our country's international trade agenda.

Do not underestimate how important
your work is. Your recommendations have contributed to many accomplishments over the last several years, whether it's the three free trade agreements, or we're on track to complete the International Trade Data System, or the fact that we are really pursuing and continue to pursue meeting the visa processing goals at high-demand posts around the world that you have set for us.

And I have enormous confidence, and as you know I stake myself out as the optimist in the group, that we'll add securing trade promotion authority to that list which has been a PEC priority for many, many years.

Just talking about our trade agreements, U.S. companies and workers, as you know, we need these trade agreements to thrive in what continues to be and will be a fiercely competitive global economy that all of you operate in.

And too often, as you know, U.S. companies lack access to the 96 percent of the world's customers that live outside of our
borders, but foreign companies really have relatively easy access to our marketplace.

And so, addressing both the barriers and opening markets, but also, frankly, leveling the playing field. We use those phrases, but they really are real.

And this is the central focus of the President's trade agenda. And it's really to spur economic growth here at home, create jobs here at home, and make sure that our American workers are competing with a fair set of rules around the world.

And we're very focused, as you know, the entire administration. And Jeff and Mike coordinate all of us in our efforts to get this done.

I just will say from a personal standpoint to be part of that team is something I'm very proud of. And we're all in as an administration to get this done, but we can't do it without you.

And we are not over the finish line.
So please, let's not high-five. We have got more work to do to get not just trade promotion legislation done, but ultimately to get the Transpacific Partnership and the Transatlantic Trade and Investment Partnership passed through Congress. So, more work to do.

It feels like we've got momentum, but let's not be too optimistic.

Having said that, being the optimist and the planner at heart the Commerce Department is already working to lay the groundwork so that your businesses, your supply chains and our nation's small- and medium-sized businesses can capitalize on the hard work that is in negotiating new trade agreements, and particularly let's say TPP.

We recognize that it's our responsibility to help businesses take advantage of these new trade agreements.

And so to that end I want to remind you we have 100 U.S. export assistance centers around the country.
Their purpose is to help American

businesses with every step of the export process.

And our staff stands ready to

introduce firms to overseas buyers and
distributors, help them with counseling and
advocacy, introduce them to financial
institutions that might finance their trade.

So, we have resources available to

support our businesses.

And then of course we have our 175
commercial service professionals that are located
just in the TPP countries.

And in fact, we're doing a review to

make sure we have enough resources in those
countries so that, as I said, as an optimist when
TPP is passed we're ready to provide American
companies with the on-the-ground assistance that
they'll seek to successfully navigate in those
new markets.

And as a precursor to all of this,
since I took office the department has led 11
trade missions to TPP regions. And personally
I've been to Japan, Vietnam, Mexico, Canada, Singapore, and Malaysia as Secretary of Commerce.

So we are really out there trying to lay the groundwork because our job in the end is to bring these new trade agreements to life on your behalf and on behalf of, frankly, of the American worker.

So, one of the things, just to remind you of some of the things that we are focused on.

We’re also working to upgrade our available market research on TPP countries, enhancing our industry-specific expertise to ensure that companies have the data in your sector is available to compete.

And we're also improving our existing tools and developing new applications so businesses can plan ahead and incorporate TPP into their export strategy.

We will work to increase opportunities for U.S. companies to engage with potential buyers and partners in the TPP countries through trade shows and other events.
In addition to bringing the trade agreements to life, one of the important responsibilities at the Commerce Department that we -- it's not solely in our purview, but also with USTR is enforcing the trade rules.

Our team is responsible for monitoring, investigating, and ensuring foreign governments are in compliance with our existing 250 trade agreements to which the United States is a party.

And we'll work with exporters of all sizes to overcome barriers caused by foreign government policies that violate our trade agreement policies.

So, a lot at stake here, a lot of potential opportunity. So thank you for all your support to date.

Let me close by just, I have three asks of this group that I want to make sure that you're aware of.

The first is we want your input into how our department can best position U.S.
companies to take advantage of new trade agreements.

What information will you and your suppliers need most, and in what format. And what tools and assistance do you need to capitalize on these new opportunities.

So, if you through our processes could let us know that, that would be great.

The second is on behalf of the administration I just want to make sure you're aware. Our department recently accepted Germany's invitation to be the partner country for the next Hanover Messe, the largest industrial trade fair in the world. So I hope that your companies will attend the event.

The Hanover Messe is an opportunity for you to showcase your innovative, high-quality products and to hundreds of thousands of attendees from around the world.

That event is next April. And we will play, the United States will play a particularly special role in that fair for next year.
Third and the last request is I know that many of you are manufacturers and I invite you to join us for Manufacturing Day on October 2.

This is an effort to expose graduates and high school students to the innovative, inventive businesses that characterize today's manufacturing sector.

The goal of the event is to address a PEC priority which is improving the image of manufacturing.

Last year we had 400,000 attendees at over 1,600 events around the country, but not in every state.

This year we aspire to have more than 2,000 events and to have events in all 50 states. And we encourage your companies to participate.

So, please put Manufacturing Day, October 2, on your calendar.

And I know that you will put forward a number of recommendations today. I've read them.
Unfortunately, I will not be able to spend the entire meeting with you. But you're in good hands. My Deputy Secretary Bruce Andrews will be here. So I look forward to receiving the readout of your recommendations.

And let me close by just saying again your recommendations, the PEC recommendations, are critical in shaping our policies.

Your persistence is essential to achieving the outcomes necessary for America to lead in our increasingly globalized economy.

And I know that working together we will not only keep America open for more growth and open for more progress, but also open for more business. So thank you all very much.

CHAIR MCNERNEY: Thank you, Penny.

(Applause)

CHAIR MCNERNEY: I can say from personal experience that the Commerce Department has in my memory never been more focused, and active, and steam in their stride than it is today.
I think your leadership has something
to do with that, a lot to do with it.

And I think, Ursula and I were making
a note on. I think there's something to be said
for this information engagement, the form in
which some of this important information is
presented and is required. The next level of
detail, I know you meant it that way.

I think we ought to make that one of
our initiatives.

SECRETARY PRITZKER: We would really
appreciate it. For the first time we have a
chief data officer. We have an entire effort at
the Department of Commerce across Commerce as it
relates to data and trying to make our data more
easily available, more digestible, more
practical.

CHAIR MCNERNEY: So there's someone we
can link it with.

SECRETARY PRITZKER: Absolutely,
absolutely. And I know Bruce Andrews, there he
is, right behind me. He can put everyone in
touch with Ian Kalin who runs that effort for us.

CHAIR MCNERNEY: Thank you, Penny.

Appreciate it. Jeff?

MR. ZIENETS: Jim, I'm going to be very quick because I think a lot of the most important points have already been made.

Thank you and Ursula for your leadership.

Let me just do a very brief update on the economy. Coming off of what was a soft first quarter, we believe driven in large part by some transitory issues like ports and weather, we were pleased to see last Friday's jobs number, 280,000 jobs. That's now 12.6 million private sector jobs across 63 straight months which is a record in terms of the streak.

And unemployment has fallen from 10 percent down to 5.5 percent.

I don't need to spend much time on the importance of exports with this group. I feel like I'm not only preaching to the choir, I'm preaching to the preachers.
And as Jim said, we last year hit a record.

But the President along with this group believes that increasing exports even off of this high base is critical to our future. And when American businesses and workers compete on a level playing field we win. And that's what free trade agreements are all about, high-standard free trade agreements.

We had a couple of weeks ago a good, strong bipartisan vote on TPA in the Senate. We expect action in the House in the next several days.

As Penny said we've got to keep working. And I think we have a good case here and good prospects, but it ain't over till it's over.

And to that end the President has been all in, fully committed both publicly at events like Nike a few weeks ago where he made the public case for trade, and spending a large chunk of his calendar in private phone conversations,
in meetings with members and other key constituents.

The cabinet has been, as Jim said, all out. I think there's been 165 visits by the cabinet and their senior teams to over 35 states across the last few months.

And Secretary Foxx, Pritzker, Tom Perez, Secretary Vilsack's been critical on ag and in rural communities. And Carter and Kerry making the national security case for trade.

And above all, Ambassador Froman who has just been everywhere while at the same time negotiating the agreement, so thank you, Mike.

And all of you, your support has been critical in that. Members need to hear from you and your employees and companies in your supply chain and small businesses. And getting that dialed up has been important for people to understand the benefits of trade.

You'll hear more about TPA and TPP from Mike so I want to go and close on a second very important topic for exports and
competitiveness, and that's the reauthorization
of the Ex-Im Bank.

The case here is Fred Hochberg, president of the Ex-Im Bank is very compelling. Over the past six years Ex-Im has supported 1.3 million jobs, private sector jobs.

