PRESIDENT'S EXPORT COUNCIL

MEETING

THURSDAY,
DECEMBER 3, 2015

The Council met in Room 350 of the Eisenhower Executive Office Building, located at 1650 Pennsylvania Avenue, Northwest, Washington, D.C., at 9:30 a.m., Ursula Burns, Chair, presiding.

PRIVATE SECTOR PRESENT:

URSULA BURNS, Chairman and CEO, Xerox
Corporation, Chair

ARNE SORENSON, President and CEO, Marriott
International, Inc., Vice Chair

DAVID ABNEY, CEO, UPS

MARY ANDRINGA, Chairman, Vermeer

RICHARD FRIEDMAN, President and CEO, Carpenter &
Company, Inc.

ANDRES GLUSKI, President and CEO, AES Corporation

GENE HALE, President, G&C Equipment Corporation

MARILLYN HEWSON, Chairman, President and CEO,
Lockheed Martin Corporation

VANESSA KEITGES, President and CEO, Columbia
Green Technologies

PATRICIA WOERTZ, Chairman, Archer Daniels Midland
Company

ROBERT WOLF, CEO, 32 Advisors
UNITED STATES CONGRESS PRESENT:

THE HONORABLE SUZAN DELBENE, State of Washington
THE HONORABLE DAN KILDEE, State of Michigan
THE HONORABLE DAVE REICHERT, State of Washington

UNITED STATES CONFERENCE OF MAYORS PRESENT:

THE HONORABLE BOB BUCKHORN, Mayor of Tampa

ADMINISTRATION OFFICIALS PRESENT:

PENNY PRITZKER, Secretary of Commerce
THOMAS PEREZ, Secretary of Labor
ANTHONY FOXX, Secretary of Transportation
AMBASSADOR MICHAEL FROMAN, United States Trade Representative
JASON FURMAN, Chairman, Council of Economic Advisers
MARIA CONTRERAS-SWEET, Administrator, U.S. Small Business Administration
VALERIE JARRETT, Senior Advisor and Assistant to the President for Public Engagement and Intergovernmental Affairs
JEFF ZIENTS, Director, National Economic Council and Assistant to the President for Economic Policy
STEFAN SELIG, Under Secretary for International Trade, U.S. Department of Commerce
ERIC HIRSCHHORN, Under Secretary for Industry and Security, U.S. Department of Commerce
MICHAEL SCUSE, Under Secretary for Farm and Foreign Agricultural Services, U.S. Department of Agriculture
FRED P. HOCHBERG, President and Chairman, Export-Import Bank of the United States
CAROLINE ATKINSON, Deputy Assistant to the President and Deputy National Security Advisor for International Economic Affairs
GIL KERLIKOWSKE, Commissioner, U.S. Customs and Border Protection
BILL CRAFT, Deputy Assistant Secretary for Trade Policy and Programs, U.S. Department of State
LEOCADIA I. ZAK, Director, U.S. Trade and Development Agency
SCOTT NATHAN, Associate Director for General Government Programs, Office of Management and Budget
CAMERON ALFORD, Chief of Staff, Overseas Private Investment Corporation
BRODERICK JOHNSON, Cabinet Secretary
RAMIN TOLOUI, Assistant Secretary for International Finance, U.S. Department of the Treasury
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CHAIR BURNS: I would like to welcome everyone back. I appreciate seeing so many of you. It's been a while since our last meeting. And, this is my first meeting as the Chair of the PEC, and, really, I like that sound, Chair.

I'd like to begin by recognizing some of the elected officials that are joining us today. I'll start with Dave Reichert of Washington, a good friend. I'd like to congratulate Mr. Reichert, who recently assumed the Chairmanship of the Trade Subcommittee on Ways and Means. And, we all look forward to continuing to work with you. It's been a long and good run so far.

I'd like to also welcome Representative Dan Kildee of Michigan. Dan, thank you.

In addition, I'd like to extend particular thanks to Mayor Buckhorn of Tampa, you can sit down, thank you, Mayor, who is with us.
today representing the U.S. Conference of Mayors.

Thank you all for being here.

A number of the President's top
advisors and cabinet members are with us as well.

I'd like to welcome Valerie Jarrett, sitting next
to me, thank you, Valerie, Senior Advisor to the
President.

People will be coming in and out, so
I'll call them when they do arrive.

And, Secretary Penny Pritzker of the
Commerce Department.

Who else do we have here? Suzan
DelBene, Congresswoman, just came in. How are
you? Congresswoman DelBene, thank you very much.

Administrator Maria Contreras-Sweet of
the SBA is here as well.

Fred Hochberg, Chairman and the
President of the Export/Import Bank of the United
States. Fred is here. Thank you, Fred.

And, I don't know if Lee Zak came in.

Good, Lee, thank you very much, who is Director
of Trade and Development Agency.
Did I miss anyone who is here? I'll call the rest of them when they do come in.

Thanks to all of you for being here, and other Administration officials who are sitting around the table as well.

We look forward to your participation in today’s discussion. Since we last met in June, the Administration has made significant progress in advancing the President's trade agenda.

First, I want to congratulate the President, and his economic team, for their success in concluding the Trans-Pacific Partnership Trade Agreement. As all of you probably know, TPP will eliminate more than 18,000 tariffs that currently impede the competitiveness of U.S. exports.

TPP will establish stronger rules and new disciplines for increasing transparency and maintaining a more level playing field for U.S. exporters. And, the TPP will promote further growth in a digital economy.
U.S. exporters across all sectors of the American economy have come to rely on digital commerce and data flows in their daily business operations. New rules in the TPP push back against digital protectionism, and will help promote the development of a global digital marketplace. That will benefit U.S. manufacturers, farmers, ranchers, and service providers, as well as workers and consumers.

It's, actually, a remarkable accomplishment, particularly, considering that 12 governments had to reach a consensus in order to conclude this agreement, 12 governments.

The text of the agreement have now been published, and people can evaluate for themselves the many benefits of the TPP. It's a great potential for driving economic growth in the United States and across the Pacific Rim.

In a little while, we'll hear more about TPP from Ambassador Froman. Ambassador, thanks, welcome, who will brief the PEC on the status of the President's trade agenda.
We will also hear from Chairman Furman, who will brief the PEC on the state of the global economy, and the emerging economic issues that we face heading into 2016.

The PEC also needs to review and approve the letters of priority recommendations, the letter of priority recommendations to the President from the private sector members of the Council. I want to thank all the private sector members of the PEC for their focus and hard work in developing these recommendations. Not every member could be here today, but every member provided substantive input, and I am grateful for that work. I'll have more to say on the recommendations later in the meeting.

We have a really full agenda today, and we do have a hard stop. We also have some very important issues to discuss.

I'd like to welcome Jeff Zients, National Economic Council.

At this point, I'd like to acknowledge our new Vice Chair, Arne Sorenson from Marriott,
who was designated by the President after our
last meeting in June. We all look forward to
working with you. And, do you have any comments
for us?

MR. SORENSON: Thank you very much. I
have very big shoes to fill. I think maybe
that's not a polite thing to say, but very
pleased for me to do what I can to help this
really important agenda.

And, I would simply echo Ursula's
comments. Congratulations to President Obama and
to the Administration for the tremendous progress
that has been made, particularly, with TPP. A
lot of work yet to be done, and as we talked a
little bit at breakfast this morning, we do come
together this morning in an environment in which
some of the global engagement seems to be at
threat, and I think in many respects we have got
to continue to redouble our efforts, both to get
TPP passed, but to make sure that we remain in an
environment in which the opportunities that come
from global engagement can continue to be
achieved.

CHAIR BURNS: Thank you very much.

Secretary Foxx, Transportation, thank you for arriving.

I'd like to turn it over to Valerie Jarrett for some opening remarks.

MS. JARRETT: Thank you so much, Chairperson Ursula Burns. First of all, I think that does have a nice ring to it, and also to your new Vice Chair, who will have to do what you used to do, in heels going backward, which he would do with his flat feet going forward.

But, I was thinking, as you were speaking this morning, I've been at every PEC meeting since its inception. And, the ideals and recommendations, and advice and counsel that you have given the President have been instrumental and have helped shaped the policies that we have put in place.

And so, on his behalf I just want to thank you for your service, and hope that you feel it's your contribution, has not only been
valued but is now being turned into real policies
that have moved our country forward.

Thank you both for mentioning TPP.

We'll be hearing more from Ambassador Froman who
has just arrived. You can come on in. Welcome.

He and his team, and the economic team, and
Secretary Pritzker, and all of the Cabinet, not
to mention, of course, the President and Vice
President, there's an enormous amount of effort
into this. But again, the private sector's input
was invaluable in crafting an agreement that we
believe not only gives the United States a strong
competitive edge, but it's also good for working
families and businesses in America, which is what
it was all about. So, we thank you for that as
well.

I had a chance to brief the President
last night on the recommendation, the letter that
you will be putting forth and discussing today,
and he asked me to thank you for that. The
policies that you laid out in that are,

obviously, very consistent with the themes of the
Administration. And so again, you are taking up his challenge of advising us on policies that we can implement, that from your experience in the private sector, as well as the elected officials who are here today, give us, and continue to give us, that competitive edge.

So again, thank you all for your service and contribution to this invaluable excellent counsel.

CHAIR BURNS: Welcome.

Next I'd like to call on Jeff Zients for his opening remarks.

MR. ZIENTS: Thank you. I, too, will defer to Mike and others on TPP, but I will say that this will be a top priority for 2016, and you will see that reflected on the President's calendar and the whole Cabinet's calendar, in terms of emphasis and push, the same way that we are all out in partnership with you on TPA, the same play will run on TPP.

So that, we look forward to a busy and successful 2016 on TPP.
I thought I would just very quickly highlight a few economic priorities where we are hopeful that we can make some progress, actually, across the next few weeks, as Secretary Foxx has been a champion, and the President has been a champion, of strengthening our infrastructure. And, you know, we all think of the state of our current infrastructure as no longer a source of great global competitive advantage. In fact, we are no longer even in the top ten in infrastructure, which is, we're used to be number one.

So, we've got to make serious progress here. The good news is it is highly likely that Congress will pass, for the first time in a long time, a longer term infrastructure bill. It's not everything that we need in this country, but it's a step in the right direction, and we are hopeful that that will get done in short order, and that's a heck of a lot better than the short-term patches, the more than 30 short-term patches, that we've had, and it allows states and
municipalities to do the type of planning that all of you do in business and other settings, that can really make some progress.

So, that's -- not to get ahead of things, but that looks very promising, as does the Ex-Im Bank finally, which is, obviously, front and center for exporters.

It's terrible that we, actually, have had five months of no Ex-Im Bank. It's unacceptable. That said, that long nightmare should be over soon, and we will be back in business at Ex-Im Bank, and I'm sure we'll hear more about that from Fred, but we are very optimistic that that gets done soon, before the end of the year, certainly.

