

**Unknown Speaker** - Please welcome to the stage our next panel promoting economic diplomacy through Global infrastructure Investments and EXIMs make more an America initiative our moderator is Andrea Shalal, White House/Economics Correspondent, Reuters and she's joined on stage by The Honorable Nina Hachigian, United States Special Representative for City and State Diplomacy Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee and Kyle Clark, Founder and CEO, BETA Technologies

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Thank you so much I think we have a voice of God to introduce us can you hear us thank you so much for joining us today this is a wonderful panel and we've got a great amount of uh material to get through um let us start with you Nina and if you could say a few words about the role that government can play in promoting uh you know the growth of healthy industry here in the United States.

**The Honorable Nina Hachigian, United States Special Representative for City and State Diplomacy** - Thank you um well I have a new role at the state department I'm the special representative for city and state diplomacy so I work with our great Mayors and great Governors and County officials and others on their foreign policy interests and their foreign policy interests uh tend to be having uh manufacturing and Export um uh promotion within their uh within their cities and towns and States um I think we've seen the Biden administration's uh contributions to uh investing in America I think they've been long overdue but when you think about the infrastructure act the chips act the inflation reduction act all of these are hundreds of billions of dollars that are going to make us more competitive as a country so I think these are critical government uh interventions and of course this new initiative that EXIM is doing is yet another uh quiver in the arrow for our for our American businesses which is will uh enable us to much better compete on the world stage it's a long time coming.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - You um work specifically with state and local governments um what is the role of state and local governments we talk about federal government but a lot of business takes place at a different level right and can you just say maybe just an example of a couple of projects that you've worked with or that you've helped sort of shape us through.

**The Honorable Nina Hachigian, United States Special Representative for City and State Diplomacy** - Sure uh a lot of our uh Mayors and governors are thinking about how they can um find new export markets uh and new foreign uh foreign direct investment for their uh places for their residents so they go on trade missions and We Can advise them about the places that they're going what um you know what US policy what US relationships are to those places um we can uh sometimes you know we hear about um a foreign direct investment that's uh or an investor in a foreign country that's

interested in developing some certain kind of manufacturing in the United States that's mainly the role of Commerce but we work together with the Department of Commerce on um you know on finding the right place for them but Mayors and governors are out there promoting their places uh and encouraging um you know economic development in their you know in their towns and in their cities of course.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - um Venkee I want to turn to you um can you tell us a little bit about AquaTech and how you are interfacing and with EXIM what it's done for you and your business.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - Sure first I'd like to um give a big shout out to the whole EXIM team um chairman Lewis and the entire team work every day to enhance exports and improve American uh job competitiveness and American companies competitiveness we've been um honored to be able to have a 30 plus year relationship with EXIM as a small company we would have never been able to export without the vital support that EXIM provided and the many programs the make more in America initiative is another very critical tool that ultimately is about creating American jobs it's about uh improving American manufacturing Advanced manufacturing it's about fortifying uh critical Supply chains such as critical minerals for the EV uh Battery area as well as um decarbonization um and you know ultimately uh supporting areas critical areas in energy transition um we come from a water technology background based in uh and headquartered in Canonsburg Pennsylvania but we have a global footprint and um we serve two areas primarily climate adaptation in the form of water recycling desalination and uh zero liquid discharge for Environmental Compliance but also uh over the last several years uh very strongly in all of the energy transition areas uh including um critical minerals processing lithium processing and refining uh to create battery grade lithium carbon capture um hydrogen biofuels and also semiconductors so all the programs you mentioned have uh direct positive impacts on um the business as well as our ability to support our customers goals

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Yeah noticed that you're wearing this sustainability development goals pin and we were talking there about Supply chains and lithium and of course that's very critical to your business KLE it is um you know we've got and

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - It's become very complicated and the necessity to fortify our uh us Supply chains is uh I can't stress how critical it is.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Yeah we're really at an inflection point right in terms of our policies here in the United States and the

policies that the Biden Administration has been pursuing I think the awareness certainly has increased um about vulnerabilities and critical Supply chains and especially around critical minerals um as we're sitting here the US and the European Union are going to be you leaders are going to be meeting at the White House and one of the areas that they've been trying to broker an agreement on has to do with critical minerals I mean obviously you're really at The Cutting Edge there.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - Yeah I mean the make more America initiative supports our expansion of our applied testing and development Laboratories in uh both Wisconsin and Pennsylvania and ultimately it supports uh critical uh mineral security for the United States because it allows us to engage and support more projects that are being built in uh the us or likely in many of the uh FTA countries that are involved that would provide uh support for electrification.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Absolutely so Kyle let's turn to you and the exciting things that are going on at beta I think today is an exciting day for you in terms of the electric plane that you're developing can you say a few words about what beta does and then also to what extent EXIM has helped you to work on the development.

