

Remarks prepared for Fred P Hochberg
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Thank you Carlos.

I love Los Angeles.

As you all know, yesterday was Earth Day. I took that opportunity to visit two companies that manufacturer and export products that produce renewable energy – Solarworld and Clipper Wind Power. Both are innovators, and both reflect the vitality of the Southern California economy and the face of the future.

I will talk about both companies in more detail a little later, but first I would like to talk about Ex-Im and my vision for its role in our country's economic future growth.

As Chairman and President of the Export-Import Bank of the United States, I have one of the best jobs in the world. Why? Because my job is about delivering results. It's about creating jobs right here in the United States. It's about helping build economies around the world.

All through exports.

How do exports create jobs?

Come with me up the road for a second, to where I spent yesterday morning. In a small town, about 12 miles south of Santa Barbara, is a company called Clipper. With our help, Clipper made its first export last year. It was the first time they sold anything outside the United States.

Clipper designs turbines in Carpinteria, builds them in Cedar Rapids, and then exports them to Oaxaca. This project creates jobs in California and Iowa and renewable energy in Mexico.

Exports link markets. Exports support small businesses. And exports create jobs.

President Obama has made it clear that he expects the Bank to help create and sustain U.S. jobs. And he challenged us to finance more U.S. products and services to more markets. It's a charge he made in his State of the Union address in January.

After watching that speech, a lot of people said to me: "your job just got harder." NO, easier. Now everyone, in both public and private sector, knows this is an important priority of this president... and for that matter, of the entire country.

How are we going to get there?

The same way we always got there. Through trade routes. Just modern ones. This has always been our job: building and strengthening these routes.

From the early days of Ex-Im's history, some of our most important projects involved the *literal* building of trade routes and roads.

In 1938, just after the Bank was founded, a \$22 million-dollar loan from Ex-Im to the government of China financed the building of this legendary road, which snakes over 700 miles... from deep inside China to Burma.

In 1941, the Bank financed the construction of the Pan American Highway.... A 30-thousand mile road that opened up trade through the Americas... That's some long road.

And then in 1946, the Bank authorized a \$2 billion dollar loan – when \$2B was really a lot of money – for the reconstruction of Europe after World War II. The effort came to be known as the Marshall Plan.

What do the Burma Road, the Pan American Highway and the Marshall Plan have in common? They opened up trade and they built up economies both here and abroad. That was our challenge then and that's our challenge today. To get more companies to more

countries and more customers. And that means more jobs here at home.

Ex-Im has never been in a better place to meet that challenge, than it is today. So in the next few minutes, I want to tell you how the Bank is going to fulfill the President's charge. I'm going to introduce you to some extraordinary companies that are thriving because of exports. And I'm going to tell you about tools we are introducing, that will help get more companies on the road to exporting.

Last year, 2009, we authorized over \$21 billion dollars in transactions. That's about 50% more than any other year in the Bank's 76-year history. Our small business authorizations totaled \$4.4 billion in 2009; that's a 42% increase from the year before, and another Ex-Im record.

And that trend is continuing – with half the fiscal behind us, our year to date numbers are more than double what they were last year. Our small business numbers are up 28% - both setting new year over year records. And those numbers are supporting 109,000 American jobs.

But it's not just about the numbers. It's about opening new markets to American companies.

Last year was the first time we sold directly to the private sector in Kenya. This year, we authorized our largest transaction ever - \$3 billion. And we are on the cusp of dramatically increasing our business in Colombia.

What do all of these have in common? Financial innovation. One that we introduced last year is a capital markets facility. The other is a put option. Both increased liquidity for banks to help them finance U.S. exports.

And we looking for new ways to open new markets for U.S. manufacturers who provide superior products, superior quality, and deliver value for international buyers.

Let's go back to the Clipper deal for a minute. It was the first time the Bank ever financed a wind power project. These turbines were designed in California, built in Iowa, and delivered to Oaxaca – the ideal spot in Mexico to generate wind energy. These turbines will soon power three Walmart stores in Mexico, and there are more on the way.

And the Bank's role in this deal was crucial. It was able to provide Clipper with reliable, long-term financing not available elsewhere. This allowed Clipper to export their products for the very first time.

Part of Ex-Im's job is to help level the playing field so American firms have a fair shot at gaining international business. And that's what we did with Clipper. Clipper's management told me this sale sustained 80 jobs in their company. And with their next export sale, Clipper will begin hiring again. But Clipper is just one story.

How do we ensure that we have more success stories like this? In three words: Focus. Focus. Focus. We are going to focus on markets. We are going to focus on industries. We are going to focus on alliances.

So where are the opportunities? They are in markets that have strong GDP growth and ambitious plans for infrastructure expansion – over \$3 TRILLION Dollars over the next 5 years. And they are in places where Ex-Im support makes a difference.

So what are those markets? We see huge potential particularly in these nine key countries. In these nine countries, Ex-Im authorizations will increase dramatically: we project a total \$40 billion over the next four years.

What industries will we focus on? Let's take another look. These are industries where American innovation, American quality and American value set the global standard.

We also want to forge new alliances with financial institutions, with networks, and with organizations like the LA Chamber of Commerce.

