

MR. HOCHBERG: I thought I actually had a minute. I was tempted to go backstage, take off this tie, put on a turtleneck, put on blue jeans and pretend I was Steve Jobs.

[Laughing].

MR. HOCHBERG: And I love my iPhone and my Apple computer, though I don't have it with me now, but we're going to talk about different kinds of jobs today. And I would say as president and chairman of the Export and Import Bank of the United States, I really feel I have probably one of the best jobs, certainly in the government.

I might even say in the country, and certainly in my life. The reason I feel that way is because my job is about delivering results, just like it is with Jeff. My job is a little different than his. It's about creating jobs here in the United States, but it's also helping build economies around the world, and we have done that. As a country we have done that through EX-IM Bank and we do that through exports.

So what I want to talk to you about is how exports create jobs. So I want you to come with me to

California for a minute, to a small town, about 12 miles south of Santa Barbara, and the company is called Clipper. And with our help this company, Clipper Wind Power, made its first export last year. And in fact, it was the first time they sold anything, any single product outside of the United States.

Now, Clipper designs turbines and it's now called Carpinteria and it builds them in Cedar Rapids and then it exports them to Oaxaca, Mexico. I didn't want to say this, but actually the designers at Clipper used to work at GE. So what you can see from this map, what exports do is they link markets. They support small businesses and they really do create jobs.

President Obama made it very clear that he expects me and the entire bank to really work to help create and sustain jobs. And he challenged us to finance more US products and services to more places. And it's a charge he made in his State of the Union address just in January. Let's listen for a second.

[Playing audio]

PRESIDENT OBAMA: We need to export more of our goods. Because the more products we make and sell to

other countries, the more jobs we support right here in America. So tonight we set a new goal. We will double our exports over the next five years, an increase that will support 2 million jobs in America.

MR. HOCHBERG: I don't know about you. I was in the hall that night. I loved that speech. That's a great speech. Now, I was on the way home and someone said to me, my God, your job just got harder and I thought actually my job got easier. It got easier because of one thing, and I think Jeff said this, too. Everybody, everybody in the government, in the public sector, the private sector, everybody in the country knows this is a priority of the President and for that matter, a priority of our country.

So actually it's easier now. When I talk about exports it was, oh, I know what you're talking about. So the question now is that faces us in the government, and particularly at the EX-IM Bank is how do we get there. And I'm going to tell you, I think we're going to get there the way we always got there, through trade routes. The difference is they'll be modern trade

roots. This has always been our job, building and strengthening roots and trade.

So from the early days in our history, we also were involved in building the literal roots and roads of the world. It began in 1938, right after the bank was founded, the EX-IM Bank lent the government of China \$22 million to build this legendary road from deep inside China out to Burma. 1941, the bank financed the Pan American Highway. The Pan American Highway is 30,000 miles long. That is a long road, and it began trade through the Americas.

And then in 1946 the bank authorized a \$2 billion loan to Europe. Now in 1946 \$2 billion was really a lot of money. It's a lot of money today, but it was really a lot of money, and that was for the reconstruction of war-torn Europe and that plan became known as the Marshall Plan. So what do the Burma Road, the Pan American Highway, the Marshall Plan have in common? What they did is they opened up trade. They really built our economy and they built economies abroad.

And so that was our challenge then. It's our challenge today. So what I'm trying to do is get more companies to export to more countries to find more customers, and in the end we'll create more jobs. EX-IM has never been in a better place to meet that challenge than we are today. So in the next few minutes I want to tell you how the bank is going to fulfill that goal of the President. I'm going to introduce you to some extraordinary companies that are thriving because of exports, and I'm going to tell you about a couple of tools and techniques we're going to be introducing this year to get more companies on the road to exporting.

So let's take a look at this graph. If you look at the last several years, transactions at the bank have been basically flat, bumping along at \$12-\$15 million a year, until 2009, and look what happened in 2009. \$21 billion. That's 50% more than almost any other year in the bank's history. The bank's 76 year history we never did that kind of volume. And take a look at the next graph in small business. Also at a level. Last year we did \$4.4 billion, a 42% increase

from the year before, and also another EX-IM record, but it's not just about numbers.

It's also about opening new markets to American companies. Last year for the first time we actually sold to the private sector in Kenya. Last year for the first time we helped Boeing Corporation export commercial aircraft to Egypt, and Jeff and I have talked about this, we are on the cusp of dramatically increasing our business in Colombia to a level we have never seen before.

So all of these, from the old projects, construction to some of these new transactions, what they have in common is financial innovation. One of the -- two things we actually introduced last year, one was a capital markets transaction I think Jeff referred to that, and the other is a put option. Both of those, the capital market and the put options, what they did is they helped our banking system, created liquidity so we can make sure we get more exports out.