It's been reauthorized 16 times by bipartisan majorities across 80 years.

And most importantly it doesn't cost taxpayers a cent. It actually makes money.

So, for all those reasons we are very engaged with Congress to get Ex-Im reauthorized and committed to getting this done.

Leader McConnell promised a vote. Speaker Boehner is supportive. We think that it will likely start in the Senate, and we need to find a credible path to Ex-Im reauthorization. You'll hear more about that in a few minutes.

So, a lot of progress, but a lot of opportunity ahead. And we've got a couple of key pieces of business to do across the next several weeks. Thank you, Jim.
CHAIR MCNERNEY: Thank you. Thank you. Appreciate your guidance and push on a lot of this stuff. The coordination you bring to it, it's not easy.

We have the letters now, and we have 30 minutes. So we are always in this position so we should be good at it at this stage.

You can rely on the fact that these letters have been fairly well vetted.

So, we will let Andrew -- where's Andrew? -- be an example of the kind of brevity that we're looking for as he presents the first letter on the trade agenda.

I think there's maybe another person or two that may want to make a quick comment after Andrew.

MR. LIVERIS: Yes, thank you, Mr. Chairman. And Jim, thank you for your leadership. I personally enjoyed the five and half years.

And thank you, Ursula, for your continued leadership.
In the spirit of direct instructions
from the chairman which I'm quite accustomed to
receiving we are going to be very brief. But the
letters speak for themselves.

We're the Global Competitiveness
Subcommittee. We have three letters.

The first is of course the seminal
letter which has been much spoke about by the
leaders from President Obama's administration
here which is the letter on leadership on trade.

If you go through the letter it really
speaks to the difference between a free trade
agreement and a fair trade agreement.

And the United States exporting high-
quality standards for protecting intellectual
property, eliminating tariffs to facilitating
customs, the need for strong commitments on these
issues, the elimination of localization
requirements, and really asking our negotiators
on TPP and TTIP to put all this into play.

And regulatory cooperation across
borders. USTR is on top of it. My firm is right
on top of this team. This is a letter that
strongly supports that process.

    So, I'll ask a couple of members of
the committee to comment. Ginni Rometty is
first. Where's Ginni?

    MS. ROMETTY:  Okay. And I'll just do
the ditto on the congratulations and thank yous.

    But I only want to call out the one
particular chapter and importance in how everyone
listens so well to the part about inclusion of
the modern digital economy.

    Because that is now pervasive in both
the TPA -- in TTP provisions that have been
written there.

    And I think that was so critical.

Because as we speak of lots of natural resources
information is as much as a natural resource.
We're providing that value that's going to go
with it.

    So, it has done I think a great job.
And I salute the efforts of everyone in the
inclusion of that.
And as I say, in TPA it's part of the negotiating provisions. And then in TTIP it's strong provisions that are in there.

But I would just call out one more that I don't think everyone has seen, and really attribute to both Commerce and then USTR and Ambassador Froman created something called the Digital Dozen his team has created which is a set of what I would call principles that -- no one could have written them better I think, that embrace what it means to have a really fair digital agenda out there.

And we, I think, are the first country to have written such an inclusive list that is very clear and easy to understand.

Things like keep a free and open internet. Or things like you can't force a company to divulge something in order to participate.

And so I think that particular -- those rules are spot on. You can't prohibit a company from trade if they don't turn over their
intellectual property, as an example.

I think they're very well written and
I think they set a role model. So I really
commend the USTR for what they've done.

And I would only add I was with
Senator Hatch yesterday. And he couldn't have
been more complimentary about this particular
aspect -- in general, and this particular aspect.

And so I will just end by saying that
I think this has been an outstanding example of a
public-private partnership together, the
government listening and a set of provisions that
help both small business and big business in
trade in general.

MR. LIVERIS: Thank you, Ginni.

Ursula, did you want to make comments?

VICE CHAIR BURNS: Yes. By the way,
Ginni, very well said. I agree, the Digital
Dozen is very impactful, very well done. I'm
impressed.

One part of this agenda as well is
ITA. We have to be very careful and sure. Thank
goodness it has been added to the letter and to
the trade agenda in general.

It's not quite there yet. We have to
keep pushing. We cannot forget.

And my only request is that we don't
proceed without it included in any draft that
goes forward.

MR. LIVERIS: Thank you. And then I
think Pat Woertz, you wanted to make a couple of
comments?

MS. WOERTZ: Thank you. Let me just
add a couple of -- first, congratulations Jim,
Ursula -- a couple of points to what's already
been said.

Agriculture always continues to be
important in these trade issues, and particularly
preventing delays with agricultural products
coming in as well as continue to allow for
greater exports as part of the whole scheme.

I know we've all written op-eds on
this topic of free trade, and I just want to
continue to encourage my fellow members to do
that.

And not just in the major cities.

We've gone to the smallest of communities, you know, in Lincoln, Nebraska, Clinton, Iowa, Decatur, Illinois, and so forth.

Members, I think, appreciate that, but it also helps our employees put their voice forward as well. So, thank you for all that you've done, Mike. It's been very much appreciated.

CHAIR MCNERNEY: Well, these letters -- thanks Andrew, and Ginni, Pat, and Ursula -- could not be more timely for reasons we know and understand.

As I think Jeff suggested to us now is not the time to let up. There is no home run trot in sight yet.

Did Congressman Kelly want to offer a word here?

REP. KELLY: We appreciate being included in this.

You know, my background is an
automobile dealer. And I think one of the things that we looked at always was how do we maintain our base and then look at opportunities where we can gain market share.

And certainly when we talk about 96 percent of the market being outside our borders we want to protect what we have, but also we want to grow what's still out there for us and with products that get us there.

Chairman Hochberg was in Erie, Pennsylvania explaining it. I think it's very hard for people sometimes to understand Ex-Im.

For me it's been very easy. There's many times people would come into our dealership and say I'll take delivery of the car if you get me financed.

And so for me it's down at the very level, not so much in the upper echelon of it, but on the blacktop where I deal with people every day and look for market opportunities and things that we can do to grow our economy, get it back on pace.
I can't tell you how much I appreciate
the work that you're all doing.

I just wish the American public
understood it a little bit better because they're
in the dark on some of these things.

I don't know how we debunk some of
these ideas we have right now.

Dan and I and the sheriff sitting in
Congress, it really doesn't always get what it is
we're trying to get to. So I appreciate being
involved.

Thank you for all your service.

CHAIR MCNERNEY: Somehow I think
you're going to fit in here. Somehow I think
this is going to work.

REP. KELLY: And if anybody needs
anything for personal transportation let me know.

(Laughter)

CHAIR MCNERNEY: And before we get
Ambassador Froman I think --

REP. REICHERT: Just I know you're on
a tight schedule, Mr. Chairman.
I want to just take a moment to give you a quick update. It's great to have Mike here joining the team.

Yesterday the Ways and Means Committee dropped bills TPA and TPP.

And maybe Mike was going to go into this, but a preferences bill. We're on our way. Customs bill.

And the word we just got as we were headed down here is that we are going to have a vote on Friday.

CHAIR MCNERNEY: That's a good sign.

REP. REICHERT: And by the way, I'm the sponsor of the TAA bill and that's been a little bit of a hiccup. But we've made some progress there with the Senate.

So, the emphasis on your efforts this week is absolutely critical. Your energy.

I know I get a little frustrated in talking to some of the folks that we're talking to. As Paul Ryan said in some cases -- maybe I shouldn't say this -- it's like talking to a
piece of granite. The facts don't matter.

But you cannot give up because we are swaying some of these people one at a time. So I appreciate the opportunity to just quickly update you on Congress.

CHAIR MCNERNEY: Hey, a report from the battlefield. I mean, I know the work you're doing there.

In getting the vote on Friday, for those of us that aren't as engaged with deep knowledge of the process, but that is a good sign.

I mean, that says somebody thinks someone's got some votes. That's what it says to me.

Good. Thank you. Thank you, Congressman. It's great to have you here.

Mike, would you like to provide an administration response to all of this?

(Laughter)

AMBASSADOR FROMAN: I agree. I'll speak very briefly. And let me maybe start with
the negotiations and where we are.

And I thank Ursula for bringing up ITA as well because it is very much on our radar screen.

We're near the end of that, but we have some tricky issues with a couple of countries.

I'll start with Geneva. ITA, I think we're very close to.

Our environmental goods agreement negotiation is actually going very well. It doesn't get a lot of attention.

But we're working with other countries in developing a long list of products where we can eliminate tariffs on environmental-friendly goods. I'm optimistic that that's making good progress.

Our services negotiation, also making good progress in Geneva.

