

Announcer: Ladies and gentlemen, please welcome to the stage Chairman and President of the Export-Import Bank of the United States, Fred P. Hochberg.

Fred Hochberg: Good morning and welcome once again to the 2015 Export-Import Bank Annual Conference. April 23, 1910 exactly 105 years ago Teddy Roosevelt traveled to Paris to deliver a message to the world about the character of the American people. Roosevelt had just finished his presidency and the Sibon had invited him to reflect on his time in office and speak about citizenship. They wanted to hear from him what he thought set Americans apart and he delivered one of the most iconic speeches in our history and one, which I think, perfectly captures the American spirit. He said, "It's not the critic who counts. The credit belongs to the person who's actually in the arena who strives valiantly, who knows the triumph of high achievement and how, if he fails, at least fails while daring greatly."

There's something uniquely American about risk taking, about striving for new frontiers, about failing and getting up again, dusting yourself off, getting back in the saddle. Very few cultures value that and that is something that truly separates the American spirit from the rest of the world. To put it simply, when Teddy Roosevelt meant was that success belongs to the those who show up, who aren't afraid to take on risks or step into the arena.

Look around this room. What do you see? I see entrepreneurs. I see innovators. I see mainstreet American businesses sitting side by side with buyers who count on your quality of goods and services and to borrow a phrase, I see job creators. Lots of job creators. The thing about those pesky job creators is they always show up. Every time I visit a small business that uses our insurance to break into new markets overseas, every time I meet a entrepreneur who uses our working capital to hire more employees, every time I speak to a group like this full of people who use Ex-Im products to take on foreign competitors, all I ever see are job creators. That's who shows up. That's who's in the arena.

America faces a choice today whether we'll continue to engage in the arena of global competition or whether we'll retreat. It isn't easy going up against Russia, China to win export sales and the jobs that come with them. You know how tough it is out there. If you're an American business looking to grow your overseas sales you have to contend with a lot of uncertainty. The dollar has risen to new heights. The price of oil has dropped to startling lows. New multilateral institutions such as the Asian Infrastructure Investment Bank are forming. Not only could they tilt the

competitive landscape they could also further cloud transparency in global finance. For U.S. firms, for competition and worldwide markets has never been more intense. The nature of that competition has changed fundamentally in recent decades.

You know, there's a persistent myth out there, a belief that a U.S. company simply goes head to head with a foreign rival competing for sales solely on the merits of quality, innovation and price. It's a romantic idea. It's just not how the world works. It's not reality. The reality is there's a lot of hard nosed competition of grueling hours, red eyes and long nights in the office. American workers produce the highest quality, the most innovative goods and services in the world. They can step into the arena and compete with anyone but they shouldn't have to compete against whole countries.

There are some 60 other version of Ex-Im in countries around the world. Many of them don't play by the same rules that we do. They're propping their domestic exporters, they're offering bargain basement financing and that often relegates free market factors like price and value to the sidelines. More and more U.S. companies aren't just competing against their counterparts in China, Japan and elsewhere. They are forced to compete against China, Inc. Our foreign competitors, particularly those in Asia are zealous advocates for their national champions. They are forceful and unrelenting in the global marketplace.

Ex-Im is not like them. We don't want to be like them. We're actually capitalists. We don't take the place of the private sector. We simply provide a backstop for American companies when private financing is unavailable. How do we do that? By reducing risk we unleash opportunity. Let me tell you what that means. You know in the past, I've talked to you about planes, trains, automobiles? This year I want to talk to you about fire trucks. In 1926 Henry Ford had a conversation with a Chicago entrepreneur, William Stuart Darley. The conversation prompted Darley to transform his equipment company into a manufacturer of fire trucks. When Darley rolled out the first commercial fire truck later that year built on the chassis of the Model T it marked a new chapter for a business that has remained innovate and competitive to this very day.

After William Darley passed away in 1935 his wife, Mary, took the reigns. She ran the company for 40 years, raising a family and building on an iconic idea. Today, Darley still manufacturers fire trucks and pumps just like this one and as the company points out, after 100 years you can still talk to a Darley. So I did. I talked to three Darleys. Last summer I had the opportunity to meet the founder's grandsons, Peter, Paul, Jeff. Jeff told

me that buyers get to choose between over 150 shades of red. That's even more than you'll find at Revlon. He told me, unfortunately, it's a little lost on him since he's also color blind.