And, the last thing I'll touch on is the budget. As you'll recall, the spending levels were decided upon earlier this fall, but Congress needs to finish the job, and finish the job by putting the detailed budget in place at the appropriations levels, and to do so in a way that we do not trip up the budget process with
ideological riders, that, you know, the deadline
for this is coming up across the next week or
two, and again, the spending levels are all --
the hard part is behind us in terms of
traditional budgeting. We do not have
ideological riders interfere with the budget
process, and in any way trip up all the good
progress we are making in the economy.

So, we are hopeful that that will get
completed, so if you lift up across the next few
weeks, finally a longer-term infrastructure plan,
the reauthorization of the Ex-Im Bank, and a good
budget in place, are the goals, and we are
hopeful that we can achieve those.

CHAIR BURNS: Thank you very much.
Secretary Perez, welcome.
SECRETARY PEREZ: Good to see you
again.

CHAIR BURNS: I'd like to now turn it
over to Secretary Pritzker.

SECRETARY PRITZKER: Thank you, Ursula,
and again, congratulations on your new position.
Arne, welcome to your position as well.

I'm very excited to continue working together with both of you and the entire PEC.

I just wanted to acknowledge our friend and colleague, Pat Woertz, who has been an extraordinarily effective member of the PEC, and this will be her final meeting. Pat, you have served as a committed and valued member of President Obama's PEC since the very beginning. And, you were by our side at our fact-finding mission last year in Turkey and Poland, and you and your team have made significant contribution to the work of this Council, particularly, on domestic infrastructure investment and the Trans-Pacific Partnership. So, we really appreciate and thank you for your dedicated service, and you will be missed.

(Applause.)

SECRETARY PRITZKER: Throughout the Administration, the President's Export Council has been a leading contributor to our country's
international trade agenda, and your actions, which included submitting nearly 60 letters of recommendation, have, actually, shaped this Administration's key accomplishments, including the Trans-Pacific Partnership, trade promotion authority, the single window system to streamline the export and import process, and building a more transparent export control system.

As we enter the final year, the Administration, as you've heard from my colleagues, remains laser-focused on achieving as many of our remaining shared goals as possible. Obviously, our largest focus will be the passage of the Trans-Pacific Partnership.

But, I want to thank you for your effort on trade promotion authority. It was absolutely -- your partnership was critical to the passage of TPA, and your vocal and visible support for TPP will be critical for us to get that across the finish line. And, our team, working closely with Ambassador Froman's team, are committed to working with you all to --
any way to elevate TPP within your communities.
So, please feel free to let us know if there are
ways that we can support you within your
communities getting the word out about that.

And, our March, 2016 fact-finding trip
to Japan and Vietnam will be an opportunity for
us to learn more about what TPP can do for
American businesses in those two markets.

Before I turn it back over to Ursula,
I do want to highlight another opportunity and
priority for the Administration, which is the
Hannover Messe, which is the largest industrial
technology trade fair in the world.

For the very first time ever in its
history, the United States is the official
partner country for the April, 2016 event in
Hannover, Germany. And, official partner country
status provides an unparalleled opportunity for
American businesses, your companies, both for our
manufacturers, but also, frankly, for our service
companies as well, to be front and center at the
fair. We will have an important representation
of leadership from the U.S. Government, and Chancellor Merkel will be leading her delegation there. So, it's an opportunity as a partner country, there are a significant number of events that we will be doing with the German government together. It's also an opportunity for you to meet with policymakers in the German government, as well as our Government. And, I hope that there will be a significant presence by the PEC at the fair, exhibiting at the fair, as well as there's an opportunity, we've reserved the advertising, critical advertising opportunities on the fairgrounds for your companies, and I hope also you will consider encouraging your supplier networks to attend the fair.

This is a chance for the United States to continue to advance our positioning as the leading provider of manufacturing products and services globally. The fair is more than just a trade fair, it's a geopolitical event that has enormous visibility globally. So, I hope that you will participate, and increase our presence
there. I know that -- I'll just close by saying that the recommendations that you put forth today I think are incredibly relevant, particularly, as it relates from a Commerce perspective, finalizing a new safe harbor framework, promoting job-driven training and workforce development, and focus on our infrastructure.

So, I look forward to the conversation about your recommendations, and I know that they will help to keep America more competitive, and keep America open for more business.

So, thank you very much.

CHAIR BURNS: Thank you, Penny. The Hannover Fair, it's interesting, and we'll probably be there.

SECRETARY PRITZKER: Good. Good. Thank you.

CHAIR BURNS: I'm going to ask the other representatives from the Executive Branch to defer their comments for just a moment.
I would now like to recognize our congressional members for some brief opening remarks, starting with Chairman Reichert.

REP. REICHERT: Thank you, Ursula, and congratulations to you, and Arne, congratulations to you.

It's been a pleasure being part of this group for the last seven years, I think. Is it seven years? I've been a member of the Trade Subcommittee for seven years, and as Ursula said, a couple weeks ago was made the Chairman of the Trade Subcommittee. For the last couple of weeks, Mike and I have been on the phone and in meetings with members of the Ways and Means Republicans, and I think we are making some great progress.

And, I just want to say thank you, a huge thank you, to Mike and his staff. They've just been very, very available, and listening intently, and I think sincere members are picking up sincerity in your efforts in addressing the concerns that all of us know exist in this trade
agreement. Some of those that you are very well aware of that are going to be difficult, tobacco, localization, biologics issues, so but we are going to get through those, because we all understand how critical this is, and how important it is for American jobs and for us to lead and expect that high standard across the globe in global trade.

But, I also have to mention briefly, there's a special friend in the room. Gil Kerlikowske and I go way back to the days when he was the Seattle Police Chief and I was the Sheriff, and we kept things in great order. Right? Yes. So, here we are today together again, serving our country in a much different way. It's good to see you, my friend.

It's great to see Suzan DelBene here, too. She and I have a special connection. We ran against each other in 2010. I won, but, you know, that's -- but she's here anyway. It's great to have her, because you have two Washington State members of Congress who
are really interested and recognize that trade is critical. Washington State, of course, being one of the most trade -- well, is the most trade-dependent state. So, it's good to see Suzan here, too.

So, a lot going on on Capitol Hill, as you are all aware, very busy in weeks behind us and busy weeks ahead of us. I'm proud to report that we are closer to a long-term highway bill.

The Ex-Im Bank issue included in the language, I was one of 40 Republicans who joined that signature exercise, and also one of ten who spoke on the floor in favor of Ex-Im Bank. I just wanted to share that with you, to let you know that this was a bipartisan exercise and effort.

We have customs reauthorization moving forward. I was a conferee on the highway bill, conferee on the customs bill, so we are going to make sure those get moving.

TPP, you are going to hear a lot from the Ambassador on that. I won't go into any
great detail, other than to say each side of the
aisle has its issues, and again, the Ambassador
has been very available to meeting with both
sides, and listening and trying to find ways that
we can address the concerns to, we think, create
a piece of legislation, a trade agreement, that
really sets that high standard for fair and free
trade across this globe.

So, I think there was a point made
earlier by the Secretary that your input into
TPA, when we went through that exercise, was
absolutely critical in moving that over the line.
TPP is going to be harder, and so we've lost, for
example, we are going to lose around 15 votes on
the tobacco issue on the Republican side. So,
we've got to find some ways to move issues like
that forward. Your input, your visitations with
a variety of members of Congress on both sides of
the aisle will absolutely be critical in moving
these issues forward.

So, thank you for recognizing me this
morning. I appreciate the opportunity to share
some of my thoughts.

CHAIR BURNS: Thank you, Mr. Chairman.

MS. JARRETT: If I could interrupt just a second.

CHAIR BURNS: Sure.

MS. JARRETT: We all hear that noise. It's not your imagination, we are trying to figure out what it is and turn it off.

REP. REICHERT: Voices in my head.

CHAIR BURNS: Next up we turn to Congresswoman DelBene.

REP. DelBENE: Thank you, Ursula, and thank you, Dave. Again, we are neighbors, my district is just north of Dave's up to the Canadian border, and, you know, Washington State is the most trade-dependent state in the country, and, four of the top ten most trade-dependent districts in the country are in Washington State, one of which is mine. And so, these are very, very important issues to our state and our entire region.

We are all going to have to leave
early, because we are going to have votes soon, and you are going to all be happy to see us leave, because we will be voting to help reauthorize the Export-Import Bank.

So, I want to thank Chairman Hochberg for all of his work for working hard at that. We are waiting to hear that bell to go off over on the other side of the Mall.

Also, I wanted to bring up the important issue of safe harbor. This is a critically important issue. I recently met with EU Commissioner Jourova and stressed the importance of getting the new Safe Harbor Agreement in place.

I'm on the Judiciary Committee, working very, very hard on a lot of our privacy and data issues, and stress the importance of privacy to us in Congress in the work we've done on surveillance reform, continuing work we are doing on reforming the Electronic Communications Privacy Act, to update our laws on technology.

But, with over 4,000 U.S. companies
currently operating in the EU who are relying on the Safe Harbor Agreement to harmonize the -- or, relying on the previous Safe Harbor Agreement -- it's critically, critically important that we update the Safe Harbor Agreement.

And, in talking to Commissioner Jourová, she stressed the importance of passing the Digital Redress Act, something we passed in the House of Representatives, but has yet to pass the Senate. That's going to be very, very critical for us to get that through, so that we can reach productive conclusions to the negotiations there.

But again, Ex-Im Bank has been huge, and I want to thank again everyone for their work there, and also I'm very encouraged by the importance of cross-border data flows as represented in the Trans-Pacific Partnership, a very important issue. And, I think something that is -- we are going to have to continue educating folks on, because some of the newer technology changes that have taken place since
past agreements are going to be important areas
for us to focus on as well. And, thank you,
Ambassador Froman, for your work there.

So again, thank you, and we'll all
apologize for leaving a little bit early, but
Fred will help us make sure we get over to the
Capitol quickly. Thanks.

CHAIR BURNS: Thank you very much,
Congresswoman. We'll, actually, push you out the
door on that.

I'd like to finally turn it over to
Congressman Kildee.

REP. KILDEE: Thank you very much.

Thanks for giving us each a few minutes to
comment. As Congresswoman DelBene said, when we
leave it will not be because we are rushing from
the room due to something that Mr. Froman said,
it's because we have to go vote.

Let me focus a bit. The goals of this
organization are, obviously, critical to the
success of this country and the growth of our
economy. But, I want to hone in on a particular
aspect of the challenge that we face.

For those of you who are not aware, I come from a town called Flint, Michigan. Flint is the birthplace of General Motors. In 1908 GM was founded in that community. But, it's a city that has experienced extraordinarily difficult times in the last several decades.

And so, the focus that I want to bring in support is the focus of the Export Council on the need to reinvest in our productive capacity. Obviously, there's been an important debate on how we engage global trade, and there will continue to be, I think, very important debates within Congress as to how we do that.

But, as important as that, perhaps, more important, is how we support expanding the productive capacity that we have here in the United States to make -- to produce those sorts of products that we then can sell, not only to our domestic market, but across the globe.

Essential to that, from my perspective, is a much stronger emphasis on
reinvesting in those older industrial communities. And, I think about some of the companies represented in this room, many of which were really born of innovation that occurred in the last century in those older industrial spaces that we have seen wither in ways that I think are really completely unacceptable.