And for the first time really in many years we're having an open and honest discussion about where Doha could land and how to bring Doha
to a close, building on the success of Bali and what we hope will be the implementation of the trade facilitation agreement this year.

So, our approach of trying to create momentum through TPA and TTIP that can then spill over and create momentum at the multilateral level as well seems to be working.

And we have a ways to go on all these issues, but we're seeing very good progress and a more honest discussion than we've seen in a very long time.

I'll do TTIP and then TPP. TTIP, I was just in Berlin a week or so ago.

There's a lot of work still to be done there, but the Europeans, I think at the G7 the readout we received is that the Europeans are very much interested in moving ahead.

And we're encouraging them to turn that high-level political support they have for TTIP into progress at the negotiating table.

And encouraging them also to engage their publics and their stakeholders in a way to
help address some of the issues that have been
raised there, as we've been doing in this country
really for the last 20-plus years.

Ever since NAFTA we've had a robust
debate around trade in this country. We've
benefitted from that and they're now engaging in
that.

Finally, on TPP we just completed a
two-week session in Guam among our chief
negotiators where they made a lot of progress.

But we're down to what we knew would
come at the end which are the very -- a small
number of very difficult issues.

And I will tell you, and it's been
very clear, none of the other countries are
willing to come to the table, have another
meeting, and put their final offers on the table
until they see us having TPA. And they have made
that clear.

And you can understand why. All of
these final issues require very difficult
political decisions in their own systems, and
they're only willing to do that if they feel like we've got the political support here to move this forward.

So, the news that Congressman Reichert just reported is timely.

And I will say the efforts that the business community and others are putting forward, and the mayors and Governors and others are putting forward to support this is very helpful. We're at a critical time there.

And when we get past TPA we'll need something similar for TPP down the road. It may not be the same intensity for six months, but that too will be a big debate.

The final thing I would say is we've benefitted enormously, we at USTR have benefitted enormously from the input of this group and groups like this in having business, and labor, and members of Congress, and state and local officials has been absolutely critical to making us better negotiators, helping us refine our positions.
And we view this as a critical part of
our job in terms of engagement with a wide range
of stakeholder points of view.

So thank you for all the time that
you've put into these letters and the other
activities that you undertake throughout the
year.

CHAIR MCNERNEY: Mike, you're
undertaking the most ambitious trade agenda in
history, and that's a true statement.

And you might just pull it off. And
we're going to keep supporting you. We're going
to keep supporting you.

Senator Klobuchar, welcome. It's good
to have you here with us today.

SENATOR KLOBUCHAR: Well, thank you.
I understand it's your last meeting. Thank you
for your leadership.

And I think right now with the Senate
having passed TPA we've moved onto being
concerned about the infrastructure bill and
getting that done, and looking at if there's any
way we could do a longer-haul bill which we would
really like in supporting -- many of us -- the
President's proposal on some international tax
reform in part so we could tie that into
infrastructure.

The Ex-Im Bank is really our number
one focus, those of us working on these issues
and seeing if there's any way we could either
attach it to -- because I think it will pass the
Senate and has easily -- either attach it to the
transportation bill, or attach it to even the
customs bill, but off on its own from TPA. Just
something that would give us a vehicle to get Ex-
Im done.

We're really concerned about that. I
headed up a press conference last week with Maria
and Heidi from the leadership. And we were
really trying to get that done.

And then the third thing I just wanted
to thank everyone for is their work on
apprenticeships.

I was just home a few weeks ago and I
could not believe we are having huge problems.

We have such low unemployment in Minnesota in the manufacturing area. And so anything we can do.

I just talked to Patty about the K-12 bill. If there's anything more we can do to try to encourage more with apprenticeships.

And I appreciate the letter you're doing on that. So, thank you, and congratulations to Ursula as well. Thank you.

CHAIR MCNERNEY: Thank you, Senator.

Good to have you here.

Cathy Novelli, did you want to make a comment here at this juncture? Under Secretary of State.

MS. NOVELLI: Thank you and thank you both for your leadership and to everybody here for their leadership.

And really what I wanted to say is that in addition to all of the economic benefits which Mike has outlined and you've all outlined for the trade agenda and the trade agreements it's also inextricably tied with U.S. leadership
more broadly and with our strategic objectives to
stay engaged, to stay engaged in the Asia-Pacific
in particular, but also with Europe.

And so you all are actually fantastic
ambassadors. Obviously we have ambassadors in
every country who are fighting for you all and
for what you're trying to achieve, but you are
also by your own example, by your honesty, by
your provision of jobs are providing a window
into American exceptionalism and what can be
happening.

And so we're very happy that we're
able to work together to support these things.

I just returned from Europe where I
was engaging with the Commission on the European
single digital market that they are working on.

And so it's great that we have these
principles to rely upon. I think that's going to
help us cabin that in.

And so we really want to be very
actively engaged in places not just where we have
trade agreements under discussion, but even more
broadly on issues like supply chain, et cetera.

And we look forward to working with you on all of that.

CHAIR MCNERNEY: Great. Thank you for your comments and thanks for your support here.

Second letter. U.S.-China BIT,

Bilateral Investment Treaty.

MR. LIVERIS: Yes, thank you. Also our subcommittee.

Again, in the spirit of ambition and Mike Froman's overachievement which we're foreshadowing a BIT with China becomes the seminal trade agreement through TPP, through TTIP.

We all understand how difficult this one's going to be. We all understand how necessary it is and how vital the two economies have to approach each other's economic dialogue.

As part of the strategic and economic dialogue coming up it's very necessary that we keep pressing the Chinese.

And this letter speaks to various
1 topics that the USTR is working on.
2 This letter really has a lot of
3 support from our subcommittee. I'd like Pat
4 Woertz to comment. And then Jim, you can ask
5 anyone else.
6 CHAIR MCNERNEY: Okay. Thanks,
7 Andrew.
8 MS. WOERTZ: Thank you, Andrew. I
9 would like to also support the letter and in
10 particular on the subject of agriculture -- you
11 won't be surprised.
12 We were pleased as the negotiations
13 have been proceeding to see that foreign
14 investment in selected agricultural processing
15 was removed from the new negative list for four
16 key zones, key new free trade zones in Guangdong,
17 Shanghai, Shenzhen, and Fujian.
18 And that is something we'll monitor
19 and watch. And we'd be interested to see how
20 long the pilot's duration would be, what's next
21 on the agenda, and certainly how they'll measure
22 success.
So we'll watch some of that quite closely and would encourage, again, like the letter says, continue to push.

CHAIR MCNERNEY:  Mike, do you have a comment here?

AMBASSADOR FROMAN:  Just very briefly. We have been negotiating this for about a year and a half, and we've made quite good progress on the base text of the agreement.

But the key issues I think this year will be the negative list, and holding China to a high standard to make sure that what they do through this does actually lead to the opening and the reform of their economy.

Our main purpose in doing this is to help encourage that kind of reform. And we'll need to deal with some other issues that are China-specific in this context like their SOEs and things of that sort.

And the State Department co-chairs this with us. I think we're pleased with the progress we've made to date, but we still have a
long way to go.

And we appreciate your support for a high-standard agreement.

CHAIR MCNERNEY: Mike, just a quick question. Does progress and momentum on TPA and TPP, does that have the byproduct of helping you with BIT as the geopolitics?

AMBASSADOR FROMAN: That's a very good question. I think it does, and you all, of course, who spend time in China maybe do, and have meetings with leadership there.

Certainly the messages we're getting from leadership is that they're following our trade debate and TPP in particular very closely.

They know it will have an effect on raising standards across the region that they're going to have to compete with.

And the BIT is certainly one mechanism for articulating the kind of reforms that they need to do in order to achieve that.

CHAIR MCNERNEY: That's a good thing.

Cathy, do you have a comment there quickly?
MS. NOVELLI: Just very quickly.

Obviously the negative list is a sea change in the way China looks at doing things.

Before it was you had to have express permission. Now it's everything is allowed unless it's prohibited. And you see that in the free trade zones and we'll see it in the BIT.

And we've been pushing very hard together with Mike to make sure that we're not just cataloguing existing restrictions in China, but to actually change things so that there's a more open environment.

CHAIR MCNERNEY: Thank you. And before turning to Marisa Lago from Treasury I'd just like to acknowledge that Governor Haley arrived who we acknowledged earlier today.

Welcome, Nikki. Good to have you here.

Marisa, are you? There you are.