Now, 2009 was certainly our biggest year yet, but the truth is, I am much more excited about 2010, and in 2010, we are on the goal to meet the President's goal.

So far in the first five months we've done \$11.8 billion in transactions, almost three times the amount we did in the first five months of 2009, and we are continually looking for new ways to open new markets to American manufacturers who have got, and I think we talked about this morning, superior products. I see over and over again, superior products, superior quality, and American companies deliver value for international buyers.

So I want to come back to Clipper, the company I talked about earlier. The Clipper transaction, this was the first time we ever financed a wind power project in the world. And as I mentioned, these turbines were designed in California. They were built in Cedar Rapids, Iowa, and then delivered to Oaxaca.

And Oaxaca, Mexico in the South is probably the ideal place in all of Mexico to develop and generate wind energy. And the interesting thing about these wind turbines is that they're going to power three Wal-Mart stores, and there are many, many more Wal-Mart stores coming on the scene, and all those stores are looking to be on renewable energy. Our role, the

bank's role in this was crucial. We were able to provide Clipper with reliable, long-term financing that they could not find someplace else. And this allowed Clipper to begin exporting for the very first time. So what I see our job and I see my job, is to level the playing field so that American companies can compete and complete on a very brutally competitive world wide marketplace.

When I spoke to the management of Clipper, they told me that this transaction, this export is supporting 80 jobs in their company. Eighty people are keeping their jobs because of this export, and when we get that next export sale, they will begin hiring back some of the people they had to layoff earlier. So it is for that reason I am very happy to announce that we have selected this transaction, the Clipper transaction to be EX-IM's deal of the year. So let's give all the people from Clipper and EDS a round of applause.

[Applause]

MR. HOCHBERG: The question that faces me is, and all of us at the bank, is how do we do this next year and the year after and the year after. How do we keep

finding success stories like this. So I have three words, focus, focus, focus. Where are the opportunities? They are in countries that have strong GDP growth. They're countries that are building infrastructure at a rapid rate, with a great appetite, and they are companies where EX-IM financing really makes the difference in that transaction. So let's take a look at what countries we're talking about. We've identified nine countries in particular.

These nine key markets, we see an ability for the export/import bank to increase authorization up by \$25 billion in the next four years because these countries are adding hundreds of billions of dollars in infrastructure, and rail and transportation, healthcare, all of that, and we want to make sure that American companies get a chance to compete for that.

So what I want us to look at is what industries we can make a difference in, and these are some of the industries that we see great potential, great American expertise and innovation and quality. Now, in the next -- later today and tomorrow there will be a number of breakout sessions on areas of the world and on

countries -- on the industries that you can learn about, you'll have that this afternoon.

We also want to forge some new alliances. We need new alliances with financial institutions. We need new alliances with brokers and with networks. Basically my message is, if you already work with us, we want you to use more of our products. And if you're not working with us, I'm hopeful after today it's time you did. I want to find more ways that we can say yes rather than no.

So in that spirit we've also come up with a number of tools to help deliver on that success. First, we want to increase financing for small business exporters. One of the things that's really missing in this marketplace is supply-chain financing and factoring receivables. Jeff and I just talked about that. In the next quarter we're going to roll out a new facility that is going to at least at a minimum provide \$2 billion for supply chain and factoring to help small businesses better compete.

Next we're going to expand our efforts to small business. Most of the companies that we help at the

bank use our short-term financing policy. The President has asked us at the bank to work with others to find more products and more services that we can do to help small businesses. We've identified a few. We're going to work closely with people at the Small Business Administration, the Department of Commerce to expand that network and range of products to help small businesses.

Third, we want to increase financing opportunities for renewable energy. In 1999 we became the first export credit agency in the entire world to keep track of carbons, emissions and report them on our website. In 2009, last fall, we became the first agency ever to develop a carbon policy. And after today, we're implementing that policy and rolling it out in the next few months.

One aspect of that policy is a new product called Solar Express. This will be a product that will be for renewable solar energy, a project less than \$10 million that we will do on an expedited approval process to get them to the marketplace quickly. Fourth, we are looking to take more partnership. Last fall I

mentioned, and many of you joined me at Exports Live around the country.

At each and every one of these, we showcased American government services and products, from SBA to Commerce Department, trade development agency, OPEC and so forth, how we can help small businesses better export and better compete. One of the things we did learn on the road was the importance of the Internet. I know we all rely on our blackberries and our iPhone's and so forth, but the Internet is particularly important for small businesses that want to reach their customers throughout the world.

So as of today we are going to partner with Google. Google is going to work with us to help small businesses get their products, get their companies on the Internet so that they can promote them to worldwide international buyers around the world.