**Kyle Clark, Founder and CEO, BETA Technologies** - Yeah absolutely turns out talking about what beta does is my favorite subject so this is going to go well um so we're an electric Aerospace company and we design build um and train people to fly electric airplanes and the uh and I was thinking as we were backstage about like what the role of United States is globally in in the technology sector and what I came to was like fundamentally what are we as a business exporting it's the technology embedded in the plane and the Goodwill and credibility of our safety Regulators at the FAA and to put those things together and design build and fly and then go and sell internationally because internationally there's an insatiable desire for clean car free transportation and Aviation by the way is one of the worst polluters per picket package mile passenger seat mile or whatever um because it's a tough Market to break into there's a high regulatory burden so being able to work with various government entities from the Air Force to our local Senators to the EXIM Bank to facilitate breaking over that hump and being the first in the world to have a commercially viable electric aircraft is enabled by programs like this but and I think there's a picture that we can cue and it's just kind of fun one of our aircraft was the first to get um to get clearance to fly through the DC freeze a highly restricted flight zone requires thousands and thousands of test points and data points and hours of flying in order to get clearance to fly safely over the mall in the White House the capital so we did this just two days ago three days ago now and uh yes and the aircraft that particular aircraft is actually in Raleigh for the opening of a

charger we built a charging Network across the eastern part of the United States and starting a node in the western part of the United States to charge these aircraft and it's in Raleigh commissioning that charger for the first time and then it makes its way down to dup to get delivered to the Air Force at Gerund Air Force Base um so it's just kind of neat that that's happening rightnow and well I'm on that just to give this whole program of electric aircraft a some credibility it so the longest people ask this what's so how far does it go the longest we' flown that particular plane in the picture is 386 miles on a single charge which was a world record set in the United States the aircraft is designed built and developed in the United States using the minerals you need some lithium absolutely um it's got about five times as much battery on it as a Tesla and uh and our Market entry strategy is to go through car and Logistics medical military then move into passenger and then move into more advanced applications so um that's a little bit about beta and I forgot the second part of the question because beta is my favorite thing to talk about.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - that's okay I think the second part was just what where's the plane now I was hoping we could see it Fly by as we sitting here you know we were talking about these changes in US policies that are making encouraging more inv investment in in these kinds of transitional and transformational Technologies a lot of what's happened though is that we're also seeing restrictions increasing restrictions on both Imports of components and exports of components and things that could be seen as dual use Technologies so I'd love to ask you both the business uh leaders but then also you Nina to talk about how that impacts your business on a day-to-day business and for you Nina the question I think is whether you're seeing concerns raised about this increasing control of the business environment Kyle why don't you start.

**Kyle Clark, Founder and CEO, BETA Technologies** - sure um so in our world there are uh Commerce Department restrictions from sending out arbitrarily things like inertial measurement systems Advanced navigation systems because they can be weaponized and that's a problem however it's interesting to me anyway that the parts of the world that are most focus on climate change and introducing uh technologies that um that will help turn the corner on climate change are not the places where we're finding restrictions um it Progressive places like New Zealand like over in Europe in the UAE um we have to be cognizant of it but it's not fundamentally holding up our business on the second part which is interesting on the supply chain end it's a real issue and we need to further develop our domestic supply chain specifically of reare earth materials for things like magnets and batteries and semiconductors and um and in our world of Aerospace it's a highly regulated supply chain process we have to have you know known chain of custody known materials Conformity that the FAA agrees to and inspects at the source of production and so it kind of like helps you both Define and