Jeff and his brothers lead the business these days fulfilling orders for fire trucks and increasingly overseas buyers. One of those buyers is Lagos, Nigeria, the largest city in Africa. Recently, their firefighting capacity was in dire straights. They new they needed to upgrade their fleet so a city of 12 million people and counting turned to a town of fewer than 14,000 people, Chippewa Falls, Wisconsin where Darley builds their trucks. A small family owned business getting into the global marketplace is intimidating. Securing the financing necessary to win overseas sales isn't always possible. Private financing proved unavailable for the Lagos transaction so Darley turned to Ex-Im.

Now there's a picture here. This is Jeff Darley and I and we're actually looking at one of the trucks going off to Nigeria and Jeff says to his operation manager, Mark, he says, make sure you take my good side. And Mark, as any good person said, Boss, I didn't know you had a good side.

We underwrote the \$16 million loan to deliver 32 fire fighting vehicles and the training for the fire department. The result, we reduced the risk and Darley unleashed opportunity. Here's what opportunity looks like. The fire trucks will support 100 U.S. manufacturing jobs while fortifying Lagos with quality, reliable equipment. Those 100 jobs could easily have ended up in Xenon, China or Leonding, Austria where's Darley's competitors are located. I think we can all agree, we'd rather have those jobs go to Chippewa Falls and other towns in the Darley supply chain. Even though Darley is a small business, 100 manufacturing jobs is big business when you're in a small town in Wisconsin.

Today, 80 to 85% of Darley's exports are financed by Ex-Im. That means more jobs, more security for more American families. In fact, that is why today, we're awarding Darley a Sub-Saharan Africa Export of the Year Award. Let's give that company a round of applause.

Now the opportunity we're unleashing isn't just the opportunity for one company to grow. The question is, will America seize the opportunity and continue to lead in the global economy? The global middle class is expected to grow at more than 200 million people a year for the next five years. That's the size of the adult population in the United States growing year after year. They're going to need smart highways. They're going to need power plants, bridges, satellite communications, consumer goods,

the demand will be unprecedented. Who is going to step into the arena and meet that demand? The rewards are huge. A robust economy, a vibrant manufacturing sector and most importantly hundreds of thousands of good paying jobs.

America can't afford to sit this race out. We need to use every tool in our arsenal to make sure that U.S. companies are able to get into the arena and win. Ex-Im is one of those tools. Trade promotion authority and trade agreements such as the TransPacific Partnership are another. We cannot turn our back on American workers. We have a responsibility as a nation to break down every barrier we can so our businesses can reach the global middle class because every sale an American cut firm loses out on means that good paying jobs aren't going to Texas, California or Chippewa Falls, instead they're slipping thousands of miles away.

At Ex-Im our role is to support American exporters but at our core we're about U.S. jobs. These are private sector jobs, the fruit of free enterprise, evidence of America's ability to compete in the global marketplace. We measure our success not just by the numbers of jobs but by the families made stronger by each of them. How will America keep writing those stories in the coming age? We've talked about the export race ahead of us. We know that export jobs pay up to 18% more making that progress real for more American families. We also know that as demand grows for each sale, whether it's fire trucks or ice cream, the jobs either come to America or they go someplace else. It's a zero sum game. That's the choice being made. It's a fact some politicians seem to ignore.

Who feels the impact most of all? Small businesses and they make up about 90% of the Ex-Im customer base. More and more small businesses are making exporting a part of their DNA. They know the opportunity is out there but many of them don't have access to the financing they need to compete globally. Ex-Im provides that access when there's a gap in the private sector. People like the Darleys, they are not well connected. They're not crony capitalists. They're not interested in handouts. They pay for their financing. Like all of our customers, they're entrepreneurs, they're innovators who want to make more American made goods and export them to the world.

Gabriel Ojeda was one of those entrepreneurs. He was born in Mexico City. We met last summer in Mesquite, Texas. He runs a small concrete additive business out of a modest warehouse just east of Texas with his wife Jane and their son David. In fact, Gabriel and Jane would be here today but they're celebrating his 60th birthday in Spain. He planned this trip about six months ago. Their company is called Fritz-Pak. They

manufacture 40 different specialty products like plasters, the kinds of things you'll find in swimming pools and sports arenas. If you've gone to a Cowboy's game or a Colt's game, you've seen their handiwork.

Gabriel optimizes the American dream. Just as he was preparing to move into a new facility the great recession hit. Gabriel was forced to lay off three of his 14 employees. People who are like family to him. He even contemplated selling off the business. But then, Gabriel and David came up with the idea of going global but when you're typical sale is \$10 or \$12,000 your local bank isn't always interested in financing you. That's the problem the Ojeda's ran into. When private financing proved unavailable they turned to Ex-Im for a reliable insurance package to protect their overseas sales. The result, exports now account for 35% of their business. Now, it's not just the NFL, it's World Cup stadiums in Brazil and the Olympic stadiums in Vancouver. The best part, that export growth allowed Gabriel to rehire those three laid off employees, Delvin, Pam and Andre. They're back in the Fritz-Pak family, they're earning a paycheck and they're creating more great exports.