I just mentioned my own hometown of Flint, and I'll just use this one anecdote. Today, as we sit here, in Flint, Michigan, a community that helped put the world on wheels, that community cannot ensure to its residents clean, drinkable water, it's a city of 100,000 people that for 14 months had lead levels in its water system that were so high, 7,000 children under the age of five for 14 months were exposed to lead in a way that will affect the trajectory of their lives permanently. This is in the 21st Century, in the wealthiest nation, at the wealthiest moment in its history, in a community that could greatly contribute to the productive capacity of this nation, but hasn't been able to
fully realize that because we, as a nation, have
allowed our older cities to atrophy.

So, there is no trade agenda that can
be fully realized that doesn't have us going big,
going real big, investing in infrastructure in
ports, in rail, in roads and bridges, in IT and
in the water infrastructure.

So, while we will take an important
step forward in sort of getting back to where we
need to be with a less than temporary approach to
transportation infrastructure, I just really hope
that we can, as a Council, and, particularly, the
private sector leadership, which is so critical
to this question, find a way to move an agenda
that has us reinvesting in those places that once
were really important to the development of our
productive capacity. And, I firmly believe are
essential for that in the future.

There are many cities, even during
periods of economic growth. And, I speak from
experience, I was in local government for 33
years before I came to the Congress, there are
many cities that are often left behind, even
during periods of great economic expansion.

You go to the 1990s and see what
happened, all the private sector job growth that
we saw, the private sector job growth that we've
seen in the last five, six years has been
extraordinary, but a lot of cities are left
behind, and it's largely because we have not
given them the tools that they need to succeed.

When we see some of our competitors
spending, in some cases, ten times what we are as
a percentage of GDP on that basic infrastructure,
and especially when we look at how difficult it
is for these older cities to reposition
themselves, I think it's incumbent on all of us,
but, particularly, I'm imploring our private
sector leaders to continue to speak up on this
question, because your voices are so critical.
It's really important that we invest in these
older communities. They can do wonders for our
country. They can create greater equity, and
they can, actually, grow our economy, but we've
got to unleash their capacity, and it's going to take significant investment to do that.

   So, thank you for giving me just a few minutes to mention that.

   CHAIR BURNS: Thank you very much, Congressman. That's a good message that we should think about.

   Now, let's turn to the main portion of today's program, and that's to hear from Ambassador Froman on TPP and other items.

   AMBASSADOR FROMAN: Well, thank you very much, and congratulations, Madam Chairwoman, and congratulations, Arne, as well for your role here. And, thank you all for taking time out of your day to be here, particularly our friends from Congress who've traveled down Pennsylvania Avenue to be here.

   After five and a half years, as you know, we were finally able to bring closure to the TPP negotiations in Atlanta about two months ago. And, the final agreement is really good. It eliminates tariffs on manufacturing products.
It eliminates, or greatly reduces, tariffs on agricultural exports in the areas where we have strong agricultural export interests. It, effectively, eliminates 18,000 taxes on American exports, these are the tariffs on our exports that will be eliminated in the countries with whom we don't already have free trade agreements. It opens up services markets, financial services, express delivery services, electronic payment services, architect/engineering services. We are the greatest service provider in the world.

We have a huge services surplus in our trade balance, and this agreement will open up markets for our service providers, and keep open the ones, lock open the ones that are already open.

Beyond that, when you look at the rules, beyond market access. We see strong intellectual -- strong and balanced intellectual property rights rules, strong enforcement measures, plus this is the first trade agreement ever to take on the issue of state-owned
enterprises. So, that when state-owned enterprises are competing against our private firms, they have to do so now on a commercial basis, or we'll have a trade action, ability to bring a trade action against them.

It's the first, as the Congresswoman was mentioning, this is the first trade agreement to take on the issues of the digital economy, the free flow of data, not taxing digital products, tariff-free information technology products, pushing back against localization requirements, not requiring our companies to move to another country in order to serve that market in the digital space, and supporting e-commerce.

You know, we met with a lot of small businesses, and when those small businesses engage in e-commerce, they are using software services, telecom services, electronic payment services, express delivery services. All of those are protected and are made open through this agreement. And so, it really helps, particularly, the small and medium-sized
Indeed, this is the first trade agreement to have a chapter on small and medium-sized businesses, a real focus on making sure that the various provisions of the trade agreement are working for SMEs around the world, which we know are the drivers of much of the job creation here and around the Asia-Pacific.

It's also an agreement that reflects both our interests and our values, so it's got strong labor and environmental protections, enforceable labor and environmental protections. It takes on issues like anti-corruption, and requires countries to have anti-corruption measures. It takes on issues around development. We want to make sure that as we set the rules for the road in this region and elsewhere around the world, that it reflects both our interests and our values, and with the agreement we've come up with it's been a very strong agreement.

Is it a perfect agreement? Absolutely not. It's the product of hard-fought
negotiations and compromise with 11 other
countries, sometimes even with our own domestic
constituencies where we have divided interests.
And so, we don't expect everyone to be equally
enthusiastic about it, but we do think at the end
of the day that it is a very strong agreement for
manufacturing, for agriculture, for services, for
workers, for farmers, for ranchers, for
entrepreneurs, for innovators, and for small and
medium-sized businesses.

And, I just came back from Asia with
the President. He was there for the APEC
meetings and the ASEAN meetings in Malaysia.
And, there is a palpable sense of excitement and
momentum in the region around TPP, both among the
TPP countries themselves, who are all going
through their own domestic processes of seeking
approval, but also the non–TPP countries, many of
whom have raised their hands and said they want
to be considered for the possibility of coming
into TPP sometime in the future, obviously, in
our case with the support -- with the approval of
And, even countries like China, where I went after Malaysia. They are following TPP very closely, they know they are going to need to compete in a TPP world, and that’s going to require them to up their game as well, which is in all of our interests.

We completed this agreement in early October. About a month later, we published the agreement. It's on the web, all of it. We put out summaries of every chapter. We've got 20 plus fact sheets on our website. We are working very closely with the White House and the Office of Digital Strategies to put out more and more information, make sure we are addressing questions and concerns as they arise.

We are looking for ways to engage further with small and medium-sized businesses. Gene had some interesting ideas last night. We want to continue to explore what ideas might be for getting the message out around the country, to your company, to your clients, to your
customers, your supply chain, your employees, to
make clear what's really at stake there.

And, as Jeff mentioned, we've got a
whole of White House, whole of Government,
operation underway here to engage with Congress
and to get it passed here at the White House,
Jeff, Valerie, Katie Fallon are leading the way
on behalf of the President. The whole Cabinet is
involved, Penny has been at the leading edge of
coloring around the country talking to members
of Congress, talking to businesses about the
importance of it, but also Anthony, Tom Vilsack,
Jack Lew, Maria, have all been pretty much out
there. Fred, of course, has been out there
talking about the benefits of this.

We are committed, not just to getting
this passed, but making sure we are doing
everything we can to help American businesses
take full advantage of the new openings in the
market. You know, whether that's through our
export promotion activities that Penny and Maria
lead, or our export finance, trade finance
capabilities, Fred and Maria are focused on as well, we want to make sure we are doing everything possible for American workers and American businesses to take full advantage of it.

You know, as Chairman Reichert said, trade votes are always hard. This is going to be a tough battle. We are already up on the Hill talking with Republicans and Democrats, House and Senate, individually, in small groups, in larger groups, to answer their questions. We are convinced at the end that we'll have the necessary support, but it's only going to happen if they fully have an understanding of the benefits of this agreement for their constituents, and how it's going to affect jobs and growth for their companies and for their workers in their districts.

We look forward very much to working with you in that regard.

CHAIR BURNS: Thank you, Mike, that's very good.

Before we address any other items on
the trade agenda, why don't I open and invite
members of Congress to speak, or members of the
Administration and Cabinet to speak.

And, Mr. Foxx, if you would please
start.

SECRETARY FOXX: Madam Chair,
congratulations, it's great to be with you and
also to our new Vice Chair, congratulations.

I just have a couple of points here.

First of all, I want to just say how proud I was
to join the President, the Vice President,
Ambassador Froman, Secretaries Pritzker and
Perez, on pushing for this TPP agreement.

The Administration-wide focus and
efforts here have been extraordinary, and we have
to be even more extraordinary as we turn the
corner to get the final passage.

One of the things that I've tried to
do in advocating for TPP is to really galvanize
the transportation community around the benefits
of it, and, in particular, the port communities
that stand to gain so much from a robust TPP
1 arrangement.

2 Our port communities handle 95 percent
3 of our imports and exports. And so, that's
4 really where the front lines of this package are
5 going to hit. And, as you all know, our ports
6 are the economic engines and job creators of our
7 country, and so we are going to continue to
8 galvanize that community in particular.
9
10 But, another part of my work has also
11 been making sure that once this deal happens that
12 the trucks, and the trains, and the other
13 modalities that are needed to move freight around
14 this country aren't running on broken track and
15 potholes.
16
17 And so, it is very fitting, I think
18 last time I was here I made a When Harry Met
19 Sally reference, and I am now having a little of
20 what Michael is having, which is floor action on
21 a transportation bill, which is great.
22
23 The House and Senate have agreed to a
24 five-year, $287 billion bill. It's called the
25 FAST Act, and I just want to tell you just three
quick things about what this Act will do in this space.

The first thing is that it will have a national freight strategic plan, a $4.5 billion plan funded over five years. And, this is an important step. It's one of the things we asked for in the package the President and I submitted. We are going to have 45 percent more freight pressure on our system going forward, and that's probably without TPP being scored into it, 65 percent more trucks on the road. So, this will be a dedicated program focused on freight.

The one underbelly of this is that it caps non-highway efforts at 10 percent. So, the rail and the inland waterways, and some of the other modalities aren't going to get as much of this program. But, this is where we are going to keep pushing for more down the road.

Secondly, there are significant streamlining provisions that will ease the efficient delivery of transportation projects and move those forward much faster.
And then finally, we've talked a lot about public/private partnerships. Part of what the bill does is create an innovative finance bureau, which builds on the President's Build America Transportation Investment Center efforts to create more public/private partnerships. We look forward to a more consolidated set of government loan programs that will be part of this. And, we will also be putting pressure on the markets to help us deliver infrastructure through public/private partnerships through the Bureau.

So, I think this is good news. It's a good start, as Jeff said, but we've got to do more, and we will continue to push Congress to do more in the future. And this, again, I think is part of trying to help the trade agenda for our country move forward.

CHAIR BURNS: Thank you very much, Secretary Foxx.

Are there any other Government officials, or members of Congress, who wish to
comment on TPP?

Please.

DIRECTOR ZAK: I just wanted to add
that in addition to all of the opportunities that
we've mentioned with respect to trade, I think
one of the other aspects to keep an eye on is the
fact that it's important to build the
infrastructure for trade.

And, as Secretary Foxx mentioned,
building the infrastructure here, but there are
also significant opportunities for U.S.
businesses to build the infrastructure abroad for
trade and to receive trade. And, these are
significant opportunities both in services as
well as goods for U.S. businesses, and at USTDA
we see, we are doing the project planning already
in those areas, and we want to encourage U.S.
business to take opportunities and take advantage
of these opportunities as well. And, that's what
TPP brings, as well as to trade opportunities.