MS. LAGO: Hi, this is Marisa. The timing of this meeting is propitious because it is on the eve of the annual Strategic and Economic Dialogue that we have with China.
And that is the premier forum for
pushing China to deliver concrete changes.
The reason we place so much emphasis
is that this is a process that has worked.
We within the U.S. government are used
to operating across all different agencies. Not
as common in China.
And so the S&ED, the Strategic and
Economic Dialogue, is an opportunity to get all
of the Chinese government together to make
economic progress.
This year we're placing particularly
high emphasis, and the Chinese are as well on the
S&ED.
Why? Because it is a lead-in to
Chinese President Xi's visit to the U.S. in
September.
And the deliverables that we're
looking for reflect how complex and how rich our
economic engagement with China is.
And I thought I would list just the
top five things.
One is promoting global macroeconomic rebalancing. That is what the G7 to G20 is all about.

The second is obtaining market access for U.S. technological innovations in China.

The third – leveling the playing field for competition in China. Improving their regulatory standards, and especially the transparency of their regulatory standards.

Fourth, liberalizing investment. Increasing the ability for U.S. companies to invest in China without restrictions.

And then finally, an addition that just grew out of President Obama's and President Xi's agreement on climate earlier this year.

We are going to engage quite heavily on cooperation on climate finance and clean energy. Thank you.

CHAIR MCNERNEY: Terrific. I appreciate those comments.

Other than ordering a whole bunch of airplanes I can't think of anything I'd rather
have President Xi do when he's here in October.

(Laughter)

CHAIR MCNERNEY: Vanessa, did you have a comment here? I saw her earlier today. Oh, Jeff, sorry. Okay, fair enough.

Excuse me, I think, Vanessa, you were going to introduce the next letter. Sorry.

We've built a hierarchy here that I'm not aware of.

MR. LIVERIS: That's okay, Mr. Chairman. So I'm going to introduce Vanessa.

CHAIR MCNERNEY: I think the problem is Andrew here.

(Laughter)

MR. LIVERIS: Green here. The subcommittee has also worked on green buildings, that's the third letter.

It really marries Ambassador Froman's and the comments we've just heard vis-a-vis the S&ED, and how exporting technologies and services, green technologies, green services fits the U.S. agenda so perfectly.
And so we've put a letter together on green buildings. And Vanessa, please comment.

Thank you.

MS. KEITGES: Thank you, Andrew. Just to elaborate a little bit more on this green building standard, and shed light not just on the large companies like Dow that are looking at this marketplace, but smaller companies like us.

We really have an opportunity to revolutionize the way that the global green infrastructure is looked at by setting these green global standards which will allow us to innovate these products and export them.

As a small business in this green building world these green infrastructure products are needle-movers and game-changers for companies like ours.

They not only have green roofs but low-flush toilets, energy-efficient windows, solar. There are many green building products that can fit these infrastructure projects.

And we've got these great products
because of green building standards like USGEC
which we have to meet here.

    And it's allowed us to innovate and
build amazing places for people like us to live
and work.

    But in this letter we highlight that
around the world those same green building
standards don't exist.

    And it puts us at a disadvantage
because, for example, in a green roof here we
might have to manage water and reduce energy.

    But a green roof in maybe Asia might
be meaning -- this is extreme, but spray-painting
the roof green. So we not only can't compete
from a price perspective, but it's actually not
performing in managing water, reducing air
pollution, waste, and all of that.

    We've suffered in the past from U.S.
building products in China, for example. The
Europeans came in and built fire codes around
building standards and it allowed the European
companies to compete more competitively than the
U.S. companies.

We don't want to see that in the green building world. We have been fortunate to innovate and develop some of the best products in the world.

So therefore in our letter we really want to push for green infrastructure and performance-based standards.

The green movement is spreading throughout the world to build healthier places for all of us to live and work.

The Pope is even talking about it, for governments around the world to wake up and lead in this area.

Therefore, in this letter we are challenging the administration and the whole of government to grab the reins and lead the way for the global green building standards to ensure we move the needle for our large companies, but to also ensure that for the small businesses and the entrepreneurs we can continue to innovate and export in this growing green building market.
Thank you.

CHAIR MCNERNEY: Vanessa, very well-articulated. Appreciate it very much.

Bruce, did you want to weigh in quickly here?

MR. ANDREWS: Yes. First of all, I want to thank you for the recommendations on this important issue.

The U.S. standard system really empowers the private sector to bring together the technical expertise needed to develop the consensus solutions that are both globally relevant.

In areas where technologies are developing quickly like this area, this is a highly effective way to make sure that we have practical, implementable solutions that bring clarity to transactions both between buyers and sellers.

Globally the standards in conformity assessments can make or break market access for our companies. And I think Vanessa, you made
reference to the fact of how important it is to have our standards be globally relevant and lead the way.

That's why at the Commerce Department we're committed to making sure that our trading partners are upholding the commitments that they make.

The existing commitments on standards included in the World Trade Organization Technical Barriers to Trade Agreement and other U.S. trade agreements.

Recognizing the importance of buildings and green construction to the environment, we've actively engaged our trading partners in APEC, and ASEAN, the Gulf Cooperation Council on best practices for developing standards for green buildings and green building codes to enforce those standards.

These efforts include developing standards through open and transparent processes to ensure that we have widespread participation by stakeholders large and small, to develop
consensus solutions with the highest technical merit.

We encourage the PEC members to participate in future infrastructure trade missions that we plan to do as well, including on clean energy.

And we welcome the Council's views on the ways we can better inform and empower exporters in this space.

CHAIR MCNERNEY: Thank you, Bruce. Thank you. Andrew? Okay, thank you.

Our next letter on domestic infrastructure renewal and modernization. Andres Gluski? There he is.

MR. GLUSKI: Well, first, Jim, thank you for all your service. And congratulations, Ursula.

On behalf of the Manufacturing Services and Agricultural Subcommittee I am pleased to introduce the infrastructure renewal letter which aims to support the President's Build America strategy, and urges additional
action to improve infrastructure in the U.S. as we all know how important infrastructure revitalization is to strengthening our competitive position in the global markets.

Now, infrastructure is very capital-intensive. To fund the nearly $2 trillion we need to once again be a world leader in infrastructure from now to 2020 we have to incorporate greater private sector participation.

So, what the letter encourages is through public-private partnerships or P3s it has some specific recommendations around build, operate, and transfer, and also design, build, operate, and maintain agreements.

So, this is an urge to have a long-term vision for infrastructure which in the short term has very beneficial effects in terms of creating jobs and also helping many industries here in the States, and longer term improves our competitive position.

I think Gene wants to make some comments.
MR. HALE: First of all, let me say,
Jim, thanks for your leadership. It's been a
pleasure working with you and it's going to be
sorely missed, but I thank you for your service.

Also I would like to thank
Administrator Sweet for being the keynote speaker
at the Los Angeles African-American Chamber
Dinner this year.

And also last year Secretary Foxx was
the keynote speaker.

So, our work is being done with the
help of all of you around the table. We
certainly appreciate that.

CHAIR MCNERNEY: You throw more
parties than anybody I know.

MR. HALE: I know, I know, right? I
never have time to have a drink though.

(Laughter)

MR. HALE: The SME Committee, we
certainly support what Andres is trying to do
here.

We believe that the acceleration of
infrastructure into the economy would greatly enhance the opportunities for small businesses, SMEs, and more importantly, for our veterans.

We think that there's tremendous opportunities for our government to look at some sort of harmonization of what is the definition of a small business. And I think we can get more of our veterans included in this process.

Therefore, if we can get the infrastructure passed that we need I think we can see a tremendous upside to SME participation in this economy. Thank you.

CHAIR MCNERNEY: Thank you, Gene. I appreciate the impact and the brevity.

MR. HALE: Yes.

CHAIR MCNERNEY: Good stuff.

Secretary Foxx, it's great to have you here today. Did you want to weigh in on this subject?

SECRETARY FOXX: Thank you, Jim. I extend my thanks to you as well as to Ursula and to others.

Let me just say very briefly that the
letter is very welcome. The President is very focused on infrastructure.

Obviously we've got some things to deal with here with trade. My hope is that I can do like the woman in When Harry Met Sally and have a little bit of what Michael's having after this is all over.

(Laughter)

SECRETARY FOXX: But we're going to need some attention on this subject matter as it goes forward.

Let me just say a couple of things. First of all, we stand ready to work with our interagency partners on the issue, the small business issue.

We also stand ready to support the work on public-private partnerships. The President has tasked our department with standing up a public-private partnership center.

We are in the throes of scaling up, upscaling our ability to do this.

We're going to co-locate members of
our innovative financing teams to allow us to
scale what we do for creating a real operation
there.

But I do want to make one final point
here which is that our ability to do this is
going to be enhanced if we have the support of
Congress in breaking down some of the stovepipes
within an agency like DOT and other agencies
across government.

There's going to be no substitute for
a far-reaching policy bill on transportation.
Even beyond the funding, giving us the policies
that are going to enable us to really take this
letter and scale it to the next level.