manage an ethical and responsible supply chain because you have to be eligible about it but also it is a business practice says we actually can justify the sourcing of more American content because it's actually quite burdensome to try and send the FAA to some obscure corner of the world to inspect something and bring it back to us so there are very few components that we can get internationally um some critical ones and I think that it would be better if the United States was importing raw materials processing them here electrochemical processing of different rare earth materials is a great one we got to up our technology of because the that that technology is almost exclusively contained in China and uh and for medium magnets especially so those are the types of things that middle processing that middle fabrication stuff would certainly help us and we find friction there but it's nothing that we can't overcome right now.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - I agree with Kyle um the main issue is adjusting in the supply chains but I think there was a very good point brought up yesterday that you know um China's been doing restrictions um for a long time from the standpoint of American companies and um I think if we understand the backdrop is it this is all around uh issues of security and issues of energy Independence and Independence in other uh areas so I think it's a challenge for American companies and we have to rise to the challenge and um and it's also a great opportunity so we are uh very much I mean we have Global Supply chains fortunately we're not as affected because uh um we always had you know rational uh approaches to our supply chain so uh but yeah there are challenges and uh but I think overall as a country will come out stronger and how is that break down for your business are you importing a lot of materials raw materials from most of uh if we're I mean in the US increasingly of course things have become uh Supply uh times have become longer so um and everybody's adjusting to it first was um postcode but uh today it's because of pure demand and um and adjusting to that so uh a lot of what we do is you made in the US um when we're overseas you know we try to maximize us componentry and utilization but we have a supply chain that has and Rises to the occasion.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - and Nina how are you seeing these you know the changing attitude and the more restrictive um policies you know how is that affecting the folks that you're dealing with and does it change the equation at all.

**The Honorable Nina Hachigian, United States Special Representative for City and State Diplomacy** - um I haven't heard that it has um but I'm mostly dealing with um local officials less so local businesses although obviously you know local businesses are constituents of um of officials um I'd say that that you know overall the approach toward restrictions is small yard high fence um and really trying to make the any

restrictions tailored to um critical technologies that we that you know that can be dual use that we don't want to um see uh you know um fall into fall into hands you know and could create um you know more friction in the relationship so it but overall we're not trying to decouple just drisk their relationship and uh so that's the approach.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - um I want to ask Kyle and Venkee to weigh in on this from a kind of a different perspective so you know one of the other things that's happened is that you know we've always had the CFUS rules that govern investment but there's been a lot more attention to the kinds of Investments That China and Chinese investors have been making in the United States um those Investments have you know things that have caught attention have been investments in infrastructure and ports but also in Technologies and um I happen to be working in Germany when um a Chinese company bought a German robotics company CA and it was a huge wakeup call because I think until that point there really hadn't been any understanding of this strategic approach to buying component and interesting technologies that could have importance in later stages have you either of you ever sort of been approached in terms of an investment or a stake and what would your answer be if you had a you know what's the process for you internally especially for something like electric airplanes I'm thinking that's going to be very sexy and exciting to um lots of foreign investors right.

**Kyle Clark, Founder and CEO, BETA Technologies** - Yeah no you're absolutely right and unfortunately in our little industry there's this thing called the chasm and it's like we can develop the technology but the means to bring that to full commercialization there's a big gap there and unfortunately a lot of companies will get doe funding SBIR funding they'll exploit the great research that goes on at our universities and they'll bring something to a subscale prototype form and then they'll sit there and they'll be like okay what's next how do I get into the military how do I get into uh and it takes things like building a big facility and hiring a bunch of people and training the workforce and that's a big formidable Challenge and when they don't realize that they end up into Financial Straits and in the people that I know end up taking the money or going through chapter 11 chapter 7 and then they get picked up in in in debt and possession type scenarios and all of a sudden that technology and those people are now beholden to a foreign investor in many cases as it is unfortunately China and they have an insight to pick up engine Technologies control Technologies robotic Technologies processing of rare earth materials and these are these are things that the nonobvious solution is to provide a mechanism to go from not zero to one or one to two but from two to four in business you know business sequencing and so uh for us I get solicited regularly by those companies I'll give you kind of one really neat story um our lead customer that opened up our relationship with a \$46 million R&D contract and now has 60 plus planes on order they had given a contract to a Chinese company and we stole it

