

>> Ladies and gentlemen, welcome to the 2024 Annual Conference at the Export Import Bank of the United States. Please welcome our next panel of the stage, restoring American Leadership and Manufacturing. Our moderator is Courtenay Brown, economics reporter for Axios. And Courtenay's joined by Margaret Cosentino, executive Vice President Public Affairs, Westinghouse, Jay Timmons, CEO, national Association of Manufacturers, Charles Wetherington, president, BTE Technologies, and Dr. Carolina Young, chief Economic Advisor to the Vice President, the White House.

>> I think we have 25 minutes or so to figure out how to restore American leadership in manufacturing. We better get started. Maybe the first question is for you, Jay is manufacturing in a recession.

>> So I I, I actually might take a little issue with the phrase restoring American manufacturing prominence because I do believe we still lead the world right now. And I think our challenge and our, I think everybody in this room representing a business in America probably agrees that we want to maintain that competitive edge. We are, we are actually quite strong and resilient right now. Our manufacturing survey is showing about 69% optimism for the future for manufacturers down a little bit from our historic average. But this is really a, this is really just a, a phenomenal time in the history of our country. And if you think back over this last several administrations actually dating all the way back to President Reagan moving forward with Bush 41 and Clinton and Bush 43 and Obama, all of those trade agreements that were negotiated during that time period that opened markets to our products. You think about the work of the Trump administration to ensure competitive tax policy and, and regulatory certainty. And you think about the investments of the Biden administration through infrastructure funding and chips and science that Senator Portman was talking about, and some of the policy provisions, the IRA, we are positioned for great success, but we also have a few headwinds that we have to deal with, which we'll probably be talking about. Some of those are self-imposed, some of them are out of our control, but it's those that are self-imposed that I think we need to get our arms around.

>> Chuck, does that resonate with you? Do you, do you feel like the things that Jay said are happening in your business? How do you feel about the manufacturing industry right now?

>> So my business is so a little bit more than half export. So for me, things going on in the world have a big impact and there's a lot going on in the world right now. So, but in general, yes, it's, we're we're seeing guarded optimism where manufacturing inherently are all optimists. We have to deal with problems every day and if we didn't think we were gonna solve them, we would, we would just hang it up and, and go into public service. So

>> Carolina, you've been on the road with the vice president recently. What's the economic mood like?

>> Sorry, say that one more time.

>> What's the economic mood like as you've been on the road with the vice president in recent weeks?

>> I think what we've seen is an incredible growth in factory construction in the United States, and that is indisputable. It's something that our administration has been very working very closely on, on making sure that we partner with the business sector to encourage investment in the United States. We've seen \$530 billion in federal investments lead to 860 billion, over \$860 billion in private sector investment in the United States. We have never had that kind of approach to economic policy before in this, you know, in the past couple of decades. And so it really is a shift in making sure that we actually work with the private sector to encourage those kinds of investments in growth. That's why manufacturing is so critical here, because we are actually gonna be producing the technology that we are the global leader on.

>> Hmm. Margaret, the Biden administration wants to see more nuclear plants in the us but for now a lot of your business is overseas. What happens if the EXIM bank isn't reauthorized?

>> Yeah, so EXIM is absolutely critical to our business. You know, for us on in the nuclear power industry, we're seeing an unprecedented moment of demand for our technology both overseas, and we're starting to see it here in the United States again as well. And you know, that's because it's carbon free base load power, the dimension of energy security. We've seen an acceleration of interest in nuclear, given the independence of the asset, particularly in Europe where people wanna get away from import of natural gas, the reliability of the technology and the safety record. All of these coming together, we're seeing, you know, quite a level of interest in deploying that. But for us at Westinghouse, and we have projects going on, getting off the ground in Europe, we're also seeing fierce competition. And EXIM is absolutely critical to helping us be competitive in that space. In our competition in particular, it's others, it's state-owned entities, right? We're a private company, but we're seeing it of course from Russia and China, but also Korea and France, who have the full backstop of their, and so when we talk to our customers overseas, they really wanna see that public-private partnership of the Westinghouse technology coupled with the linkages with US government around things like workforce and training and regulation. But the US government financing piece is absolutely critical and a huge driver for us in terms of being able to be competitive in our overseas markets.

>> I wanna come back to that point on competitiveness, but I, I do have maybe one question for Chuck. I mean, the EXIM bank was reauthorized in 2019. There was no quorum though, so the bank didn't have its full might, if you will, did that, did that hurt your business or what was the effect on you?