Thank you.

CHAIR BURNS: Thank you.
Secretary Perez, you can be next.

SECRETARY PEREZ: Thank you, and thank you for stepping up to the plate as Chair, and it's always great to have a Maryland resident as the Vice Chair. So, Arne, good to see you again.

You know, earlier this year the President dispatched me out to California. There was a labor dispute at the West Coast ports. And, I had an opportunity firsthand to see the ripple effects of that dispute. And, I learned a lot, you know, perishable goods are not simply food. You don't sell skis in May, you know, you try to sell skis before the ski season. Same thing with clothing.

And, talking to farmers, talking to retailers, talking to so many people during that, really highlighted to me the importance of this agreement. And, spending time with mayors up and down the West Coast, whose, you know, communities are dependent on having robust infrastructure, really taught me the importance of what we are doing here.
And, I've been very proud to be part of this, because the fact of the matter is that the labor provisions in TPP are the strongest labor provisions that have been ever negotiated in any trade agreement. And, the President's North Star has always been creating a level playing field, you know, for workers and for businesses alike.

And, what we have sought to do in the labor agreements, the labor provisions, is to make sure that we can meaningfully improve the status quo.

The reality, when you look at the history of labor provisions in trade agreements, NAFTA was the first trade agreement that had labor provisions, and it was a start. But, it was, with the benefit of history, an inadequate start. Labor provisions back then, you know, were frankly still at the kids' table. Labor provisions in TPP are at the adults' table. They are very much at the grown-ups' table, because all the dispute settlement issues that are in
place for IP, for all the other chapters of TPP, labor is at the adult table.

And, in addition, you know, we recognize that there are certain countries for which there are things that need to be done before you even start. We've spent a lot of time, for instance, and I'm proud of the work that we were able to do, helping Mike and his team with Vietnam. And, there is an annex, there's an additional consistency plan, it's not a side deal that has second-class status, it's embedded in TPP, because right now, frankly, the reality in Vietnam is that you can get arrested for union organizing, put in jail.

The reality under TPP is that they have made a commitment not to do that, an enforceable commitment, and they will have to make changes in their laws before TPP goes into effect, in other words, before they get the benefits of TPP.

And so, that's one example of how, not only do we have a floor that is the most robust
floor that we've seen in the labor context, but in addition we recognize that specific countries had specific things that they needed to do in order to be able to avail themselves of the benefits of TPP.

Now, as, you know, Chairman Reichert and Ambassador Froman and others have said, there's, obviously, a viewpoint diversity on this, and trade agreements have always had bipartisan support and bipartisan opposition. And, I've spent a lot of time with folks who have supported TPA, and I've spent a lot of time with folks who have not supported TPA, but have, nonetheless, very much educated us in terms of what their concerns were.

And so, we are continuing to have a very, very wide tent of outreach, because so many of the provisions on the labor front were informed by the conversations that we've had. And, I'm very proud of the work that lies ahead, and I'm very proud of the fact that, you know, we were able to play a small role in this.
So, we've got a lot of work moving forward, but I really look forward to talking with people. I already have done so, about the toughest labor provisions in any trade agreement that we've ever seen.

So, thanks for giving me a few minutes here to talk, and I'd be happy to answer any questions folks might have.

CHAIR BURNS: Thank you very much, Secretary Perez.

I'd like to now call on Mayor Buckhorn, who'd like to speak as well.

MAYOR BUCKHORN: Mayor Chairwoman,

thank you very much for giving America's mayors a voice. I'll be a brief voice at this table.

What happens in this zip code trickles down to those of us who, actually, have to execute and make these things happen. And, we are appreciative of the efforts that have gone on here.

We have, as an organization, have stood shoulder to shoulder with the Ambassador
and with this Administration in encouraging the
passage of TPP, because we know what it means for
our communities.

Just by way of example, in my city, in
Tampa, Port Tampa Bay is the largest port in the
State of Florida. It is 5,000 acres. It is the
closest port to the Panama Canal, and with the
widening of the Panama Canal there are tremendous
opportunities that will exist for us.

It directly and indirectly contributes
to about 80,000 jobs in my city. And, so for us
trade matters, and it's not some esoteric
principle. It supplies real jobs for our friends
and our neighbors and the people that we
represent.

And so, we are absolutely in support
of this. We are standing up a task force at the
Conference of Mayors under the direction of Mayor
Rawlings-Blake, which we will roll out at the
conference meeting in January.

But, I want you to know that number
one we are thankful for what you are doing, but
most importantly that the mayors are engaged in this debate. We are talking to the members of Congress that represent our cities, and we are encouraging them strongly to pass this bill.

If you think about it, for Tampa our top markets are Mexico, Canada and Brazil. And, Mexico alone translates to about $1.9 billion in trade exports. The one common denominator with all those countries is that we have existing trade agreements with them.

And so, what TPP does is allow us access to 40 percent of the world's economy. And, if you think about the fact that the bulk of the growth in this country, over 90 percent is coming out of metro economies. The opportunity to expand those horizons, and create opportunities for small and mid-sized businesses on Main Street, is significant.

And so, while cities may not think that they are affected by trade, I can tell you in very real terms it makes a big difference to us. And so, we will put the broad shoulders of
mayors to work on this, as we have, we rescued
Ambassador Froman from the negotiations and got
him out of the hotel as a number of mayors flew
to Atlanta to do a press conference in support of
his efforts. And, we are thankful that the
business community is engaged in this, but just
know that the mayors are standing there with you.

So, thank you for allowing us to be
here, and thank you for a few minutes, Madam
Chairwoman.

CHAIR BURNS: You are welcome, and we
like the force of the mayors. It's a good idea,
a good metaphor.

Are there any other members of
Congress that would like to speak?

If not, I know there are a number of
Council members who wanted to make some comments
on TPP as well. Let me begin with our exiting
member, Pat Woertz.

MS. WOERTZ: Thank you, Madam Chairman.

I would also like to congratulate
Ambassador Froman and his strong negotiating team
on this deal. It truly represents, from the food and agricultural perspective, a historic, historic trade agreement, and it should make food and agricultural products more easily accessible. They will be delayed less at borders, and will be less taxed. They will be more efficient and cost effective for, not only the United States, but the global community. That's a very big deal.

So, thank you for that.

ADM and our sector stand ready to support this in every way possible. My suggestion would be, as we did with TPA, sharing best practices, whether it's at the grassroots level, at the congressional level, everything we can do to help constituents understand the benefits of this so that we stand ready to help it secure passage.

Thank you.

CHAIR BURNS: Thank you very much, Pat. David Abney from UPS. MR. ABNEY: Thank you, Ursula, for the opportunity to make a few short comments about
the TPP.

Since you passed this very deadline-oriented, when you said short I understood that, so I'll make sure and stay within those guidelines.

But, we are absolutely thrilled that the concluding round of the TPP negotiations occurred in our hometown of Atlanta. We've mentioned that a few times all across the world, I think. But, what really excites us about this, though, is that this agreement is advancing issues, real issues, that exporters throughout the U.S. need in order to compete around the world.

U.S. export right now is under a lot of pressure for various reasons, we understand that, and this, certainly, will help in that regard.

We are encouraged, as Ambassador Froman pointed out earlier, it is something that I used yesterday a lot when I was speaking to members of Congress, and that's how this
agreement has a chapter focused on small and mid-sized companies. Many of those small and mid-sized companies think that it's just entirely too complicated and too difficult to export. This will go a long way in helping advance that, and this, I've noticed, does give traction to people that are on the fence about trade, when you start talking about how it can affect those small and mid-sized companies.

We also think it's an historic agreement with the size that was just pointed out, 40 percent of the economy, but creates real market opportunities for U.S. companies of all sizes to just have a more level playing field.

Certainly appreciate all the work the Administration and Congress has done so far, and will have to do to ratify TPP. It's not a slam dunk, we all know, but I just cannot thank Ambassador Froman and his team any more than I did last night and again today on the hard, hard work that you have done to get this to this point.
Now, all of us working together have to make sure that we push this to the finish line. And, I'm sure that we will, but I think we'll face some more uphill battles before we get there.

But, as I've committed to you before, anything that UPS can do to help advance this, we, certainly, will do so, but really appreciate your efforts.

CHAIR BURNS: Thank you very much.

Andres Gluski from AES.

MR. GLUSKI: Thank you, Madam Chairman, and thank Ambassador Froman for all the hard work he has done.

What I wanted to add a little bit was the perspective of a non-exporter. We buy a lot of goods and services. We would like to buy American. And, I'm very happy with the news we heard today about getting the Ex-Im Bank, hopefully, approved, so that we can compete fairly, because we have to win every single bid, every single infrastructure project.
And so, we need American producers and goods and services to have the same advantages as foreign.

I also would like to talk a little bit about the case of Vietnam that Secretary Perez mentioned. We have a $10 billion investment program -- construction programs underway today. We just completed a $2 billion plant in Vietnam, which is a TPP country.

We were able to do this project thanks to the support of Commerce, the Commerce Department. USDA was -- USTDA was involved from the very beginning. But, what's very important is that we completed this project with like 10 million man-hours without a lost-time incident, zero fatalities, of course. And, this is unique for Vietnam.

So, one of the encouraging things is the Vietnamese government is, actually, bringing people over to our site to see how this was done. So, I'm very happy to hear that the TPP is including this raising of labor standards,
security standards, and I can say from our own experience that they are hungry for this. They really do want to improve the quality of their safety programs.

So, just a call out for all non-exporters, those of us who, actually, will be helping buying goods and services to support the TPP, and I think that will also help give it a lot of credibility for those who are so directly involved to support this.

Thank you.

CHAIR BURNS: Well, not only goods and services, but also good practices, which is outstanding.

Robert Wolf of 32 Advisors.

MR. WOLF: I am from a trading floor, so, usually, I don't need a mic.

First, I think we have to have a hash tag Giving Tuesday like every day, because it's amazing that the agreements for both the Ex-Im re-authorization and the Highway Bill took place Tuesday. So, maybe we should continue that.
But, on a more sobering aspect to that celebration is being from finance we look at the facts. And, we just had the ISM numbers come out, and manufacturing hit a five-year plus low, and we cannot ignore what the strength of the dollar and lack of growth, global growth, is doing.

And, therefore, what's critical to our success is breaking down barriers and protectionist rules, and making sure that the U.S. is on an even playing standard, as Secretary Perez has said, both in labor and the environment.

I don't have any skin in the game. TPP is critical. There is nothing else you can say, that we need to make sure we are selling our U.S. goods and services at what is the fastest growing part of the world's economy. For us to compete with China, we have to compete with the people that are doing business with them day in and day out.

So, I would just say that, as someone
who has been advising businesses for my 30 years
on Wall Street, it is time to make sure that once
again, like we did in the past budget and debt
ceiling deals, that we start working together
between the business, Congress, and the White
House, and the Cabinet members, to make sure we
know the facts, but to make sure that the
employees in the nation know the facts, because
when you talk about the facts about reducing
trade tariffs, and, actually, having standards
from an environmental basis, on a level playing
field, and talking about being able to,
literally, sell our goods and services in a
different way.

