

>> Wow, thanks Larry. With regard to that train, I hope you've got Danica Patrick or Vin Diesel out there because I'm not sure you're gonna make it. I do want to just say that I've been in a bunch of ballrooms and basement conference rooms before but I'm not sure I've ever felt as much sunshine come through in one room before. And so if you guys don't mind, I just wanna bask in the sunshine here for a second and, I don't know, maybe get to tan. That was really great stuff, and it's not you know it's really great when you know we have the support of the administration. But to get such a great kickoff today to get started is really fantastic. So, I'm your improbable host for the second year. And as a first item, I want to recognize the attendance of some very important people. Our EXIM board nominees, Chairman to be Kimberly Reed, Judith Prior, and Congressman Spencer Bachus. If you don't mind, can you please stand up? Thank you. Kimberly, I can't wait for you to be in this role next year and for all of you who feel the same would you raise a hand. You know, not too many but yeah. As Ambassador Gerrish mentioned, Peter Navarro is going to speak to us at lunch and discuss the great economic results of the president agenda and follow on about the important role of EXIM. And, you know getting started with Larry Kudlow and then getting the support of Peter Navarro that's feeling pretty good right now. But, as everyone knows, this is a reauthorization year for the bank and our reauthorization journey starts in the House of Representatives. The good news is that we expect to have bipartisan supporters with us today. The bad news is we don't know exactly when. So, we're going to start juggling a bit given the House schedule and we're hoping that Congressman Emanuel Cleaver can still join us this morning. After lunch, we're on a little bit more solid footing. The Chair of House Financial Services, Maxine Waters, will share her legislative priorities for the bank. And following the Chair, two of our most vocal advocates Congressman Denny Heck and Frank Lucas will speak about the importance about restoring EXIM. As your host, I really want to accomplish three things. One now I'm going to keep it shorter. Recognize the efforts of our team at EXIM who are making the bank better everyday. I want to provide a high level framework of EXIM's nexus with economic and national security. And I want to let everyone know, and we know now EXIM is coming back as a key piece in the Trump agenda. So, in recent years, our team has faced many challenges. Fortunately, we have an incredible team of people at EXIM who are advancing its' mission. And I want to recognize that. Despite the lack of quorum, the team continues to provide world class support to small and medium businesses. Our medium term financing increased by 45% in fiscal year 18. Our short term insurance shipments increased to two billion dollars in 2018. We've completed nearly one billion of financing support for minority and women owned businesses over the last two years. We executed an innovative one billion dollar reinsurance program. And our prudent financial management enabled EXIM to stay open during the entire government shutdown. Thanks again to a great team. You're doing a great job. Thanks very much. So now let me turn to the important issues of global competition in the context of

export trade finance that our conference will address. I am excited about exploring the inner section of EXIM and national security over the next two days. And let me get that discussion started. As you heard, EXIM is an arrow in the quiver of the U.S. Government in protecting economic security. The bank can advance American capitalism versus state sponsored industry and provide financing necessary and world class infrastructure for power projects including nuclear and other needed infrastructure projects across the globe. The EXIM of the future is more than just growing American jobs. The EXIM of tomorrow is also a valuable tool of economic statecraft. To paraphrase Doctor Navarro, EXIM can defend critical industry sectors from the predatory behaviors of non-market economies. Let's face it, the export financing world is hyper competitive. In this real world contest of state managed enterprises versus free markets, countries are using every tool available to achieve their strategic goals. The ascendance of China is at the forefront of this global change as they pursue The Belt and Road Initiative and Made in China 2025. And export trade finance has become a bit of a free for all in response. Fewer countries than ever follow traditional trade rules. Take the OACD. Even among it's own members, only about 50% of total OACD trade financing happens within OACD guidelines. Just 50%. And the OACD, play by the rules financing, is now only about 25% of all global trade finance. Meanwhile, the growth in the number of ECA's and the overall level of trade credit finance indicate that export credit it's an effect tool that promotes national economic interest. Every country seems to have at least one. To highlight this point, let's take a quick look at my one and only chart this year. Countries are committing more capital to their ECA's and creatively expanding their financing solutions. This chart compares total ECA exposures against country GDP. I think it's a great measure of a country's view of the risks and rewards of aggressive export promotion. The most obvious highlight is the estimated level of Chinese ECA exposure. Check out the far right of the graph. Approximately 550 billion or almost 5% of Chinese GDP is dedicated for export financing. To me though, the discussion about ECA financing and national economic competition you'll also have to include the upper left part of the chart. If you can see that tiny little dot in the upper left, that's Finland. And that dot represents the size of their economy. But to protect industries, such as shipbuilding, telecom, and other national industries, Finland and you can see Korea. They're far out there on the risk return equation. Over 9% of their GDP for ECA's. Where's the U.S? At 60 billion of current exposures, we lag behind Japan, Germany, Canada, France, and with all due respect, Italy. The graph shows, also shows that many countries with three to four percent of GDP in their current ECA exposures. If I could just apply that three percent average and use that for EXIM, our exposures would total about 600 billion. Okay. Just saying, I'm not allowed to have that position right now. But clearly, there is room for the U.S. to improve it's export posture. And as we survey the real world our eyes need to be wide open regarding the varied and dynamic use of ECA financing for

competitive advantage. As you heard, EXIM and its mission are right in the middle of the fairway of the Presidents' agenda on jobs and putting America first. EXIM fits perfectly with the administration's view that economic security equals national security. And we can serve as a counter way to the growing influence of China as several panels will discuss. You can look forward to great speakers, panelists, and true trade experts. They're going to spark ideas about the current global landscape and the appropriate roles for EXIM. I know you will enjoy these discussions. Thank you and let's all join together to get our nominees approved soon. Thanks.