>> So I think that's much more of a Margaret question than a Chuck question. The, the, the tool that I use from the export import bank is our credit insurance that allows me to sell my products overseas, their large capital equipment devices that I, I, I restricted a lot of my growth early on in our, our tenure with the company because I didn't want to, the risks of not getting paid for my product. So the, the EXIM bank came through hugely with the credit insurance tool to allow me to grow my business significantly. So not having the full board position set that is, that has a lot more to do with large project. That wasn't really where I was at. It would be much more in the power generation side and things like it, large infrastructure.

>> What was the impact, Jay? Could you speak more broadly? Like what was the impact on those that relied on, you know, more, more financing on Lake Tuck?

>> It was quite negative, and I think you can look at it in terms of specific projects and specific deals that were put by the wayside. I, I think though that a bigger impact was the uncertainty that was created for a lot of American businesses who obviously, you know, the more we make and the more we export, the more successful we are. Right? And I think, I think it sent a message to the rest of the world that America didn't wanna be in the game, right? Right. And so when we're looking at whether it's EXIM and I and I, and I know we're focused on EXIM, right? But when we're looking at any of those tools for American competitiveness, when it gets wrapped around the axle on the political axle, if you will, whether that's tax policy or regulations or workforce policy or immigration or certainly financing through the EXIM EXIM bank, when we allow ourselves to get it wrapped around that political axle, we are sending a message to the rest of the world that perhaps we don't want to be the leader, the economic leader, or we don't want to set the, set the pace for the rest of the world. And I think we know that that is not the case. So we have to hold our leaders accountable and the business community believes that we have an obligation and a responsibility to push, push the manufacturing agenda forward and make sure that policy makers feet are held to the fire.

>> Do you think there could be another kind of nasty battle over reauthorization again?

>> Well, I, yes, but, but I think it's up to us, and I think it's up to every business in this room to make sure that members of Congress, members of the house, members of the senate, members of the next administration, whether it's a Biden administration or or another administration, to make sure that they have a very complete understanding of the benefits that the Exxon bank has, has fostered over many, many generations. What that means in terms of American jobs, I believe it's two and a half million jobs just in this century alone. What that means in terms of investment here at home, what that means in terms of wage growth. All three of those are objectives stated by frankly both political parties. And the record that EXIM has provided, I think i I, is something that policymakers need to be very much aware of as we enter that reauthorization battle.

>> The export import bank is a form of trade promotion. And if we are stopped from being at the table on a project, Thomas Friedman is a hundred percent right, the world's flat, we get pulled out. Somebody else in other country, other their products, they slide in it, that vacuum gets filled immediately.

>> And I think we kind of know who that might be if that happens.

>> Yeah,

>> Yeah. Mark, let me jump in. As a former senate staffer, there was bipartisan support for the reauthorization when we finally got it through and there was bipartisan support for Chair Lewis's nomination as chair of the EXIM board. I think it's really more of an awareness process where Jay's completely right. It's really about industry partners making sure that they talk to Congress about the importance of EXIM and what it does for it's charter, which is to work with American business and to create American jobs. I think that's the main thing that we sort of lose track of, is that it is literally built into EXIM Charter to help with job creation. And so the China and transformational exports program that that EXIM has gotten off the ground to really help American businesses that are actually competing with Chinese Communist party backed efforts, I think is one of these programs that we really want to get off the ground. And there is bipartisan support for these, but it also has to adhere back to excellence charter around job creation. And as long as everyone is on the same page about what that charter is supposed to be accomplishing, I think we'll see bipartisan support once again for its reauthorization.

>> Thank you for mentioning China. Just 'cause I, I have a lot of questions about trade tensions in case anyone hasn't heard There's an election, right? An election like, like eight this year. Yeah. It seems like no matter who wins, they're, you know, trade tensions are gonna be worse than they have been in recent years. Yeah. I mean, what do you, what do you all think about that? How does it impact the manufacturing sector?

>> Well, I can tell you how EXIM supports us and what the impact we see from a domestic perspective is. So right now, west Ena house has projects underway in Poland, in Bulgaria, in Ukraine. There are half a dozen other countries where our technology, our portfolio of technologies are under consideration. And so that element of the US government financing to allow us to compete and the impact it has back here in the United States. I can tell you for Poland through, we have a project underway to build three reactors, their first nuclear power plant in the country. We know that that project is going to create 62,000 jobs back here in the United States. Those are engineering jobs, but they're also, yeah, they're also largely manufacturing jobs. You know, a third of those are in Pennsylvania alone. And so, and for every project that we deploy, it just multiplies on that. So I think that it's really important, going back to the, the point about telling the story, the impact that EXIM has from a US domestic manufacturing perspective perspective. And for us and to be able to deploy from a fleet perspective is so important. And I think from a trade perspective, it's

really gonna keep us on the edge, both from the technology side, but also from the industrial side.

>> Chuck, you do a lot of business with, with China. How does the forever trade war, if you will, impact your business?