CHAIR MCNERNEY: Okay. Thank you, Mr.
Secretary. Appreciate it very much.

Under the heading of keep the ball
rolling, David Abney, where -- there you are.
Did you want to introduce the next letter on
North American Supply Chain Competitiveness?

MR. ABNEY: I would. First, I just
want to express appreciation for the tremendous
efforts of all the people in this room to advance trade policy.

It looks like we have a lot of momentum. It means a lot to us and we're really appreciative.

The focus of the letter is really facilitating cross-border trade right here in North America with particular focus on Mexico.

The U.S.-Mexico spend is $550 billion, a little more than $550 billion, and that supports millions of jobs.

And we want to endorse the administration's efforts of engaging Mexico through the high-level economic dialogue.

One priority is export and import simplification. And really streamlining border brokerage and the drayage processes to eliminate these existing choke points that we all know are out there.

So we look forward to continuing to work with the administration to improve American competitiveness.
And we feel like this is a real good opportunity. And that's the highlights.

CHAIR MCNERNEY: David, I appreciate the brevity. And given UPS' role in the supply chain in the United States it comes from a source that knows what they're talking about.

Bruce, did you have any remarks?

MR. ANDREWS: Very briefly, which is, first, this is a high priority for the Department of Commerce and we're very focused on this.

The high-level economic dialogue is obviously critically important.

We're already seeing some successes out of it, including a Tiger Team that helped push the completion of the U.S. side of the Brownsville, Texas West Rail, the first new rail crossing between the U.S. and Mexico in more than 100 years. So we're making progress.

With regard to Canada very briefly, the Beyond the Border initiative in the Regulatory Cooperation Council are also seeing tangible successes already.
And we welcome any participation and suggestions that you all have in this regard.

CHAIR MCNERNEY: Terrific. Thanks, thank you, Bruce, for your support there.

Moving along. Mary Andringa, Ex-Im. And then I'm just guessing Fred might want to comment when you're done.

MS. ANDRINGA: Thanks very much. And again, ditto on the thanks and the congratulations to both of you.

A lot's been said already.

Persistence. We can't let up. We have to hang in there and make sure this trade agenda gets passed, both Ex-Im reauthorization, of course, TPA.

There just continues to be uncertainty for those who export. And I think the high dollar is something that has really made it more difficult for our company to export more.

And so in talking to my team members I made it very clear a week ago how important it was that we have some offset by having TPA which
can lead to more trade agreements, and Ex-Im reauthorization.

So, I do believe it makes a difference, all the efforts that are going on.

Last week I think we had 600 manufacturers who flew into D.C. And they were actually energized by Secretary Pritzker's addressing them.

But went out and visited several hundred of their members of Congress.

And we know that there were a few people who did change their mind on these issues to the right way. So, it makes a difference.

The op-eds, to Pat's comments.

Getting our supply chain involved which I've done. I've sent letters to our supply chain saying how important these trade initiatives are.

And I just want to say thank you to everyone for their efforts, but we cannot stop until they are passed.

And I turn it over to our chair who's
ever working on this.

CHAIR MCNERNEY: Did Congressman DelBene want to make a quick comment before Fred?

REP. DELBENE: Sure. Thank you very much. And I appreciate being here for the first time. I guess I'm starting right as you're leaving.

But we held a roundtable in my district, actually a very big event. The chairman came out and Congressman Reichert helped to co-host it.

We had to turn people away because we had so many small businesses who were interested in learning about the Export-Import Bank and those services.

And it just highlights how critical this is for small businesses, technology, agriculture, our wineries use export-import services.

And it's so critical for a broad range of our economy. And I think it's important that we continue to emphasize that.
Every day we wait to reauthorize this we're losing business. There are many deals that are going to be consummated after the end of this month, and already we're losing progress on those deals because we can't offer them these services.

So, short-term reauthorization or waiting another day has an economic impact, has already been having an economic impact in our region, in our country.

And I think it's important that we continue to emphasize that so that people realize that time is of the essence.

So, thanks for all of your work, and I'll turn it over to the chairman.

CHAIR MCNERNEY: Thank you, Congresswoman. Chairman?

MR. HOCHBERG: Well, actually, Congresswoman DelBene and Congressman Reichert, we did the first, only, and so far last bipartisan small business workshop in the State of Washington.

And partly as in the sales world I
hate to turn anyone away so it killed me that we
had to turn people away.

But Jim, thank you. Ursula, you have
big shoes to fill, including on Ex-Im.

The President has been a spectacular
champion for trade and Ex-Im is an integral part
as we've heard from Penny, and Mike, and others
that we're a critical part of that tool.

Our authorization expires, well, 16
days from now. Well, 16 legislative days.
Congress is out on the 26th.

The congressman said to me before we
started if Congress wants to there's always time
to get something done this month.

On top of that our Board expires in 40
days and we would no longer have a Board that
could authorize transactions. So, we are really
going down to the short strokes here.

I passed out a quick card. This was
a Lindsey Graham suggestion. He told me, the
first time I met him he said you need a pocket
card? I said I need a what? He said you need a
pocket card. So I have a pocket card.

This, quickly. Tomorrow -- actually,
on Friday we're going to release our annual
competitiveness report to Congress.

So I'm going to give you a sneak
preview if this is not being webcast, but a sneak
preview.

Basically, there are 85 other export
credit agencies just like us around the world.
Last year we uncovered 59. We did a little more
digging. There are now 85 around the world.

We follow rules set by the OECD for
transparent and responsible lending. And at this
point the percentage that follows those rules is
down to one-third. Just 15 years ago it was 100
percent.

So, 2 to 1 is sort of non-transparent,
non-rules based financing. That puts a huge
competitive pressure on U.S. companies to get
their fair share of deals.

And there's another little bullet
there. China has done more in the last two years
than we did in eight decades.

In eight decades we've done $600 million. They have done over $670 million just in two years alone.

So, I only emphasize that in terms of just the competitive pressure and how we are really a tool to meet that competition and make sure that we continue to add to the 200,000-plus jobs that we added last month, and the 164,000 jobs we added last year.

And just quick talking points, we do this at no cost to the taxpayer.

And we sent -- I'm looking at Marisa -- we sent $675 million last year alone. And I like the number so much it's also the password on my iPhone. So I've revealed my password, but it's also 675.

And it's very good to be in this particular room because we have our base in both small businesses, large business, and the Governors and the members of Congress who have been very supportive.
But we need to get this done. We need
to take that uncertainty away.

CHAIR MCNERNEY: Yes, I agree. And I
know everybody is engaged in the fight here.

Maria, did you have a comment?

MS. CONTRERAS-SWEET: Well, I just
wanted to underscore the importance of what Fred
is saying.

I feel your sense of commitment to the
reauthorization of the Ex-Im Bank.

But I just want to say from the small
business standpoint that our program is so strong
in terms of our lending program. Eighty percent
of our export loans use that insurance.

So I'm just talking about the
reverberations around the country that will be
felt if this is not reauthorized.

This is not about the small versus
big, whether Ex-Im supports small or big. This
is about unilateral disarmament because every
other country is helping, as Fred just aptly
pointed out.
So, I just wanted to put a fine point on what Fred just illustrated. Thank you.

CHAIR MCNERNEY: Thank you very much, Maria, for your comments.

Fred, we're all in the fight, and we're not giving up, and we're going to win.

Okay?

So, listen, we have a time challenge here. And Bill, I know you've got one more letter. And we've got to figure out a way to either do it in two minutes right now. Because we have some time running out.

Why don't you see if you can go for it?

MR. HITE: Okay, I'll go for it. The Workforce Readiness Subcommittee, we put together our letter and submitted it.

It's basically broken down to three things.

Number one is privately funded, industry-led, job-driven training programs.

You know, we compete around the world
and a lot of countries pay far less wages than we do. They don't have the same standard of living. And so how are we going to compete?

We're going to compete through training certification, attitudes which is work ethic, and productivity. And that's the foundation that is built through apprenticeships and these types of programs. So it's critical that we move forward with industry-led training programs.

Where can the government come in? They can identify labor trends, coordinate stakeholders, match workers to private training, and fund pre-apprenticeships. So they can develop a pool of workers to funnel into apprenticeship programs or similar type programs.

And recommendation three is we should compile a best practice method of recruitment, skilled training, and successful placement of workers, and convene a national workforce summit.

And maybe even create a national workforce committee to coordinate the training
and getting the workers ready to enter the workforce.

And of course, military is something that we really believe in. We have our Veterans in Piping program going on. We started in 2008. We're on eight military bases training active service people to come right into our apprenticeship. And them are the types of programs we've got to be looking at moving forward.