We need to make sure that people
understand that, so I will just tell you,
although the rhetoric out there during this
presidential debate season seems to be all
against it, we need to, actually, also make sure
we all have our bully pulpit, and make sure that
they know the facts, how important this is.

So, I just want to say that. You
know, maybe we need to have more Giving Tuesdays
to get Congress to support something that's
important to our country.

So, I want to thank you and Ambassador
Froman, and Secretary Pritzker, for everything
you guys are doing by really taking this on with
broad shoulders and real passion.

So, thank you.

CHAIR BURNS: Thank you very much, Mr.
Wolf.

Are there any other PEC members who
would like to comment?

Gene?

MR. HALE: Thank you, Madam Chairman,
and congratulations to you and Arne.

The SME Committee is just so elated
that what we consider an awesome piece of
negotiation to have that SME chapter included in
the TPPA.

And, just for the record, we stand
ready to mobilize the small business community
across the United States to help carry this over
the goal line.

So again, Ambassador Froman and your team, I think, it's very awesome in how you have handled the negotiations on that. So, thank you very much.

CHAIR BURNS: Thank you very much.

It seems like the Administration is all in, the PEC is all in, we have the mayors in, so we'll work toward it if you can spend a brief time, on other economic matters.

AMBASSADOR FROMAN: I will be brief.

First, let me thank the mayors and Mayor Buckhorn. They've been terrific. Let me thank Gil in Customs, Lee in TDA, and Bill and Scott and Secretary Kerry, who has been terrific out there talking about both the economic and the strategic importance of this on behalf of State.

But, I want to just say one second about Tom Perez, because not only was he and DOL absolutely critical to the negotiation of this agreement, and the stronger than ever labor provisions, but he's been an impassioned
supporter of this agreement around the country, and a very effective advocate for it up on Capitol Hill and around the country. So, thank you, Tom, for your partnership on all that.

Very briefly on the other issues.

TTIP, you know, the finishing TPP I think has given new energy to TTIP as well, and we'll be heading off to Europe next week to try and accelerate the progress there. We are making steady progress, but if we are going to use this window of opportunity to get it done, we need to see more progress at the table, and more encouraging our European partners to engage with that idea in mind.

Trade facilitation agreement, which you've all been very much involved in, we are about halfway there in terms of countries ratifying it so that it can come into effect. And, we are just continuing to push the other countries. We've done it, we need the other countries to do it. We need 109 countries, and we're a little over halfway there, I think, right
now towards that objective.

Information technology agreement, I feel a little bit like the boy who cried wolf, but we are in what we think are the last throes of that negotiation. We hope to get that done very quickly. That would create tariff-free trade on about a trillion dollars of information technology products around the world.

The Environmental Goods Agreement, we are actually making good and steady progress, and we hope to able to move that closer to closure very soon as well.

The Trade in Services Agreement, again, I would say steady progress. In Geneva, there's about 70 percent of the global services market, and all the countries are working to finalize text and to put their market access offers on the table.

The WTO will have its biennial ministerial in about two weeks' time in Nairobi. It's unclear at this point what the outcome of that is likely to be. We hope to able to achieve
a consensus there about how to deal with some of
the Doha issues, but also how to take the
organization forward into its next phase.

Let me just mention one word on
enforcement. We are working very closely with
Gil in Customs, of course, on enforcement, and
with Penny in Commerce on that. We brought 20
enforcement actions to USTR over the course of
this Administration. We've won every one that's
gone to closure, but, you know, a critical part
of this whole trade agenda is not only
negotiating these agreements, but making sure
that we enforce the rights that we have
negotiated for ourselves, and we are fully
committed to doing that, working with DOL, and
working with others in that regard.

And finally, the last one I mention is
the China Bilateral Investment Treaty, where we
have really quite constructive, ongoing meetings
with them, and we are making progress on the
underlying text, making progress on the negative
list, although there's still a substantial way to
go on that. And, we are beginning to engage with
them on the other issues that we'll have to
address there, but there's clearly a lot of
interest on the Chinese side in moving this
forward, and our side is very much engaged with
them, to see if we can come up with a high
standard agreement.

CHAIR BURNS: Thank you very much.

Actually, very efficiently done as well. Thank
you.

Is there -- are there any questions
for Ambassador Froman? If there are none, I will
proceed. We are running a little late, so I'll
move on a little bit.

Another important issue, we've heard
a lot about it, some of our colleague left to go
vote on it, and that's on the Ex-Im Bank. So,
I'd like to have Chairman Hochberg speak about
that, please.

CHAIRMAN HOCHBERG: And, I am happy
that they left. First, I just want to thank you
for your leadership in the PEC, and I also want
to thank you for the brilliant commercials you
run on television --

CHAIR BURNS: Thank you.

CHAIRMAN HOCHBERG: -- because I have
a better understanding of the Xerox Corporation
is not just about copies.

CHAIR BURNS: Interesting, look at me,
I'm smiling from ear to ear. I love that.

CHAIRMAN HOCHBERG: So, I do have a
chance occasionally to watch television.

And, just on the -- and welcome, Arne,
as well as Vice Chair -- on the Ex-Im front, and
it has a lot of the hallmarks of a battle, we are
much closer than we've ever been. Three members
of Congress left just now to vote. It's expected
they will be voting between now and 1:00, 1:30,
and then the Senate will be voting afterwards,
perhaps, today, or otherwise tomorrow.

Secretary Foxx I think has just left,
but I mean, I'm thankful that we'll have a
highway bill the first time since 2005, and a
long-term reauthorization of the Ex-Im Bank,
which will go to 2019, certainly, the longest horizon in my tenure at the Bank. And, we'll have a full four years of authority to really support U.S. businesses.

We were told, early on, we needed a vehicle to attach our bill to, to ride along. So, I couldn't think of a better vehicle than the Highway Bill.

So, if all goes according to plan, then the votes in the House and the Senate will go to the President's desk for signature, and could be any time within the next 24 to 72, 96 hours, something in that range. So, we are very excited about that.

And, the important thing I think for both the Highway Bill and Ex-Im is the fact that it applies long term, because it means a lot of certainty. Everybody in this room, both in the public and private sector, knows that you need certainty if you are going to make investments, you need certainty, and that's what TPP begins to provide, that you can invest in equipment, you
can invest to build sales, to build facilities.

And that certainty is also that the Ex-Im Bank is
going to be there to -- because we look at the
lead time, frequently, on these large
infrastructure projects, and it was just
mentioned can be two and three years. And,
buyers overseas increasingly require a letter of
interest from us, or some certainty that it's
going to be Export Bank-backed financing, that
they get that from the 84 other export credit
agencies around the world, and they expect that
from the United States.

So, we are looking forward to being
able to work with Vanessa's company, Mary's
company, and others once we get this done,
because I'm pretty certain that, you know, if we
have a level playing field that TPP will provide,
if we have a level playing field from Ex-Im, we
will win, certainly, our fair share, and perhaps,
more than our fair share, of export trade around
the world, because of the superior quality in
goods and services we provide.
But, we are not there yet. They still have to vote. I am confident we will get there, and I would be remiss if I also just didn't thank members of the PEC for, one, getting your stories out to members of Congress and your districts, that was critical for them to have -- to understand what Ex-Im meant, how it means in that district. A number of members changed their vote from 2012, when they learned about the actual jobs created and supported in their district.

And, Secretary Pritzker has been enormously helpful, Ambassador Froman, Maria Contreras-Sweet, many others in the Administration. First and foremost, though, I should say President Obama for his perseverance in his backing of Ex-Im from the start, as well as the entire White House team. I know Jeff stepped out, but Jeff and many others really led the charge here.

So, I'm hopeful that we will get back to work soon. We have been working, but get back at new transactions and can begin to support more
exports.

And, the next couple of days I may be watching C-SPAN to just watch the votes, and the only bad thing is, Ursula, I don't think that any of your commercials are on C-SPAN.

CHAIR BURNS: We do look forward to, actually, putting reauthorization behind us, hopefully, as you said in the next couple of days. But then we have to actually, move on and get your Board seats filled so you can, actually, have a quorum to vote, and we will pay a lot of attention to that as well.

CHAIRMAN HOCHBERG: Just to pick up on what Ursula mentioned, we need a board, a quorum, we do not have a quorum as yet. The two Republican members did not want to be nominated until we were authorized. So, we need to get those nominations up on the Hill, and then voted on. So, up to now we will only really be able to do transactions, up to, approximately, $10 million, generally speaking. So, in order to really move forward on larger infrastructure
deals we've got to get this board approved.

CHAIR BURNS: First re-authorization, then board, and then back to full capacity work.

I'd like to focus our discussion on the Council's letter of recommendation. Let me describe the impetus of this letter.

After Arne and I -- after Arne was designated as Vice Chair, obviously, and me as Chair, we discussed what we hope to see the PEC accomplish during the remainder of the President's term in office.

We agreed that we should, first, work to present the Administration with a set of priority recommendations that meet two criteria. The first, they need to be actionable by the Administration during the coming year, and second, they should offer the broadest potential for expanding U.S. exports and supporting U.S. export growth.

Some of these recommendations have been offered in one form or another in the past, but they remain outstanding, and others are being
offered for the first time. We do believe that they all meet the foregoing criteria, though.

Our goal is to provide the Administration with a roadmap of priority deliverables for 2016. I'd like to begin with the recommendation from our Subcommittee on Small and Medium-Sized Enterprises, and business engagement with SMEs.

The recommendation addresses access to capital for both small and emerging growth enterprises. I'd like to ask Vanessa Keitges, from Columbia Green, who wants to comment.

Please, Vanessa.

MS. KEITGES: Thank you, Madam Secretary, and congratulations.

CHAIR BURNS: Thank you. Vanessa is one of my favorite people.

MS. KEITGES: And, Arne as well.

And, on behalf of the Small Business Committee, I want to thank you for giving us a voice on this Council. And, while there has been a lot of progress for small business, there is
still a very critical issue out there for
emerging growth companies, and it's around access
to capital.

As you know, access to capital is,
actually, personally, one of my favorite, and at
Columbia Green, as it's a major important
initiative as to increase our exports for our
emerging growth companies, the heart of
Americans' innovation and job growth.

With this request, we are focusing on
the smaller firms that are not able to get access
to capital to expand their businesses and export,
banks are still not loaning to this sector.

Therefore, the key word in our letter
is really around access. We have found on the
PEC connections here over the last two years, is
that there's, actually, a lot of federal programs
out there to address emerging companies and
getting access to capital.

In fact, there are great programs at
the Department of Commerce, the SBA, and the
Treasury, they all have programs to address this
critical need.

And, I'd like to, actually, share a story about us, a woman entrepreneur in emerging growth industry, and how Columbia Green was able to get access to capital to grow our green-roof company and export around the world, which is how I even got on to this Council, to represent small business and help them continue to export.