>> So pre 20 18, 19, China was our number one export market. It, it feels wonderful to say we manufacture in Maryland and export to China. Trade wars brought around retaliation, and retaliation included not buying American devices for hospitals. So it's taken us a long time to build that back. We've just gotten it, the, the engine rolling again, I was in China when the, the latest tariffs were announced, and it's not great for the mood of distribution there, for selling our product. It's gonna be difficult. So that's very specific to me. I recognize there are real values and they're real important issues that are being addressed by these jrs. So I, I have a hard time weighing both of them, but for me it's gonna be a hard slog.

>> What do you think, Jack, go ahead. Well,

>> I, I was just gonna say, look, we, we really have to face the reality that we are, we are emerging into a very bifurcated world command economies versus free market economies. And while we are a global economy, and China will always be an important trading partner, there is going to be, I believe, far more reliance or, or far more focus on our allies and trading with our allies. And I believe that some of the autocracies and command economies are gonna be focused on, on building their own economies. There is no doubt that China can be, obviously not only a customer, but they can also be a fierce competitor. We've seen that, right? And they're competing with tools that we don't have. Right. And I'm not suggesting that we want those tools that, that, that, that a, that an autocracy or a command economy would, would force upon businesses. But we do have to understand and recognize that we do need as Senator Portmans at a level and balanced playing field. And I'm gonna deviate for just a second if I could, because I, I appreciated Chair Lewis pointing out earlier that one of the great benefits of living in the United States is the First Amendment. So I'm gonna exercise my first Amendment rights here for just a second and push back on those that took the stage earlier in opposition to fossil fuels and fossil fuel deals, which I believe do need to be a part of what EXIM is, is focusing on in addition to nuclear, in addition to renewable sources. Because I don't understand why anybody would wanna relegate countries and people, millions of people around the world to unhealthy conditions without the, without having the energy that they need to force them into a lower standard of living. I'm thinking now of African countries, I'm thinking of Southeast Asia countries, I'm thinking about Latin America. We do need a bridge to the future. Westinghouse is clearly a very important part of that, but we have policies that are not, not consistent with trying to promote economic, an economic uplift around the world. And I, and I think about the ban on, on l and g that has come out of the Department of Energy, this, this is not a consistent trade policy that I, that I think that we need in this country to build the economies of the world. And so, and the reason I bring this up is because China has no, they, they don't, they don't have any of these issues. And so they're going to be putting their hand print on other countries if we're not willing to do so. EXIM can help us counter that. Right. And needs to help us counter that.

>> Carolina, I wanna give you the opportunity to respond. I mean, how aligned should the a the EXIM bank be with the administration's goals? I mean, for instance, the EXIM bank says it's still opening the financing oil and gas development. Is that, is that okay? I mean, isn't that counter to the administration's green energy goals?

>> So the first thing I'll say is that EXIM is an independent agency. But I will underscore that from our perspective, that's the entire point of what we've been trying to work on when it comes to the infrastructure bill, the CHIPS Act, and the Inflation Reduction Act, what I had mentioned previously that we have, we have been crowding in private sector investment. A big chunk of that has been in

the clean energy space. I was talking to, I've been talking to CEOs all around the country who lashed to me about how, you know, they've been seeing foreign direct investment in the clean energy space coming to the United States in a, at a level, at a pace that they have never seen before in this country. I think when we do that, we create a global environment that actually makes it easier for folks to invest in clean energy production in a way that we can underscore a level playing field for American producers. This actually brings us back to the previous question about trade tensions and forever trade wars. I wanna push back on that premise a little bit because I think what we are taking, what we are doing now as an administration is taking an approach where we are fighting back against unfair trade practices. This has not necessarily been a focus of our trade policy in previous administrations. And I think that puts a thumb on the scale against American producers and American industry and manufacturers who do work under very stringent regulatory environments where very stringent, you know, look labor and environmental regulations here in the United States. And it's not fair to them when we have, when they have to compete against global intellectual property theft over capacity issues, illegal dumping of subsidized products on the American market, that has not been a focus of our trade policy in the past. And I think it is, it has put a thumb on the scale against American production. So I think all of those things are aligned. It's smart strategic investments with a, also with a, with an additional focus on combating unfair trade practices.

>> I could not agree more, by the way, with those tools. I think every administration needs those tools, but it also has to be coupled with a, with a full trade agenda. So thinking in terms of we haven't had a free trade agreement negotiated in this country for over a decade. We need to have, we, we need to have some more opportunities to trade our goods around the world in free trade, in free trade zones. If we're going to have some of the 301 tariffs that are imposed, we also have to have a very transparent and workable exclusion process, which right now we, we, we don't have as much as manufacturers would like to see. So, you know, and I would also say that Congress needs to get its act together on the miscellaneous tariff bill so that manufacturers in the United States are not being unfairly disadvantaged when it comes to products that we cannot manufacture here, but that we do need to bring into this country. Hmm.