This year alone we'll take in over 500 veterans direct entry. And then we also take them through Helmets to Hardhats.

So, it's recruiting the workforce of the future, and it's getting them ready to compete and be as productive as they possibly can be. Two minutes?

CHAIR MCNERNEY: That's great, Bill. I really am sorry to rush you. I think your work is so important. And from Helmets to Hardhats till now, I mean your impact has been big. So we appreciate it.
Mr. Secretary, did you want to make a comment? Sure.

SECRETARY PEREZ: Very briefly. We want to hear from our distinguished guests.

We are all in on apprenticeship. We've invested $100 million most recently on a competitive grant, not only for the trades, but I was at UPS and they've taken apprenticeship to great levels in logistics.

Healthcare, cyber security. So many applications to apprenticeship.

We've got a team as we speak over in Switzerland right now. We are working with them.

We've stolen a great model from the UK, a leader program. So we have many companies that have stepped up and said we will be leaders on apprenticeship.

These are companies that are basically doing peer mentoring for other companies. Who, when they asked the question how can I afford to hire apprentices the answers they're giving is how can you afford not to.
And this is part of the President's very broad initiative on skills. And it's an all hands on deck enterprise because so many of our agencies have skin in the game and opportunity.

And so this is really, I think, a tremendous opportunity.

I want to thank Bill. I also want to thank Pat and Mary who have been consistently involved, and Ursula who has been consistently involved.

Everywhere I go I hear the same thing from employers. I'm bullish about the future, I want to grow my business, and my biggest challenge is we've got to deal with the graying of the population and make sure that we have the skills to compete, not just in manufacturing, but across the board.

And this is part of the skills superhighway. We're building the apprenticeship on-ramp and fortifying it. And it's a big deal.

CHAIR MCNERNEY: Thank you. Thank you, Tom. Appreciate that.
Now, I would recommend that we adopt all the letters together en banc. And so, without objection? Thank you. Second. All in favor?

(Chorus of ayes)

CHAIR MCNERNEY: Any opposed?

(No response)

CHAIR MCNERNEY: Thank you very much. Okay, that's done. Appreciate all the hard work and sorry we had to move so quickly.

But the reason we moved so quickly is we've got a terrific panel here. And I will try to follow my own advice and introduce them in about half the time that I was originally planning on introducing them.

But the real purpose here is to cut through all the political jargon and Washington speak, and get more of an on-the-ground look at how these three leaders have done it and so be informed by their example.

And I think I briefly went through. Governor Jay Nixon from Missouri. We know him
well at Boeing as we know Nikki Haley down in South Carolina.

His list of on-the-ground accomplishments of growing export jobs in Missouri is -- as a matter of fact, you used to have an initiative called Export Missouri as I recall.

And has produced tangible and real results, many of which I will not recite here. But just to say that every other Governor knows who the players are and he's a player in this area.

I think Nikki Haley, also a second-term Governor of 2010. Gee, we went down to build a big factory in South Carolina and Nikki has been a tireless supporter.

We make Dreamliners there and we export 80 percent of them. And this would not have happened without her.

And her focus on education, STEM, and the innovation initiatives that support all of it, also well known.
And then Mayor Swearengin of Fresno, California. I think you -- are you in your third term? Your fifth term? You say second term. Term limits in California, I'm not sure what that means.

But you all know the story of the central valley's agricultural base and some of the -- a lot of the success around the exports there.

I'm sure you're running into some of that with some of our partners who understand her competitiveness and don't always like it. But I'm sure you'll get through that.

So, look, we are very fortunate to have the three of them. I'm sorry my introductions didn't get to the essence of everything you do, but fortunately I think you're all well known to us.

So, Governor Nixon, could you kick us off here?

GOVERNOR NIXON: Well, first of all, thank you for what everybody here is doing. We
appreciate the work. And Governor Haley and
you're hear from Mayor Swearengin also.

Four quick points from us. When I
became Governor in 2009 the fundamental question
was how do you position your state to compete in
a rapidly changing, high-tech global economy.

It's not like one single thing you can
do. You have to have a comprehensive approach.

And so the four things that we have
put as markers and worked from day one on are
really bearing fruit as we speak today.

First, education and workforce
development. We moved up to top 10 high school
graduation rate, top 5 in improving our schools.

Focused even in the grade schools on
STEM. We're number one in the country in Project
Lead the Way for computer science programs.

We started science project programs
through Project Lead the Way now in fourth grade
across the State of Missouri. Put additional
dollars in to get that working.

We've also tried to make education
more affordable. Missouri is number one in the country in keeping tuition costs for our public institutions down six years in a row and we're going to continue that record.

So I think that never forgetting that as we sit across the table from companies, whether in America or around the world, what they want is good, productive workers for the future.

And if you don't forget in this job it really is a benefit to you.

Our job as Governors, as mayors is to provide two or three qualified people for every job opening, and then to have our folks compete. And we never forget that.

I talk about exports when I go to kindergarten classes because, quite frankly, those kids in kindergarten and first grade are competing with kids in Beijing and London. They're not competing with kids just in the next county or in the next state.

Second, fiscal discipline. I think this is exceptionally important at the local
level, exceptionally important.

    I don't speak for all of my Governors
or everybody else in this situation, but we pass
our budgets on time. Missouri is one of the few
states in the country triple triple credit
rating.

    We don't experiment with tax codes.
We don't play around. We have low taxes. We
have predictable.

    And because of that in my first four
years we were able to retire almost $700 million
of debt.

    So this year the legislature
authorized another almost $500 million to invest
in higher education, to invest in mental health
institutions.

    We're building in the State of
Missouri, started last year, a brand new mental
health hospital center for our state. About a
$211 million facility that's going to be the
state of the art for the country.

    The bottom line is that having that
ability for folks to invest and them respect deeply your fiscal discipline, incredibly important when you travel around the world.

They're not used to -- the last trade mission I took I had the Speaker of the House with me, I had the President of the Senate, opposite parties.

When we present on fiscal issues we present as one voice. Incredibly important for us.

Number three is just a focus on exports. We put a program together called Export Missouri focused not only on the big players, but also the small players. Opened up additional offices.

I, myself, have traveled around the world and closed deals, almost $10 billion worth of deals for Missouri. And at all sizes.

Two small businesses, real quick example. SCD Probiotics which is a probiotics company that now 70 percent of their work is exports.
A company called Masterclock, a real small little company in St. Charles, Missouri. Some of you may -- don't know about them, but they had a little project recently to resynchronize the countdown clock for NASA to make sure that all of the computers were working at exactly the same time.

They have taken that business model to 65 different countries to synchronize computers and timing. It's an amazing little company. They travel with us whenever we go internationally.

The last part is to realize that foreign investment is part of this deal. It's a two-way street.

It's really important we talk about exports. It's vital to talk about exports. But it's got to be a two-way street.

If you're in a one-way street where all you're saying is buy from me and you're not in a situation of foreign investment then you're in a real challenge.
Examples for us. I mean, whether it's Saint-Gobain that's building a $150 million new factory in Missouri, or Grupo Antolin, a Spanish company that's an auto supplier that's building a brand new factory in Kansas City.

BASF, the international chemical company, just made a $150 million investment in Palmyra, Missouri.

I mean, without saying anything -- I know I'm on the web here -- you can buy Palmyra for $150 million.

Well, you know, I mean it's not -- that's a big number, okay? That's all I'm saying. In a small rural area to have a company from Germany make that level of agricultural investment there is just nothing short of incredible.

The last piece. Just, I was in Madrid about four weeks ago. A company flew in all the way from China to meet with me.

They had just been sourced for a part in the auto chain. It's not relevant what that
part is, other than everybody is taking weight
out and adding strength.

And they have factories in China and
they have factories in Europe. And their board
had voted to put a factory in North America and
they flew all the way from China to meet with me.

And the reason they wanted to meet
with me is because what we're doing. Number one,
they wanted to do it in Missouri.

But number two, they said we want to
be high-quality, not just low-cost.

And I think that's the last thing I
was going to talk about here. It would be that
in any export, whether it's investment or export,
we've got to meet the high quality both in
delivering a product.

And we have tried to compete at a
worldwide level at that. Consequently, 2012,
2014, biggest record years for exports in
Missouri history.

I haven't even talked about the
agricultural sector. This is more on the
manufacturing side here.

But we have found that by spending
time establishing relationships, by having
confidence, by having fiscal discipline, by
selling our education system that we're seeing
our economy grow much faster than other parts of
the country in the export sector.

CHAIR MCNERNEY: Thank you, Governor.

That was pretty good.

Nikki?

GOVERNOR HALEY: Well, thank you.

Good morning and thank you for having us. I
bring greetings from South Carolina where it's
another great day there.