from them by perform by performing at a much higher standard of technical performance and safety standards and when we did that the aircraft that they started buying from them are now sitting dormant in a hanger in Canada and that's what we needed to happen because those hundreds of aircraft that we're going to end up delivering to that medical application were going to be supplied by China and that momentum that we've been able to develop has created a whole bunch of jobs in the United States a whole bunch of subsequent technological development and on the heels of that medical customer we've got folks like ups and other large Bristo that have now placed orders for these aircraft and it's a flywheel effect because we're able to come over that chasm in the in the Middle Ground the middle phase of the business before we're in full production and we can go to a regular bank and uh and go and use cash from operations to fund stuff you have to get there especially in a high Capital intense world like Aerospace and EXIM understands Aerospace and they've been supporting that they recognize Aerospace is a really important you know export of the United States so I think that the way to combat it is to fill that void or that Chasm.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Venkee how is that meant for you.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - Thank you how's it for you we're uh US owned and um we um Regular get regular solicitations we're extremely um protective of our IP and um you know just sort of the flip story is we started our company in China and one of our challenges this is nearly 25 years ago was how to deal with technology so we took the very long road of a wholly owned foreign entity and um you realized how much of an outsider you were if you were what was called a Woy um and uh but we're to that point to be very careful in making sure so yeah there's constant interest const and solicitations but I think um the keeping uh control of the technology and from a security standpoint and uh you know we're extremely focused on that do you still have that wolfy yes it is it's and how has how has the really I mean we've been through many years of tensions now between the US and China the uh trade Wars and you know all sorts of irritants and tensions have come up how that worked for you just on a day-to-day basis running a company I think it's does limited business but sort of at the highest end of the spectrum of Technology where you know China hasn't been able to totally indigenize um we're there and at that Frontier and we do those types of Technology deployment have you thought about but we still these are not easy things to emulate or repeat their process Technologies and even if you understand it to really deploy it and uh run it is not easy.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Have you thought about getting out of China.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - Sure and um our choice has been to um keep it at a small state you know small size at this point so it's a you know maybe a couple percent of what we do.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - There's been a lot of talk about FR touring too pardon me there's been a lot of talk about furring right sort of just having relationships with friendly countries I was that that's kind of risky in and of itself because you don't know your friends today might not be your friends tomorrow but um you know um has that is that something that's come up for you and is that Nina is that something that's helping you know cities and states sort of just think about maybe um business supply chains that are closer to home.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Go ahead

**The Honorable Nina Hachigian, United States Special Representative for City and State Diplomacy** - Yeah there is there is there's a I think a great deal of Interest in in uh in our two biggest trading partners Canada and Mexico um but I'd say in general uh at the very largest scale foreign direct investment is a positive thing right and there's now a lot of interest from European countries uh and other friendly countries in uh in bringing sustainable Technologies to the United States and I think you know you know I love these two homegrown examples uh but having more Manufacturing in the US you know from uh when it's uh you know in in sectors that where we need you know additional capacity is not in of itself uh a bad thing and something that Mayors and governors are interested in um but uh but at the same time you see increasing um restrictions at the at the state level uh in terms of uh you know the ability of CH of Chinese or China to purch you know certain land or whatnot right so there's an growing awareness there.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Just a couple more minutes left but Venkee and.

**Venkee Sharma, Executive Chairman, Aquatech International and Member, EXIM Advisory Committee** - and I'd like to add that you know I think that I'm just going to take it back to the make more an America initiative and uh some of the other uh very vibrant programs that are happening in in my career I've I'm extremely excited to see the amount of vibrancy we have in the United States as far as um focus on supply chain fortification the buildout that's happening in areas like semiconductor um all sorts of energy transition areas and you know I think we always need to balance the um this conference is about exporting but exporting won't happen without uh Stronger Advanced manufacturing and stronger supply chain so the make more in America initiative really fortifies and helps fortify that within the US and will have tremendous



Knock-on effects uh for exporters and I think the thing that exporters need to be aware of even though we have so much of an opportunity in the United States today um keep a significant focus on exporting because uh we continue to be more and more Global so exciting times and uh I think EXIM has been stepping up and I thank them for that.

**Kyle Clark, Founder and CEO, BETA Technologies** - I think yeah I think being the us when we're deliberate and purposeful in what we want to do we succeed at it our semiconductors used in that airplane for super-efficient power conversion are wideband Gap silicon carbide semiconductors that were a product of the power America program about 10 years ago which ironically I was involved in on the very front end and now our semiconductors actually come from the United States which these are power Simic these are big ones right very big ones and so when we're delivered about that we weren't delivered about it in the Drone world we thought oh geez they're just going to build Motors and whatever but what happened when those started being manufactured in China is the and this is the second point is that the flight controllers and the navigation systems and then all of the peripheral functionality started to get developed on top of the manufacturing that was low cost and all of a sudden we have a really Advanced system with a lot of depths of technology in it here in our industry want to we want to prevent that so in terms of friend Shoring we have been very purposeful of maintaining control over the inverters the batteries the motors and the flight Control Systems we actually make those 100% inhouse And that's the stuff that we that we call it the enabling technology we recognize you know under very extreme circumstances would we ever front shore re or offshore or lose our control and our ability to develop technology on top of those core Technologies so if we're mindful about those things like we haven't been in the past we learn from our history um at this point in time I think that we can maintain at least in Aerospace uh to be the foremost exporter of Aerospace Technologies being the safety standard in the FAA and doing it through thoughtful maintenance of that technology.

**Andrea Shalal, White House/Economics Correspondent, Reuters** - Well thank you very much that was a wonderful note to close then thank you all of you so much for being here let's give them a round of applause thank you.