>> Margaret, here's a headline from the Washington Post yesterday as nuclear power flails in the US White House bets on, on a big revival. Do you think there can be a nuclear renaissance in the us? Yes. Okay. That was easy. I love

>> That. Exactly. I mean, we just had the, the celebration last week of the two units in Georgia coming online in Vogtle. Those were first of a kind plants, and we learned all of our lessons from those. And we had Secretary Grant home get up and say, we need 200 more of these in the United States. I mean, two dozen countries came together at COP last year and committed to tripling their nuclear energy generation, including the United States. But I think we do well what we do often, and we now know how to build these plants. We have plants operating in the United States and in China, they're setting operational records. We have all the workforce coming off of Bogue that knows how to do this. We have mature supply chain, a set design. I mean, now is the exact right time to start building new nuclear in the United States.

>> So you're kind of saying the, the, I mean these projects take a long time to build. Sometimes they're delayed, sometimes they're abandoned altogether, you're saying maybe that won't be the case in future years, given what we're seeing

>> Now? Yeah, I mean, we see coming down the cost curve on, when you get to a fleet mentality, that's where you really drive optimization on nuclear projects. And so we now have that, and with the projects in Europe going as well, we're gonna have a true global fleet that's gonna be a very optimized approach to delivering nuclear generation.

>> Cover your ears, Carolina. If, if Biden doesn't win, are the odds of nuclear renaissance slimmer?

>> It's a bipartisan, there's bipartisan support for nuclear. So I think on balance, we are, we are hopeful that all these projects are gonna go forward regardless of the administration, given the historical support by both parties.

>> A question for Jay and Chuck, imagine both of you has just been elected president of the United States and reviving manufacturing is at the top of your agenda. What type of policies do you put in place to make that happen?

>> Well, first of all, it needs to be Chuck.

>> Okay, you're vice president then.

>> Okay,

>> Well there's some skeletons we don't know about. Yeah,

>> So look, I I've mentioned a lot of them already, but I'll, but I'll repeat them. And again, you know, I wanna give credit to every administration that, that, at least I've been aware of dating back to Ronald Reagan for helping to build the, the manufacturing legacy here in the United States. But we also need to take the uncertainty out of our tax, our tax policy. We need to have the reforms of 2017 renewed in 2025 because some of those major provisions are going to be expiring. We need regulatory certainty. We do not need regulations to be abolished or ended. We need them to be smart and effective and business needs to be at the table to figure out the path forward. We need to focus on workforce development in this country. We have 600,000 open jobs in manufacturing and we simply can't do what we need to do without the workforce that's necessary. We need more trade agreements and we need sensible trade policy. EXIM is very, very much an important part of, of that as well. And then we need targeted investments like we've seen in this administration when it comes to infrastructure and some, some of our national security needs, like the Chips and Science Act. I could go on and on, but those are, those are a few of the top,

>> Top one. I, I could go and do that list in reverse because it's, it's absolutely right. I I would say I, I started using my voice to speak for manufacturing about 15 years ago because I saw so many things that needed to happen. I think the, the most difficult thing that is out there for us to deal with is the whipsawing on tax policy, on, on, on regulation every 8, 4, 2 years, whatever the, the scheme is that is constantly having us change what we're doing, change what our plans are. Manufacturers inherently focus on investment for productivity, for new products, for growth. When the ski, when the rules are changed in the midst of your investments, it completely undermines what we're doing well and that hurts jobs.

>> Oh yeah. Right. Our panel is just about over, but there's something I learned about you, Chuck, that I think I wanna share with the audience here. So to buy BTE, you put up your own house as collateral and you regressed. That's correct. Are you glad you did

>> It? Oh, I'm totally glad I did it. I, yeah, my, my background was GE and black and Decker the first half of my career. This was my first step. I'd never knew I was an entrepreneur, but the day I did that, that was the day I woke up and realized, oh, this, this matters.

>> I have one more question for Jay. Is AI gonna take everyone's jobs in manufacturing? Will it take your job?

>> AI could easily do my job, but as far as, as far as manufacturers, AI is a tool that manufacturers and, and those in the manufacturing workforce will be able to use to make our operations more efficient, more productive. And you're gonna see manufacturing, job growth continue I think well and well throughout our lifetimes. But like other technology which has made frankly manufacturing safer and cleaner, AI is gonna do the same thing.

>> I have a lot of questions about the safety of my job, but it sounds like you think manufacturing jobs will be safe. We'll survive. AI,

>> I think

>> Thrive.

>> They grow and grow.

>> Yeah. Alright. Thank you everyone. This was great conversation. Thank.