You know, when I was thinking about
coming here what I want to say is for all the
companies that are here today the states work for
you. Our job is to get your business going.

And I think a lot of -- when we look
at what we want to change in our states and in
the country in terms of business we've got to
look at it from what it's like to be on the other
side of the table.

And that's what we did in South Carolina. We came off the 2008 recession and we said how are we going to fix things.

And what we knew was we had to start, number one, taking care of the businesses we already had, look at what their vision was for growing, look at where they wanted to go.

Secondly, we had to get into the customer service business which meant agencies need to understand that time is money. And if you are costing a person or a business time, you're costing them money, and that's no longer acceptable in South Carolina.

You take those things and what we are now proud to say is we build planes with Boeing. We are now the number one BMW producing plant in the world with a custom car a minute.

We also in the last six weeks have announced a new Mercedes Benz automobile plant as well as a new Volvo plant that we're very excited
about.

We have five tire companies now. Bridgestone, Michelin, Continental, GT Tire, and we just added a new Swedish tire plant.

Carbon fiber. You all know it's the next big thing. Toray Industries, the largest carbon fiber producer in the world is now calling South Carolina home.

All of those companies that have come, they come for all the basic things.

They want a good workforce. They want to make sure that it's going to be business friendly.

But for states and for D.C. to really help these businesses we've got to understand, one, time is money.

We've got to understand the customer service side. We need to understand that product to market matters. So infrastructure, infrastructure, infrastructure.

When you look at the fact that we've got the Port of Charleston. The Port of
Charleston is great. We've got to deepen it.
We've got that green light. We've got to deepen it fast.

We've got to get those Panamax ships to come through.

We went ahead and did an inland port so that we were getting that product to market even faster. So in upstate South Carolina those products were moving just as fast as if they were at the Port of Charleston.

And so the infrastructure part when it comes to exports really does matter.

We're proud to say that we've hit record highs in terms of our exports. This past year $30 billion in export sales have been exported out of South Carolina.

We are now the number one state in the country that exports automobiles, number one state in the country that exports tires. Number one when it comes to lawnmowers. You name it, we're working our way up on all the other lists.

But what I will tell you is so much of
that has been from getting regulations out of the
way, really trying to make this business-
friendly, focusing on our businesses more than
anything else.

We do have local programs. One is the
STEP program that we use with the SBA which is
very good at helping our businesses export.

But then we also have what is called
the SCOPE program. That's the South Carolina
Opportunities for Promoting Exports. And we give
that to any company that has 500 or less
employees and has been in business more than 2
years.

And what we do is we help partner them
with international buyers so that they can start
to get into the export business.

We also go and help them get involved
in international trade shows so that they can
sell their company and really show what their
product is.

We had great success with that because
a lot of companies want to export, they just
don't know how.

And so we in South Carolina very much see our role as to assist our businesses, support our businesses, and help them produce and be successful.

This, at the end of the day, is all about cash flow. And if companies have cash flow they expand and they hire more people.

And in South Carolina that's very much what the progress of that is.

And so exports is a big part of that, and we're going to continue to grow that as much as we can.

Thank you for having me.

CHAIR MCNERNEY: Fantastic. Thank you, Nikki.

MAYOR SWEARENGIN: Thank you, Mr. Chair, and Madam Vice Chair, honorable members of Congress who are here today and officials from the administration, members of the Export Council. I'm Ashley Swearengin, mayor of the City of Fresno in California.
And what I'd like to do just very briefly is, first of all, speak to you on behalf of the U.S. Conference of Mayors. Secondly, tell you a little bit about Fresno, its attributes and its industry mix. And then lastly, comment on the things we've done to support our exporters in our city and our region.

But first, on behalf of the U.S. Conference of Mayors please know that we strongly support TPA.

In fact, in June of last year at our annual meeting our Conference on a strong bipartisan basis passed policy in support of the TPA, and then followed up with a letter of support to Senate prior to their consideration.

The same letter was delivered today to leaders on the House side of things. We had almost 80 mayors signing on, again, a strong bipartisan showing of support.

This has been a longstanding priority for mayors. We certainly understand -- I like the expression "preaching to the preacher." I
would echo that.

We as mayors understand that export
and trade are keys to growing our economy. So
I'm very pleased to update you on that.

Now, onto Fresno. You may or may not
know that Fresno is in the exact middle of
California. It is surrounded by mountains, to
the east of us the Sierra Nevada mountains and to
the west the coastal mountain range forming an
incredible bowl or valley that is the most
productive food region, the food capital of the
entire world.

Fresno is also a very large city.
It's the fifth largest in California with just
over 500,000 people. It's the 34th largest city
in America.

We have a very young, diverse,
energetic and fast-growing population. In fact,
one of the fastest-growing populations in the
state.

The City of Fresno itself is well
infrastructured. We have a redundant highway
system both in and out of the city.

We have efficient local roads. In fact, we were recognized last year by Forbes magazine as the fourth fast commute city in America when considering the number of people who can get to work in less than 20 minutes. I'm one of those which is terrific.

We have the fastest growing airport on the west coast. And we are investing over the next four years almost half a billion dollars in water and wastewater infrastructure, making us one of the most secure water cities on the west coast which as you can imagine is extremely important.

We also have robust educational infrastructure. One hundred thousand people every year in Fresno County alone pursue training beyond high school, either at the community college, the university, or the vocational training level. So we offer robust educational infrastructure.

Our industry mix has been recognized
already, that we are dominant in production agriculture.

But it doesn't stop with production agriculture. It extends to finished food goods with about 150 food manufacturers in the City of Fresno alone.

The reason why Fresno is recognized as such a productive agricultural region, we have 400 crops that are produced in our county alone every year.

Fruits, vegetables, nuts, poultry, cattle, dairy, everything you can possibly imagine. It's about a $125 billion economic impact in an eight-county region in the middle of California.

Related to that though, but diversifying from production ag we have strong growth in water and flow technology stemming, of course, from our ag roots but now diversified into municipal and commercial applications.

We have strong university centers that are focused on water technology, food and
nutrition innovation, and other related industries.

So, what have we done to support our exporters?

Well, first of all, let me just say we've recognized the importance of our exporters.

Oftentimes mayors confuse real estate transactions as growing their economy. And certainly while it's nice to have real estate investments, particularly in underserved parts of your community, the most important thing that mayors can do is to lift up and support those exporters which generates the wealth to then translate into real estate transactions and revitalizing your communities.

Recognizing that five years ago we started a major trade show for our food manufacturers. It is now the largest regional food show in the nation.

We've got 140 exhibitors who participate each year. It's fresh to finished goods. We bring in buyers now from around the
world to see what's being produced in Fresno.

That's produced some success stories like 6,400 cases of tortilla chips now being sold to Korea from a Fresno tortilla chip manufacturer.

We're also participating in the Global Cities initiative that JPMorgan Chase and Brookings are sponsoring.

And I can't stress this next point enough. When you think about the expansion of exporters in America, they are exporting in cities that require land use regulations that support their expansion, local roads, and probably most importantly, water and sewer infrastructure that can immediately accommodate that expansion.

That all happens at the local level and that's been a priority for the City of Fresno.

In California power costs can be high.

We worked very hard to negotiate with the PUC a reduction for larger energy users as they expand
or locate in high-unemployment areas of California.

    There's a 35 percent discount on overall power costs for five years to help offset startup capital costs.

    And then lastly, we've worked very closely with universities to support research and development, and also to take advantage of international trade programs that our universities offer.

    So, let me just close with this. From a mayor's standpoint I think it's very important that we at the local level know our role. We've got to work with our state and our federal partners.

    But we've got to learn to distinguish between the value of exporters versus other types of businesses in our communities, champion their cause, help connect those companies to their customers and resources.

    And then lastly, make room for their expansion and know that that success is coming
and be ready from a regulatory and a water, 
sewer, and road infrastructure standpoint. 

So with that, Madam Vice Chair, thank 
you so much for the opportunity to address you 
today. And I would welcome any of you to come 
visit us in Fresno when you're on the west coast. 
Thank you.

VICE CHAIR BURNS: I think we'll all 
take you up on it. The weather is good there. 

We have a couple of minutes for 
questions. And as my colleagues prepare to ask 
them I think I'll open up with one.

Governor Nixon, you spent a little bit 
of time talking about your impressive work 
particularly in education which was an 
outstanding set of comments. 

And Mr. Hite spoke earlier about what 
we call middle skills, these kind of transitional 
skills. Not everybody needs to get a Ph.D. from 
MIT to get a good and well-paying job. 

Are we doing enough, do you think, in 
developing and assuring that we have capacity in
this middle skill area? And if not, what more
can we do as employers to help you government
leaders actually do that?