All of you are familiar with the often discredited phrase, I'm here from the government, and I'm here to help. Well, I'm here today to say that we were able to get access to capital when banks would not loan to us, through a Treasury program called the State Small Business Credit Initiative, the SSBCI. And government really did live up to helping in the earlier quote that I just said.

We received funding to scale and grow our business, and we now, not only sell throughout the country, North America and the world.

Remember, less than three to five
percent of small businesses in America export.

So, getting access to capital to this area is really critical to grow our exports.

So, we want to encourage the Treasury, SBA, Department of Commerce, and other Federal programs, to review your programs, compile those programs, and report those programs and get them out to the entrepreneurial community, so that many other companies like myself can get access to that information and get access to capital to grow, because I can tell you as an entrepreneur we, typically, don't go to the federal government to get our access to capital.

But, there are programs out there to help, and we want to encourage that to continue to happen, to get it out there to grow this emerging market, and emerging companies, and entrepreneurs like myself.

So, with closing, on behalf of myself, Columbia Green and small businesses, I want to thank you for helping us putting these federal programs together. Let's just compile, report
it, and get that cash out to the emerging
companies out there to continue to grow.

Thank you.

CHAIR BURNS: Thank you very much,

Vanessa.

And, Administrator Maria Contreras-
Sweet, do you have anything to add? It would be
very helpful.

ADMINISTRATOR CONTRERAS-SWEET: Well,
I'm delighted to receive that recommendation,
because I think Vanessa is really on point. You
clearly, that's what SBA is about, in cooperation
with our other local and state partnerships that
we have, where the Treasury does put the capital
out through different avenues.

Anyway, so I wanted to first and
foremost thank all of you. We had the most
effective Small Business Saturday in the history
of our execution. We had 4,000 execution
activations across the country.

And, I was following your Facebook
pages and your Twitter accounts, and so many of
you engaged and actually shopped small the
Saturday after Thanksgiving, Black Friday. So, I
wanted to thank you for all of that.

To the extent that we can promote
companies like this that are exporting, that are
building the majority of our jobs, I think we do
ourselves a great amount of effort.

So anyway, I wanted to thank all of
you for that.

Secondly, I wanted to say that SBA, in
cooperation with our Subcommittee here, we have
worked a new strategy, new ways to deploy our
messaging around small business capital to the
extent that we, actually, were able to go back to
Congress, believe it or not, Arne, this actually
happened, where we went back to Congress and
asked them if they would pass a bill within a
couple of weeks to give us an additional $5
billion of lending.

Knowing what Fred was going through,
in terms of just getting authorization, and our
infrastructure package, and all the other
initiatives, when I called Dennis McDonough to
say I need a bill in two weeks to give me more
extended authority, so I don't have to seize SBA
lending.

And, he sort of mocked and laughed for
a little bit, but then he got behind me and
really worked with us, and, indeed, in two weeks
Congress actually passed lending authority that
would increase our ability to put out more
capital.

So, SBA is now record lending for
small businesses. We are really proud of that.

And, in cooperation with all of you,
SBA has a mandated goal of contracting out 23
percent of the federal spend, 23 percent is
dedicated to small businesses. And, we really
worked hard with many of you, calling each of you
to ask you to do your fair share of procuring.

And, I want to tell you that as a result, SBA was
able to exceed our 23 percent mandated goal that
we had not been able to reach for eight years,
and exceeded it, and got to 24.99 percent. So, I
really want to thank all of you for that big
lift. That means an awful lot of jobs, in fact,
it means about 550,000 jobs.

So, we are really proud of the work
that we are doing, both on lending, and on
contracting opportunities. And, now what we are
working on is just to make sure that our UZX, our
export assistance centers, are helping those
small businesses navigate through their
entrepreneurial journey around the world.

And so, to that extent we are really
proud that we continue to support states and
localities with our STEP program that does
matchmaking around the world, and it's taking
hold in more and more small businesses, who are
actually getting more work from corporations and
countries outside of our U.S. borders. So,
really proud of all of that.

We continue to put in projects that I
know are very important to people like Vanessa,
which is called SBA-1, which seeks to automate
the way in which we engage our lenders, so that
we can put more out the door, more capital out
the door, and make it easier for our lending
partners to get more capital out to small
businesses.

So, all is good. We are really proud
of what we are doing, and I want to tell you that
50 percent of SBA lending goes to manufacturing
companies. And, of those that are exporting, we
all know that the quality of jobs are superior,
so we are delighted to be a partner with all of
our Cabinet colleagues, and with all of you, to
continue to do this important work.

Finally, I'll just say, it was so
important for us to be able to have a narrative
as we traveled around the country, that this was
the first agreement to include an SME chapter. I
can't tell you how far that goes in the
narrative, and I want to thank all of you for
remembering the critical role that SMEs play, and
the opportunity that they represent going
forward.

Thank you to the Ambassador and to
everybody.

CHAIR BURNS: Thank you very much, Maria.

And now, let’s review the recommendations from the Global Competitiveness Subcommittee.

The first recommendation is for the Administration to work with Congress to implement the TPP. I don’t think we have to spend that much more time on that. I think it’s a good idea.

The remaining recommendations from the Global Competitiveness Subcommittee call upon the Administration to strive to achieve comprehensive, high-standard outcomes in other trade negotiations, including most of this Ambassador Froman already spoke about, Trans-Atlantic Trade and Investment Partnership, or TTIP, Bilateral Investment Treaty negotiations with China, the plurilateral negotiations for a Trade in Services Agreement, as well as the Environmental Goods Agreement, and finally, a much needed successor agreement to the safe
harbor framework with the European Union.

I'll turn first to Secretary Pritzker for an update on the safe harbor discussions.

Penny.

SECRETARY PRITZKER: Well, thank you.

We are in the throes of the negotiation of the new safe harbor framework, and the issue is an extremely high priority for us at the Department and at ITA.

When Commissioner Jourova was here in Washington, I think I had three meetings with her, and my teams met with her teams. It's a very complicated negotiation, requiring us to bring together multiple parts of our government and requiring her and her team to really bring along the entire European Commission.

And yet, there seems to be a joint recognition, certainly, by us and by her, of the importance of trying to get something done and completed by January, which is the time frame that we have as sort of a negotiated stance to post the European Court of Justice case. We are
working hard and fast. It is hard. It is complicated and challenging.

The biggest help we could get from you all would be to make sure that your European counterparts and partners, or supply chains, are reinforcing to the European Commission, and Commissioner Jourová’s office and others there, the importance of completing this by the time frames that we have set.

Time is of the essence. We recognize what's at stake here, and it's an intense process. My team will again be -- they are doing conference calls this week, and they will again be in Europe, I think, this may be the sixth trip in the last eight weeks to Europe, to try and move this forward.

So, your support, particularly, with your counterparts in Europe, would be helpful.

Thank you.

CHAIR BURNS: I just want to add how critically important this is, and how much time we are spending as a relatively large business,
with a fair amount of resources on this topic. I can imagine how challenging it is for smaller businesses to try to deal with the impending problems that would be created if we don't get this solved.

Now, I'd like to move this along to Pat Woertz, who is going to speak about the China BIT negotiations.

MS. WOERTZ: Thank you, Madam Chairman. I will be efficient and combine any comments I had on infrastructure as well. So, quickly, BIT, I was encouraged by Ambassador Froman's comments of moving it along.

I have never met anyone with two qualities as strong as yours, and maybe three: intellect, strength and patience. And, in the China BIT, I think all three are going to be extremely important. I'm encouraged by your comments that we will make progress there. We are very supportive of that.

On infrastructure, I know Secretary Foxx has left, but later you might have asked me
to comment on that, so I'll just be quickly efficient. Of course, the supply chain for much of export starts with the U.S. infrastructure, whether it's ports, or railways, or airports, or locks, and dams, and rivers, the investment in infrastructure is critical for and, particularly, with the high value of the dollar, for this investment to happen and the U.S. to continue to strengthen our export opportunities.

So, thank you for including that, and we were happy with the draft of the recommendations and infrastructure as well.

Thank you, Chairman.

CHAIR BURNS: Thank you very much, Pat. BIT and infrastructure knocked down in one go.

I'm going to move along pretty quickly, because we are running out of time, and we will get all of the comments in, and I have to get all of the recommendations, actually, vetted.

Moving on to our next set of recommendations is from the Manufacturing
Services and Agriculture Subcommittee.

The first recommendation from this subcommittee is for the Administration to prioritize expansion of the Information Technology Agreement, based upon the shortest phase-in schedules possible.

I'd like to underscore the importance of this recommendation. ITA expansion is long overdue, as we all know, and it's implementation should not be delayed any further.

Does anyone have any comments about ITA? If there are none, I'll move on.

The next recommendation addresses the promotion of the U.S. standards, and Vanessa Keitges will lead the discussion on that recommendation.

MS. KEITGES: Thank you, Madam Secretary.

Yes, with regards to U.S. standards being implemented overseas, we'd just like to highlight one important growing market, the green-building market. You've been hearing a lot
today about infrastructure here, and the growing market, and, actually, it's one of the fastest growing by a factor of three. And, that's here in the U.S., but you can only imagine what the global green-building projects are looking like abroad, for the infrastructure projects that they are building abroad, and the smart cities and resilient cities.

And, basically, what's happening now is, those projects are being designed by U.S. architect firms, and these firms want to use USA products to make sure the quality of life and the quality of environment as we build out infrastructure and buildings over there are implemented.

Unfortunately, with low standards or poor standards, those buildings end up being erected or infrastructure projects without the insulation, or green roofs, or windows, and they are not being built to be resilient, which at the end of the day is only disadvantaging not only the people, but the environment.
And so, we are strongly urging the U.S., right now, especially, after the talks in Paris this week, this market only is going to continue to grow, and we want to benefit U.S. companies, and make sure we build projects abroad that benefit both the people and the environment.

So, we think this is a great time for the U.S. to step up and lead and develop U.S. standards to help the rest of the world.

Thank you.

CHAIR BURNS: Thank you, Vanessa.

I think that Secretary Pritzker has something else here.

SECRETARY PRITZKER: Let me just, first of all, thank you for raising the importance of standards. The Department of Commerce plays an important role as it relates to standards in two different aspects. First of all, the National Institute of Standards and Technology is part of the Department of Commerce, and we support standards, innovation, and competitiveness by partnering with U.S. industry and our
stakeholders to develop standards in an open fashion with industry. So, it's not the Government just setting standards by itself, and instead it's a partnership.

The second is, and our Undersecretary of International Trade Administration, Stefan Selig, is here, his office not only oversees our trade enforcement of anti-dumping and countervailing duties, as well as our safe harbor negotiations. But third is, they oversee the Office of Standards and Investment Policy, which works on market access issues for our companies, as it relates to other countries.

And, to give you an example, there are two particular areas where we've made progress on the standards agenda. One is in the regulatory coherence and technical barriers to trade chapters of the TPP. And, the second is the forthcoming report that we'll make to Congress on international cyber security standards.

You've made a recommendation on two things. First is to have a U.S. Standards
conference, and the second is to create a
standards advocate, and we very much would like
to understand kind of the goals, and objectives,
and outcomes that you'd to see from both, because
we've agreed to be supportive.