It's a testament to the Obama Administration, the groundwork we've laid coupled with the hard work and ingenuity of American private sector that we have added 12 million jobs in the last five years and that we have landed almost 600,000 since January alone. At Ex-Im, we're proud to have done our part by supporting 164,000 jobs last year alone. I used to run a family business. In fact, my mother Lillian Vernon and my brother David are here. They're sitting right up front. I know first hand that jobs are more than just a number but as a country we often don't talk about what those jobs mean on a personal level to our friends and family and hard working Americans like Delvin, Pam and Andre. Lost in those numbers is what a big order job really means for the person who has one.

Having a good job is a tremendous source of pride and self esteem. It brings added meaning and purpose to your life. It's a part of your identity. How often are we all asked, what do you do? Where do you work? And, that's to say nothing about what a job means for your financial security. Being able to provide and protect your family is one of the most fundamental of human needs. A good job makes it easier to pay the mortgage, buy groceries, or to pay the tuition to send your kid to college. It makes your family stronger, your neighborhood brighter and your local economy more resilient. Fritz-Pak is just one example of what we strive to make possible at Ex-Im.

Even though the U.S. has added jobs at a historic rate, there are still too many Americans for meaningful work and good paying jobs is still out of

reach. U.S. small businesses still struggle to secure competitive financing. China and those challenges are still doing whatever they can to beat American companies in the global markets. I know you've just finished breakfast but let's not ignore the fact that our competitors are trying to eat your lunch. That's what's happening today.

With all that happening today I want to close by talking about tomorrow. When I say today and tomorrow I'm not just talking about this conference. Although I do hope that you will engage with our speakers and panels, meet each other, strike up a deal or two. We have buyers here from more than three dozen countries. What I'm talking about is how we, as a country, succeed in tomorrow's economy and what's required to succeed in tomorrow's economy; good paying jobs, global leadership, resilient small business, all made stronger by Ex-Im. The years ahead are critical. Whole economies will succeed or stagnate based on their ability to reach customers beyond their borders.

While Ex-Im was created more than 80 years ago we were not built for the needs of yesterday. We were built for the needs of tomorrow. For all that America has accomplished, we still face the same choice over and over again. The same choice faced Teddy Roosevelt. The same choice we face today. The same choice we'll face tomorrow. That choice is whether we will continue to climb back into the arena. It's a choice about whether or not we're going to show up. There's a struggle ahead of us. For the durable economic foundation for global leadership. For the countless jobs that are up for grabs. We have to keep entering the arena. We have to show up. At Ex-Im we're proud of our past, supporting more than 1.3 million U.S. jobs since 2009 and generating a surplus of nearly \$7 billion for taxpayers over the last two decades.

We also know that American businesses and workers are counting on us to be along side them tomorrow. We are going to keep fighting every single day to reduce risk, unleash opportunity for small businesses, for job seekers and the entrepreneurs who count on us for certainty and support. It's a fight we look forward to and it's one that America can and must win. Thank you and enjoy the conference.

Testimonial: Ex-Im Bank has been an invaluable tool to SMEs. Without Ex-Im Bank we wouldn't be able to grow our business, increase our sales and increase our company.

Testimonial: Everybody that does business internationally relies on Ex-Im Bank.

- Testimonial: Without Ex-Im we'd be a smaller company. Sure, it's a job creator, absolutely.
- Testimonial: The jobs here to all of us mean a lot. I've been with the company going on six years. I'm very happy with what I'm doing.
- Testimonial: Ex-Im through Wells Fargo Bank provides us letters of credit, bid bonds, working capital and insurance. You have other countries that provide financing similar to Ex-Im and they're out fighting for the same business that we're fighting for. You take that tool away from us and we're not going to be able to compete. Without the Ex-Im Bank our business would be down 70%.
- Testimonial: What Ex-Im has played a role has been to allow us to grow. Basically without that [inaudible 00:22:33].
- Testimonial: Actually Ex-Im Bank helps smaller companies like us reach the international market. Companies like us and other SMEs would have a very difficult time surviving in the international playing field without Ex-Im Bank.
- Testimonial: Ex-Im is important to us because we know that the risk of not being paid is mitigated by having that credit insurance. I'm totally convinced that Ex-Im is the right fit for our company.
- Testimonial: The partnership that we have developed with Ex-Im has been a complete win-win situation for [inaudible 00:23:08].
- Testimonial: I don't think there's anybody else that can provide what Ex-Im does.