[Applause]

MR. HOCHBERG: Another theme that came through loud and clear is frankly we need to improve our service. We need to do better and we can do better. We need to improve our performance. We need to reduce

processing time. We need to be much more transparent. We need to expand our network of banks and brokers. We aren't doing as good a job in that area as we need to. These are all ways that I believe we as a bank can begin to say yes far more often and stop saying no. So speaking of small business, I want to talk to you and introduce you to someone I met this fall in Miami. His name is Luis Agralo (phonetic). He's in the front. I see him here.

And Luis is the son of Nicaraguan immigrants who was born in New Orleans, and I met him in Miami last fall. And he spoke at one of our Export Live events. He got off the stage. I had to meet this man. He was so persuasive. He's actually on our advisory committee, and he owns a small company that produces surgical sutures.

The company is called DemeTech, from the words dental medical technology. Right now he's on the medical side, and about five years ago Luis had a realization that changed the way he did business. He realized that overseas markets were easier to break into than the domestic ones, so we began to export.

He's working with SBA. He works with the Commerce Department and he works with us. Today this company does four million dollars, exports to 80 countries around the world, and exports make up 90% of his sales. So Luis, I just want to acknowledge you and I want to say thank you for being our partner and being our small business exporter of the year.

[Applause]

MR. HOCHBERG: I want to take you to one more company that's up the road a piece from Luis. Actually, I checked. It's 709 miles on Google maps. It's probably a long road. Over the years we know thousands upon thousands of high skilled workers have lost their jobs in this country. Three years ago something very different happened in Norcross, Georgia just outside of Atlanta. A small group of entrepreneurs developed some of the world's most efficient photovoltaic cells, and the company is called Suniva. Suniva has 150 employees, 80 of them, more than half, were people who were laid off from Ford, GM and other companies in the area.

Eighty 80 people who moved from sort of an old technology to work in the green sector. John Baumstark (phonetic) who is the president of the company told me that this is the first time his kids think he has a cool job. I actually told him, I thought it was a cool job, too, because it protects the environment and it creates a lot of good paying jobs.

So I also think it's a cool job. And what's also exciting is that Suniva is about to build a new factory in Saginaw, Michigan and employ 500 people.

[Applause]

MR. HOCHBERG: The thing that is exciting to me is what Suniva does is they export products. They don't export jobs. So as a result, John, we're very happy to be your partner and we're pleased to announce you as EX-IM's renewable energy exporter of the year. Let's give them another round of applause.

[Applause]

MR. HOCHBERG: Now, when I see John in the front row and I think about my own experience in business, I stand here as president and chairman of the Export Import Bank. I also stand here as a businessman. It

was a business that I ran. I ran my family's small business for many years, and the business my mother started back in 1951 when she was pregnant with me. I'm 58. I'll do the math. And all my mother wanted to do was make an extra 50 bucks a week, and she wanted a job she could do at home and raise a family so she started Lillian Vernon on our kitchen table. We still have that kitchen table. And in those early days, we didn't have enough money.

We didn't have an adding machine, so I would go down to the bank, the First National Bank of West Chester, go down to the bank, and I would sit in the big leather chair at the bank manager's desk and I would use his adding machine, and I would add up the checks. People also sent us cash in those days. No one uses cash. They sent cash and I would put them in little bundles of 50s, roll nickels, dimes, quarters, put them into the little -- and we made the deposit.

After I took the company public and I became the president, I still had to watch those nickels and dimes. But I also had to watch the quarters. I had to watch the first quarter, the second quarter, the third

quarter, and certainly the fourth quarter, and I took that business through more than one recession, through cutbacks, through challenges of innovation, and it's hard -- it's hard to run a business. And it's really hard to run a small business and I think when you heard from Jeff Immelt, it doesn't get much easier when you're running a large business.

And one of the things I did learn in running that business is that one of the things that transforms and makes a great idea into a thriving, vital, growing business is financing. It was true in the case of DemeTech. It's true in the case of Suniva. It's true in the case of Clipper, that these companies that we helped, financing often made the difference to take them to the next level.

So if I leave you with one thought today, I want to leave you with this thought. That business and the people -- and exporters, have a strong and passionate voice inside this administration. It's the voice of someone who understands the needs of capital, understands how hard it is to compete, and understands

you need the tools to help you compete in a global marketplace.

And I'm committed to using that voice. I'm committed to working with this administration to make sure that we build new roads for more exports, and after we build those roads we get out of the way. I'm committed to helping more companies get to more countries and finding more customers and thereby creating more jobs.

I want you to know I know where you're coming from. I am here for you, and every single employee of the bank is also here for you to make you more successful. Thank you for joining us this morning. Thank you for coming to this conference. I look forward to seeing you the next two days.