MS. KEITGES: Great, thank you,
Secretary Pritzker.

And, we have been working with your
office, and they've been fantastic, working
closely with Dow on this issue with regards to
the standards. And, we believe there's an
opportunity here to bring conferences together,
to bring together cool technologies and key
leaders to look at what those standards would be.

And also, the important thing is just
interaction between the public and private sector
in continuing to see what technologies are out
there to meet those standards. And so, both of
those things we highly recommend.

And, we really, actually, appreciate
your office again over the last few months, as
we've drafted this. You've been very cooperative
in educating, and it's been great. So, thank you.

CHAIR BURNS: Thank you.

The last recommendation from this Subcommittee on Infrastructure Investments.

The last recommendation on Infrastructure Investments. Our Vice Chair will kick it off, and then we'll have Robert Wolf speak a little as well.

So, Arne.

MR. SORENSON: Yes. I think it's probably obvious to everybody in the room the importance of infrastructure and making sure our infrastructure remains competitive. Obviously, it is about the movement of goods, and in the first instance I think about ports, and highways, and rails. It's also about the movement of people, think airports, as well as the other modes of transportation.

There are many opportunities in our infrastructure environment. I think one of the things that's been most frustrating in looking at
our political process the last number of years is how little progress has been made in infrastructure spending, surprising, given that it is job creating, great for employment, it is creating commercial opportunities, and you would think our competitive instincts alone would cause us to want to do more in the infrastructure space.

I remember a few years ago traveling to Shanghai twice within six months, and the first trip I took over I drove down GW Parkway over here, we were working on a small bridge by Lady Bird Johnson Park. There's a little marina over there under construction, it had been under construction for a year, a year and a half, something like that. I got to Shanghai and it was six months before their expo. By and large, the Expo City had not been built.

Six months later I went back, the bridge on the way to National Airport was still under construction, a small bridge. The expo community, Expo City, had been built in Shanghai.
And, when you compare that sort of progress, I think it's obvious that we can do better. It takes resources. It takes political will.

I think our principal recommendation in the letter is that we appoint a National Commission on Infrastructure Investment, to see whether or not, in fact, we can't break through the log jam of the politics and create some bipartisan plan on infrastructure spending, so that we can spend, not just through the Highway Fund, but we can deal with our airports, and ports, and rails, which again will drive exports, both from travelers who come to the U.S., obviously, something near and dear to our hearts at Marriott, but also, exports going out and other broad commerce.

CHAIR BURNS: Thank you very much.

Mr. Wolf.

MR. WOLF: Great, thank you.

Well, once again, I'll talk a little bit about facts. Infrastructure, the last time
the civil engineers' report came out we got a D+
for infrastructure. Many of us have kids, and if
our kid came home with a D+ you know what we
would think of that grade and how punished they
would get.

I think when we talk about growth, and
jobs, it's the fastest multiplier of GDP, for
every dollar spent it's a 1.6 times multiplier.
Jason may actually say it's even higher today.
For every billion dollars spent, it's about
30,000 jobs, plus all the tangential positive
impact you get around it.

Infrastructure is not just roads and
bridges. The Congressman from Flint, Michigan
talked about water. It's water and waste
treatment centers. Last night, Mary at Vermeer
talked about clean energy and social
infrastructure. That's equally important.
Vanessa talked about retrofitting. That's
infrastructure.

We talk about laying fiber. I
remember when the former FCC Chair, Julius
Genachowski said, we should have a program called Dig 1. When we are digging up the highways, put in the fiber. We've all seen what happens when we don't.

And so, I think that infrastructure is essential for this country. We should not be in the bottom pack of having infrastructure capability, whether it's ports or bridges. And, I don't like to, necessarily, always quote Governor Rendell, but I think often he says some wise things, and one of them was that if we had a sign before a bridge that said, watch out, this bridge is in trouble. And then, you went over the bridge and said lucky you. We would second guess going over these bridges. So, we have a lot of bridges out there that need repair.

I mean, this just seems the most bipartisan. Unions like it, private sector likes it. Penny and I, when we were once on the Jobs Council and PRAB did a whole infrastructure program, we testified in front of the Senate. We were at a committee once where we had, literally,
a love fest between the Republicans, the Democrats, the unions, and the private sector on infrastructure.

But we've got nothing done, and I think in the seven years, the President put out a national infrastructure bank need when he came into office in 2009, $5 billion for five years, $25 billion, would have led to $400 plus billion in infrastructure projects. We are still fighting about a financing authority.

And, just by the way, when you talk about trade, all our competitors have it, Japan, Europe, they all have infrastructure financing authorities in banks. We are the only one that doesn't. So, I could carry on, I've been a proponent of this for years. That once again has nothing to do with my prior business at UBS, but the idea that we are still arguing over our needs for infrastructure is just crazy. So, I'm glad once again that another Council for the President decides to put this at the forefront, and, hopefully, we get some movement on it.
CHAIR BURNS: We will not give up.

I would also like to invite Mayor

Buckhorn to share his views on infrastructure

investment.

MAYOR BUCKHORN: Madam Chairwoman, you

heard me reference earlier the broad shoulders of

mayors. Well, we got those broad shoulders

because we are usually neck deep in collapsing

sewer lines and busted bridges.

And, for us, as mayors, that's where

the rubber hits the road. I mean, we are the

ones who have to deal with it on a daily basis,

the thousands of miles of 100 year-old pipes in

our communities, 100 year-old bridges around the

country.

At the heart of this is America's

economic competitiveness, because as cities go,

so goes the country. And, our inability to craft

a funding mechanism that allows mayors and county

execs to deal with our infrastructure problems.

And at the micro level it's more than just ports

and airports. I mean, that is an important part
of it.

You know, it's not very sexy to cut a ribbon on a pipe that you can't see. But, that's what cities do. That's the lifeblood of who we are and how we function.

Mr. Wolf, you are absolutely right. There's no Democratic or Republican way to fix a puddle, and the fact that it gets bogged down in partisanship just astounds those of us who actually have to do it.

And, I'll give you just a brief example, and I shared with Secretary Pritzker. We had a rain event in August that some of you watched on TV. It was a pretty significant rain event, but it wasn't a hurricane.

Just as a result of those five days of rain, I've had to fix 3,000 potholes, and over 500 sewer cave-ins, just as a result of that one storm occurrence. That's not including the backlog of hundreds of millions of dollars in needs that local government can't fund. We do not have the resources to be able to do that, and
so we need that partnership at the local level.

You are absolutely right. It does mean jobs. It's not just patching things.

Another example for us is, thanks to this Administration and a Recovery Act investment in our I-4 connector that goes directly to our port, you can get goods from the Port of Tampa to the State of Maine without a single traffic light.

Now, that's speed to market. That means more competitive advantages for our community, as the closest community to the Panama Canal.

So, those investments in our infrastructure, and I wish Secretary Foxx was here as a fellow mayor. We appreciate having the mayors' voices at the table.

But, those investments have got to happen. This bill has got to pass. I mean, we don't have a choice as a country and as cities, in the absence of that we, literally, are patching things with duct tape and spit. And, that is not sustainable as a country or as urban environments.
And so, we are thankful, and again, the mayors are standing with all of you to get this passed, because we know what it means for our communities. Again, it's not an esoteric bill. This is something that's very real to us, because we are the ones that have to deal with it day in and day out, and we are the ones that interact with our community in ways that others, perhaps, do not. They find us. They come to our houses.

So, we need your help, and the Conference of Mayors is appreciative of everything that this bill does.

CHAIR BURNS: Thank you very much, Mayor Buckhorn.

One of the things that you -- that would add to your economic competitiveness, I would say, it also adds pride, pride in our country, pride in our neighborhoods, pride in our communities. And so, a good infrastructure adds to that. A bad one, or at least a bad one, takes away from some of that.
Moving along, the next recommendation is from the Subcommittee on Trade Promotion and Advocacy. They recommend that the Administration prioritize its engagement of foreign governments to secure implementation of the Trade Facilitation Agreement, or TFA, as soon as possible, and with the broadest coverage among developing countries.

I'll turn to David Abney to lead our discussion on this recommendation.

David?

MR. ABNEY: Thank you, and we did want to draw attention to the other trade agreements. Ambassador Froman covered every single one of them and every talking point that I had.

So, I would just urge him and all of us to continue the momentum that we have from TPA and TPP, and I'll just hand it right back to you, Ursula.

CHAIR BURNS: Thank you very much.

Now, let's turn -- if there are no other comments on that recommendation, I'll turn
to a set of three recommendations from the Workforce Readiness Subcommittee.

Bill Hite, from United Associates -- is Bill here? Oh, Bill is not going to be here, Mary is going to do this for us from Vermeer, and Bill and her, obviously, worked on this.

MS. ANDRINGA: Thank you very much.

Much of the Committee's recommendation list has already been acted on over the past few years. I think we've made good progress in directing attentional resources, and seeing results in apprenticeships, connecting military veterans with opportunities, and also passing legislation dealing with technical and career training. And, I know everybody around this table has been involved in all these areas.

So, it's nice now to focus on just a couple doable things that can really make an impact in the near future, but have even greater impact in the future.

Legislative authorization for the Perkins Career and Technical Education Act
recently expired. So, we urge the Administration, engage Congress to secure authorization for this as soon as possible.

Effective engagement in training for students at earlier levels are really key to inspiring our young people into areas where they can develop and use their talents. So, the Perkins program plays a significant role in this.

A second thing would be that two laws were enacted in 2014 and 15, but they need implementing regulations, really, to become effective. So, I'm speaking of the Workforce Innovation Opportunity Act, passed last year, and the Trade Adjustment Assistance Act, passed this year, so we ask the Department of Labor to really implement the rules and regs for these two significant bills as soon as possible.

And then, I would just like to highlight one thing, because our own Secretary Pritzker has been such an advocate for this. The focus on things like Manufacturing Day, to try to emphasize the importance of the opportunities in
industries like manufacturing, for building the pipeline for the future, and really reducing the skills gap.

Two years ago, we had 300 manufacturers who opened their doors for students to come in to understand about manufacturing. Last year, we had 1,000. And, this year we had 2,400, and I know that was Secretary Pritzker's goal, to keep getting that number up.

And, I know in Iowa, we had at least one event in every single county, 99 counties, and at Vermeer we brought in 700 students in three groups, divided them into very small groups where they had hands-on activities from weld simulators, to paint simulators, to foreign exchange currency. And, we did what I think was pretty significant. We did a pre and a post survey of these 6th and 9th graders, and we asked, do you know what manufacturing does?

And, I will tell you, I ticked these all off and I asked, how many of them had a parent or an uncle or aunt in manufacturing.
Nearly half of the kids, Iowa is a big manufacturing state. However, only 57 percent said they knew what manufacturing does, before they came. After they had spent the two hours with us, 97 percent said yes, they understood what manufacturing does.

We also asked, would you consider a career in manufacturing? Many bad myths about manufacturing. 34 percent yes before, 69 percent said yes afterwards. So, we doubled it.