GOVERNOR NIXON: Well, I think we need
to embrace the concept.

And, as was mentioned before, we also
need to promote some of the great careers that
are out there.

And the changes, the dramatic shifts.

I was at, for example, an Electrical Workers
training facility just the other day where that
organization through their own costs have built
that facility.

And their apprenticeship where they
reach full wage value have almost 10,000 hours of
training.

Time after time after time in the
private sector through organized labor and
through our community colleges we have
significant assets for training out there.

And how we can continue to support
those at the community college and private sector
level is important.

Because as you're trying to train people on new types of processes, new types of machines, if they don't have the real machines and the real things to train on they're not going to succeed.

So asking businesses to share with us as they come into town. And we're talking about our customized training program that we work with them on. Asking them to share part of their technology with us so that once the economic development deal is done we can continue to train workers in those areas is a concrete way in which we can retrain folks.

The other thing is to shift folks from one technology to another.

In '08 and '09 we had some downticks in the auto sector. So, we took those folks and put them in the power sector, trained them to be linemen, and got them certifications so that they can travel all across the country when you have power outages and work on it.
So, I think not only the training up, but as there are shifts inside the economy getting sideways training from people who are already very capable and very competitive in those areas is exceptionally important. Because you all don't need to hear a speech about how many different jobs people are going to have in their lifetime and how much things change.

So getting the private sector to share expertise and literally hardware we can put in our community colleges so that folks can train there, and get that sideways ability to move inside and between crafts and between skills is exceptionally important.

SECRETARY PEREZ: I just wanted to make an observation.

I was down in South Carolina recently meeting with businesses and educators. They have done a great job in the apprenticeship space using a tax credit that has really catalyzed apprenticeship.
And one for instance is CVS has been a prolific user of that. And they're taking folks who are on TANF and food stamps and giving them career pathways into pharmacy techs and other areas.

And so I was with Senator Scott's staff and recently Senator Booker's staff. The bipartisanship that surrounds this issue, not only apprenticeship, but your question, Ursula, about middle-skill jobs.

I mean, there's not a lot happening on the Hill in a bipartisan fashion un.

One of the things that is is the Workforce Investment Innovation and Opportunity Act which people around this table spent a lot of time on.

And that's what it's all about. This stuff done well, it isn't partisan. It's very successful.

The apprenticeship work that South Carolina is doing is being stolen by other states. A form of flattery. The work that
Governor Nixon is doing.

And then the high-speed rail that you're working on in Fresno. I was out there recently and it really is -- those are not only building infrastructure, you're building the middle class.

So, I wanted to applaud all of you for the various ways in which you're really building the middle class.

GOVERNOR HALEY: Thank you. And you know, Madam Chair, I'll just say that what we've found is that international companies in particular want apprenticeships.

They very much are used to it. They respond well to it. And so apprenticeships is something that we've done, we've grown. We have been extremely successful at it.

The other side of it is we are now starting, we're going to be doing videos to our schools, to the parents and to the schools because the guidance counselors don't know what is needed anymore.
So we're going really down to that bottom level to say, okay, let's show you don't have to have a four-year college education. Right now I just need you to go to technical school for 18 months to be able to build a car, or build a tire, or build a plane.

And parents need to hear it, guidance counselors need to hear it, and kids need to see how cool it is to work in these companies.

And so the apprenticeship program allows us to go from that high school level up to give them steps so that they can get into these great jobs.

And we've found it to be incredibly productive and are willing to share it with any state that wants to talk about it because we think it's that important. Thank you.

SECRETARY PEREZ: It's the other college except without the debt. That's what we call it.

GOVERNOR HALEY: Absolutely, absolutely. Thank you.
MS. ANDRINGA: Thanks very much.

Great comments by all of you.

I just saw a study a couple of days ago by Korn Ferry and it basically mentioned that the top 10 jobs in 2010 weren't even on the radar in 2004.

And I think to a couple of your points about having to be flexible and train our great future workforce really to be able to go different ways.

I also really appreciate the comment about starting in kindergarten. And Secretary Pritzker again reminded all of us about Manufacturing Day.

We'll have at least 400 to 500 students again come for Career Day and show them all the different things that are part of manufacturing, things that they don't realize.

And starting to get them to think really early. These will be fourth graders and sixth graders.

As well as the focus that I've
mentioned here before but I think is also important.

We're in our tenth summer of hosting high school and junior high teachers at our company, paid sort of internships for three weeks.

They learn about all the opportunities, also what skills are needed for the future.

And they leave there with a whole new sense of how to talk to their students about, first of all, the soft skills of work, but also the opportunities that are right around the areas that they're living.

So, thank you for all the great work the three of you are doing and in the larger governors and mayors associations as well. Thank you.

MR. ABNEY: This question is to Governor Haley.

I was real impressed by hearing that South Carolina is accepting the fact that time is
money. It's something that we always see when we're dealing with regulators and things like that.

Can you talk a little bit more how you were able to change that mindset?

GOVERNOR HALEY: So, when we first came in it was your typical government that you will see anywhere.

And I knew coming off of 2008 that the only thing that our administration could control was jobs. And so we needed to get jobs up and running as soon as we could.

What I knew being in business was that time was money. And a lot of time and cost can happen when a piece of paper sits on a desk.

So we really focused in on making sure all the directors of our agencies knew that they worked for businesses in our state and they worked for the people of our state, and that they had to change the culture within their agencies.

The second side of that is our business and regulatory board. I took everybody
off the board. Put all business people on the board. And the chairman of that permitting board is the president of a construction company. He understood time was money.

Then we went a step further and, as silly as it sounds, we had all of our public servants in South Carolina start answering the phones, "It's a great day in South Carolina. How may I help you?"

They hated that. They hated that so much. But the whole point was we wanted them to enjoy where they worked, but we wanted to remind them who it was that they worked for.

And now you're looking at a complete culture change in the State of South Carolina to where they understand your job is to solve that person's problem. And you do it quickly. And it matters.

And so it's created a new culture that we now call Team South Carolina.

And so when one area succeeds everybody celebrates. When another area is going
through a challenge, they help.

But it really is something that
government needs to remember. You're not there
for people and businesses -- you're there for
them. They're not there for you.

And I think it just reminds everybody
who they work for.

And I don't think, whether it's on the
local level, or the state level, or the federal
level, I think as leaders we need to constantly
remind public servants what our job is.

It makes them feel like they're more
a part of something. And so it's worked out very
well. Thank you.

VICE CHAIR BURNS: That's outstanding.

Any other questions for our panel?

If not -- I'm sorry.

MS. CONTRERAS-SWEET: I just wanted to
compliment you on identifying the STEP program as
a tool in your tool chest because I think it is a
really powerful one. So I wanted to compliment
you on that.
I also wanted just to invite you, and we'd be delighted with all three of you and any others in the room, to go out and to talk to you about what we do for the small business. Because we have growth accelerators, we have scale programs, we create clusters. We take the Silicon Valley model and try to replicate it in other parts of the country. There's so many other tools. The SBIR program is the innovation grant program that the federal government puts up.

So I would invite you to learn more about the other tools that we have. I think they're interesting and the communities that are really harvesting them are optimizing their opportunity to create job growth.

MAYOR SWEARENGIN: Madam Administrator, I just want to compliment your team back in Region 9. Last week I was on the phone with Administrator Davis who helped connect us to Assistant Director Sade in your office with the
SBIC program.

And we're very interested in taking advantage of the SBIC program to help support private investment in these export-oriented industries in our region. So I just wanted to pass that along to you.

MS. CONTRERAS-SWEET: Thank you.

VICE CHAIR BURNS: Any other questions or comments?

Let me just wrap up by saying this is the first time that we've done this. And we picked well. Three great, very enthusiastic, energetic, and with great examples.

So, thank you, Governor Haley, thank you, Governor Nixon, and thank you -- yes, for the examples and your presence. I'm going to actually come and visit all of your states, I think. Two states and Fresno. Really, really good.

Education. Time is money. Remember who your customer is. Infrastructure is important. Agriculture came up all through this.
It's all really good stuff, so thank you very much. We'll have you back.

We're getting ready to close. The next PEC meeting - December 3. Everybody has it on their calendar?

In addition, the Secretary of Commerce actually charged us to have another trade mission to TPP countries.

So we'll be working with you on the timing of that and the countries as well.

Thank you for all of the time and to the administration for coming and commenting.

And thank you in absentia to the leader of this group for five years, Mr. McNerney. So, thank you all.

(Applause)

(Whereupon, the above-entitled matter went off the record at 11:23 a.m.)
CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Meeting

Before: President's Export Council

Date: 06-10-15

Place: Washington, DC

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

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