If you already work with us we want to expand our relationship. If you don't work with us yet, it's time we got started.

Why? Because I don't know a better way to reach American companies that need credit to export their goods.

In that spirit, we've come up with some new tools to help us deliver success:

First, Increased Financing for Small Business Exporters. One of the things that is sorely missing in today's market is supply chain financing and the factoring of receivables. In the next quarter, we will be rolling out a new \$2 billion facility to address that critical need.

Second, Increased Financing for Renewable Energy. In 1999, Ex-Im became the first Export Credit Agency in the world to track and report carbon emissions. In 2009, we became the first Export Credit Agency to develop a comprehensive carbon policy to reduce CO2 emissions. We have begun implementing this policy and rolling it out over the next few months. And for solar projects under \$10 million, we have introduced a new product called Solar Express, to speed approval and get products to market. This will help American renewable energy exporters be more competitive.

And, Third, Creating New Partnerships. Last fall, our Exports Live workshops were held in 8 Cities across the country. We learned quite a bit from the businesses that attended. One important message was that the Internet is a key tool in reaching new international markets.

That's why this year we are partnering with Google... To provide marketing advice to help businesses expand their global reach.

Another thing that came through loud and clear – is that we need to improve our customer service. We can do better, and we need to do better.

We have to improve performance; reduce processing time, increase transparency...And expand our network of banks, brokers and other partners. We need to find more ways to say yes, rather than no, so U.S. businesses can keep creating new jobs.

Now, let me tell you about the other local company I visited yesterday. Solarworld, dates to 1975, and its Camarillo operation pioneered modern mass-manufacturing of photovoltaic cells. SolarWorld has upgraded and automated that plant. But its main expansion effort focuses on a once-abandoned semiconductor factory in Hillsboro, Ore. This coming Monday, April 26, about 50 employees will undergo new-employee orientation, a weekly routine in recent years that is growing in size. By year's end, the plant will become the only site where all four steps of conventional photovoltaic manufacturing takes place in the Americas. While many of its competitors shift employment overseas, SolarWorld hires every week. Solarworld's management projects that Hillsboro alone will have 1,000 employees, by this December – where there previously were virtually none. Better than 98 percent of their products are manufactured domestically.

And Ex-Im Bank has helped ensure that Solarworld can expand its markets and continue to hire. Last year, Ex-Im provided \$61 million in financing for 5 projects for Solarworld in the fast growing Korean market – and Raju Yenumandra, the VP of Sales and Marketing told me that our support was especially helpful in the global credit crunch

He said that "These projects supported green manufacturing jobs in California and Oregon and have helped us to expand our U.S. production capacity and hire more American workers."

Across the country, a similar story can be found. Over the last few years, thousands of high-skilled workers have lost their jobs in cities and towns across the country.

Two years ago, something different happened in the town of Norcross, Georgia. A small group of entrepreneurs developed the world's most efficient Photovoltaic solar cells. The company is called Suniva. Suniva now has 130 employees. 80 of them were hired in the last few months, after having been laid off by Ford, GM and other companies in the area. That's 80 high-skilled employees who made the switch to work in the green sector.

John Baumstark, Suniva's CEO, told me even his children are impressed by the work he does – saying it's the first cool job their dad

has ever had. I think it's cool too because it protects the environment and creates American jobs at the same time.

Export sales represent over 90% of Suniva's business, and the company recently announced plans to build a new plant in Saginaw, Michigan, which will employ 500 people. Suniva exports products. Not jobs.

As I look at John and think about the growth of his business, and at Clipper and Solarworld, it reminds me of my own experience.

Because today, while I stand here as Chairman and President of the Export-Import Bank of the United States, I also stand here as a businessman. Well before I got on this stage, I ran my family's small business. It was a business my mother started back in 1951 when she was pregnant with me. She wanted to make an extra \$50 a week and was looking for a job she could do at home while raising a family.

She started her catalog company, Lillian Vernon, at our kitchen table. When I was a little kid, we didn't have money for an adding machine. So I'd go to the bank with my mother. My job was to sit at the bank manager's desk, use his adding machine and add up the checks to make the daily deposits.

In the early days, we watched the nickels and dimes. Later, when I became the president of the company, I still watched the nickels and dimes, but I also watched the quarters... 1st quarter, 2nd quarter, 3rd quarter and yes, the 4th quarter.

I took the business through more than one recession, through cut-backs, and through the challenges of innovation.

I know how hard it is run a business. This is particularly true when you run a small business. And it doesn't get much easier when you're larger. One of the most important lessons I learned was that the ability to turn a great idea into a thriving business often comes down to one thing: financing.

This was true in the case of Solarworld, of Suniva, of Clipper and of the many companies we help.

What you need to know, is that business has a strong and passionate voice inside this administration. What you need to know is it has the voice of someone who understands the need for capital and the need for new tools to help them compete in the global market.

You need to know that I am committed to using that voice to make sure this administration builds new roads to more exports and then gets out of the way.

I am committed to helping more companies, reach more countries and sell to more customers and create more jobs. And I want you to know that All of us at Ex-Im Bank are here to work with all of you to connect small business to capital.

Thank you.