So, I think there are some programs like this that are so impactful, also getting teachers into our places of business as an externship, an internship, understanding the careers, but also understanding the skills gap that they need to help us diminish as we go forward is very important.

So, I just want to say, I think we've made some nice progress on the Workforce Committee. There's more to do, but I also know there's huge engagement around the table on this, and it makes a big difference as we continue to
also focus on all of our trade issues.

CHAIR BURNS: Thank you.

Secretary Perez?

SECRETARY PEREZ: Thank you. And,

Mary, thank you for your tireless leadership.

Thanks to all the members of the Committee, you
know, Robert, I know Pat, my good friend, Bill
Hite, who -- our good friend, Bill Hite, who
can't be here today.

On the two issues you mentioned, WIOA
and TAA, we are around both of those. The WIOA
proposed rule is out. We've got a lot of
comments. We've been working very
collaboratively with all the stakeholders, and
I'm confident we will get to the finish line.
That's been a bipartisan effort from the get-go,
because this stuff is non-partisan.

I want to say thank you to everyone
for your participation in our first ever National
Apprenticeship Week, which was the first week in
November, a smashing success.

I say wherever I go, apprenticeship is
the other college, except without the debt. And, we are really getting remarkable take-up in these efforts. And, the President has set forth a very ambitious agenda of doubling the number of registered apprentices over a five-year period. We are making real progress, and that's because there's an increasing understanding that apprenticeship has application, not simply in the traditional skill trades, which really held the original patent on apprenticeship, but in cyber security and healthcare.

We just funded a grant program for folks who are going to be insurance claims adjusters, because, you know, as CEO of Zurich Insurance he started out as an apprentice. And so, this has application everywhere.

Our IT applications for apprenticeship are going gangbusters. So, we are doing a lot of work there.

And, I also want to say thank you to this group for the work that you have been doing and the collaboration on the hiring of veterans.
The veterans' unemployment rate used to be a point higher than the national average. It's now a point lower than the national average, and whether it's helmets to hard hats, whether it's been the U.S. Chamber stepping up, there's been partnerships galore, and it's been win/win, because you recognize that veterans, not only have those hard skills, but they understand DEFCON 1, they understand teamwork, they understand all the things that need to be done to make for a successful business.

So, there's a lot of excitement here. There's a lot of work to be done, and the good news that it's, again, work that's being done in a bipartisan fashion.

So, thank you, Madam Chair.

CHAIR BURNS: Thank you, Secretary Perez.

SECRETARY PRITZKER: I'll be very quick. I'm not going to repeat what Mary said, but Manufacturing Day has been a big success, as we've not only multiplied the number of events
tenfold from the first year, and it's only --
that was just our third year last year, but we've
got nearly a half a million young people attended
events this past October.

Planning for Manufacturing Day, which
will be October, 2016 begins in January. I hope,
again, all of you will participate.

And then, on apprenticeships, I would
just say the following. One of the things that
we are doing at the Department of Commerce, we
are working with Carnegie-Mellon on a study of
the value of apprenticeships to employers.
There's been much work done on the value of
apprenticeships to the person participating, but
this will, I think, help give us data so that
more employers will consider providing
apprenticeships. And, if any of you want to
participate in that study, that would be great.

Thank you.

CHAIR BURNS: Thank you very much,
Secretary Pritzker.

We have one recommendation to go. We
are going to do that very quickly, so we can hear from Jason Furman, who was nice enough to come, and that's, the final recommendation is on export -- it's from the Subcommittee on Export Administration. And, our member, Raul Pedraza couldn't be here from Magno International, but Marillyn Hewson from Lockheed Martin will lead the discussion on that topic.

So, Marillyn, please.

MS. HEWSON: Thank you, Madam Chair.

First off, if you look at the recommendations in the letter, one thing that's important is that it highlights how much work has already been done, and that's a real tribute to the Administration, making this a priority, making this a dedicated commitment on their part to do export control reform.

Many, many of the control technologies have been moved to the appropriate list. I think we made great progress on what is a complex task. So, many thanks by American business to the Administration for that.
We do need to complete that effort, so the recommendation goes forward to recommend some things that we can do to restructure the list of control technologies, and continue to move some of the less sensitive items over to the munitions list.

It also outlines some actions, structural actions, organizational actions, ways we can harmonize such things as a common license application form. So, I think there's a lot of important things there that will help U.S. exporters.

As we move into 2016, this reform effort, though, needs to move back to more basic principles and some very critical objectives of that. And that, in particular, is ways that we can implement efficiencies to streamline and facilitate licensing that enables increased security cooperation for our allies and our partners.

You know, we do face some unprecedented global security threats as a
nation, and as our allies and friends around the
globe face, and it's important that we improve
security cooperation. And, to do that, it's
important that we continue -- have these
countries continue to look to the United States
to help them meet these challenges. So, the more
that we can streamline, make our export control
system more efficient, more transparent, and more
predictable, that, not only will preserve our
reputation as a strong national security partner
with these countries, but in addition to that it
will make us a strong business partner with them
going forward.

So, thank you for the opportunity to
put forth these recommendations by the Committee.

CHAIR BURNS: Thank you very much.

SECRETARY PRITZKER: I would just
respond by saying that, you know, Eric
Hirschhorn, who runs BIS, obviously, has taken
these recommendations very seriously.

The idea of a single portal with a
single license application is something we need
to work with industry on, and we welcome that.

   So, I would just recommend that we
3 really put a lot of effort over the next year on
4 some of your recommendations to increase
5 effectiveness and efficiency, which has been our
6 goal.

   CHAIR BURNS: Thank you very much.

8 Great discussions.

9 So, let's wrap this up, and I'll turn
10 it over to Jason in a minute.

11 First, we have to move -- I move to
12 adopt the letter of recommendations to the
13 President. Is there a second?

14 MR. SORENSON: Second.
15
16 CHAIR BURNS: Wonderful. Are there any
17 objections to adopting the letter of
18 recommendations as drafted?
19
20 Hearing none, I propose a vote to
21 adopt the priority recommendations letter. All
22 in favor say aye.

(Chorus of aye.)

22 CHAIR BURNS: The Council letter is
adopted. Again, my thanks to everyone for their hard work.

Now I'd like to turn it over to Chairman of the Council of Economic Advisers, Jason Furman. Jason, if you could give us a short briefing.

MR. FURMAN: Thank you for that, Madam Chair. Thanks to all of you, and I realize we are running out of time, so I will try to do a whirlwind tour of the global economy and the United States' role in it.

CHAIR BURNS: We are interested, though, so --

MR. FURMAN: The very quick summary of that is we've seen continued strong performance in the U.S. economy, but we've seen some divergence within our economy, and that divergence, in turn, has roots in the uneven progress of the global economy. So, it will be important for us to continue to take steps here in the United States to strengthen domestic demand, while also working to strengthen global
growth and American exports.

Our GDP has grown 2.2 percent over the last four quarters. We've created 235,000 jobs per month over the last year. Unemployment rate has fallen by 7/10ths of a percent. Broader measures of labor market under-utilization have improved even more than that. And encouragingly, over the last 12 months private sector wage growth has been 2.5 percent. That's the fastest nominal wage growth that we've seen over the course of the economic recovery.

The divergence we see is when we look at the components of GDP, or when we look at the sectors of the economy. Consumption and investment, excluding oil at least, have been stronger than GDP growth. R&D has been one of the strongest components, growing at 6.3 percent per year, so now private research and development is now the largest share of the economy that's been on record, which is a good sign going forward for productivity growth.

But, we have seen, after exports were
responsible for 1/3 of our growth in the first
five years of the recovery, over the last four
quarters, net exports have subtracted 0.7
percentage point from our growth rate. So, the
global economy has been a headwind for the U.S.
economy.

You will also see that imbalance in
terms of sectors. Manufacturing has continued to
expand, it's added jobs over the last 12 months,
but it's added jobs at a slower pace than it had
in the period before that, while the non-
manufacturing, non-mining portion of the economy
has added jobs at, actually, a slightly faster
pace than it had before then.

This is all rooted in what's going on
in the global economy. And, the latest IMF
forecast has global GDP growth at 3.1 percent for
2015, which would be slightly slower than it was
in 2014, and the slowest global growth since the
year 2009.

The advanced economies are expected to
pick up in 2015, and the United States has among
the highest growth rates of any of the major
advanced economies for this year. The biggest
slowdown we've seen has been in the emerging
markets, particularly, the ones that are
dependent on commodities, like Brazil and Russia,
but also from the exports, but also some slowdown
in countries like China that are commodity
importers.

Looking forward, there's a lot of
reasons to expect continued domestic strength
from the United States. Consumer sentiment is
the strongest it's been since 2004. Balance
sheets are improved. Wage growth, as I said
before, is the strongest in the recovery. There
has been some stabilization, apparently, in
investment in the oil sector. We've seen a big
increase in household formation, which bodes well
for residential construction. And, the fiscal
agreement we reached means that the government
sector, rather than being a contraction in the
economy, potentially, will be neutral or a slight
help.
The issue is that we need to strengthen those domestic strengths, while at the same time dealing with the global headwinds, and making sure that we are doing everything we can to work with our partners to strengthen their growth, something that was discussed and agreed to at the recent G20 meetings, as well as all the steps that this group has been talking about to increase American exports and take the steps that, regardless of where the global economy is, would help in that regard.

So, in that sense I have, you know, a lot of optimism about where we are, but would feel better if, in addition to what we are doing domestically, we got back in the position we had been of the external side adding to U.S. growth as well.

That's the whirlwind tour.

CHAIR BURNS: Thank you, Chairman Furman. I think we are seeing the same thing, a little bit of strengthening the United States and some weakening outside.
Before we adjourn, I would like to make sure that we note, we have a PEC trip coming up. Secretary Pritzker referred to it earlier. It's a trip to Japan and Vietnam in March of 2016. It's the second trip. The first trip was a hit, I think, for the United States and for the members who went, and for business, and trade, generally, and it was fun and interesting, which is really important.

So, please make sure that you note it on your calendars, get engaged. If you have any questions, please, ask members who attended the last trip, or contact the Department of Commerce. I'm sure you can call Penny directly, and she'll market it for you as well.

So, that's it, and I'd like to pass it on to my Vice Chair to say any comments to close.

Secretary Pritzker, anything to close?

To all of you who are here -- I'm sorry, go ahead.

SECRETARY PRITZKER: No, I was just going to say thank you very much to all of you.
I appreciate all of your hard work, and I hope we'll do a CEO call, hopefully, in early 2016, regarding the trip. And, I hope all of you will join us.

CHAIR BURNS: All right. It's been a whirlwind day, a good day, I think we got through all of the items which were -- required on the letters, which was very good.

Thank you for your participation, and close finally with my thanks and just great regards, and this heartfelt love for Pat Woertz, who has been just with it from day one, as Penny said. And, as the President noted, a grizzled veteran, grizzled veteran who served on PEC from day one. Thank you very much, Pat.

MS. WOERTZ: Thank you.

(Applause.)

CHAIR BURNS: Thank you. Thank you very much.

(Whereupon, the above-entitled matter was concluded at 11:35 a.m.)
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