

**Welcoming Remarks by Leocadia I. Zak**  
**U.S. – Latin America Aviation Summit**  
**December 4, 2012**

Good morning and welcome to the U.S.-Latin America Aviation Summit. On behalf of the U.S. Trade and Development Agency and all of the sponsors, thank you for being here at this important event. It is wonderful to see such a large turnout and so many familiar faces.

I would like to begin by welcoming our invited delegates from Latin America. The distinguished delegation is comprised of 28 aviation sector leaders from government and industry across the region, including: Brazil, Chile, Dominican Republic, El Salvador, Jamaica, México, Panamá, and Perú.

We are extremely grateful for their contributions to the Summit, and truly appreciate that they have given us so much of their time. We look forward to hearing from them over the course of the next two days.

We are also joined this morning by many members of the U.S. Government, including Acting Administrator Michael Huerta of the Federal Aviation Administration. Chairman Fred Hochberg of the U.S. Export-Import Bank will speak this afternoon, and tomorrow we will hear from Administrator John Pistole of the U.S. Transportation Security Administration and Assistant Secretary Nicole Lamb-Hale of the U.S. Department of Commerce. Their participation in this Summit is a testament to the immense value of the U.S. – Latin America relationship, and the great importance which the United States places on it.

This Summit comes at a propitious time in the U.S. – Latin America relationship, as we continue to forge ever-deeper economic linkages. In 2011, bilateral trade reached a record high of \$771 billion - that is a 21 percent increase over the prior year. In fact, trade between the United States and Latin America tripled between 2002 and 2011, and continues to grow. Our relationship is one that offers many opportunities for mutually beneficial success and growth, particularly in aviation. As we begin this Summit, I would like to emphasize the many ties we share in aviation.

To start, both the United States and Latin America claim to be home to the fathers of aviation. Over a century ago, in 1903, the Wright Brothers took to the skies in Kitty Hawk, North Carolina in a history-making 12-second flight – but they may have had a little help. Just a few years later, Alberto Santos-Dumont of Brazil achieved unaided takeoff and flight in Europe. Which of these was truly the first flight is a debate we will have to save for tonight's reception.

The fact remains that the United States and Latin America are home to many great pioneers in aviation. Colombia is home to the oldest airline in the Western Hemisphere, Avianca Airlines, which began operations in 1920. Jorge Chavez of Peru was the first to fly over the Alps. And of course there is Charles Lindbergh, who made the first solo non-stop flight across the Atlantic.

The United States and Latin America also share a vast and varied geography, making us heavily reliant on aviation for domestic transportation. Much like the Rocky Mountains of North America, the natural barriers of the Andes Mountains and the Amazon basin present formidable challenges to the development of ground transportation networks.

For that reason and many others, it is no secret that aviation infrastructure is fundamental to the smooth functioning of our economies. Air transportation has played a critical role in the growing interconnection of businesses and individuals in Latin America and the United States. The fact that over half of passengers departing the United States are destined for Latin America speaks to the integration of our peoples and our economies. Modern and efficient aviation infrastructure is critical to facilitating these connections.

Looking toward the future, we find that while global economic conditions remain uncertain, Latin America represents a bright spot for the aviation industry. Robust economic growth and macroeconomic stability in Latin America has spurred a number of positive developments, from increased business activity to an ever-expanding middle class. According to a recent World Bank study, the middle class in Latin America grew by 50 percent between 2003 and 2009. This in turn has contributed to strong airline passenger and cargo growth in the region over the last decade.

Across Latin America and the Caribbean, the growth of a new travelling middle class and rising demand for additional flights has prompted the rise of low-cost carriers such as Viva, Azul, and Volaris. In 2011, domestic air travelers in Brazil outnumbered bus passengers for the first time ever. In the next decade, passenger growth is expected to average nearly 5 percent a year in the region. Aircraft manufacturers are positive in their outlook for Latin America, and some reports note that the region's traffic is expected to triple in the next 20 years.

Yet it is not only the opportunities for growth that provide common ground for us at this Summit, but also the similar challenges we face in meeting our collective infrastructure needs. Among our shared priorities are aviation safety and security and air space management. These topics and others will be the subjects of discussion throughout the Summit.

Yesterday, the delegates had the opportunity to tour Miami International Airport and view the latest technologies that have been put into practice. Over the past several decades, the United States has developed the knowledge and infrastructure capable of transporting up to two million

passengers per day. We have with us today many U.S. companies that are on the cutting edge of aircraft manufacturing, environmental technology breakthroughs, and advanced avionic development.

This Summit is designed to recognize these positive trends and the tremendous opportunities they present to all of us. The goal of this Summit is to forge new partnerships and deepen existing ones between the leaders of Latin America's aviation sector and U.S. providers of technology, services, and goods. In sponsoring this Summit, our aim is to support the rapid growth of the region's aviation sector while helping U.S. companies develop valuable trade relationships.

This is indeed an exciting time for the aviation sectors in the United States and Latin America. The U.S. Trade and Development Agency is proud of the role it has played, and will continue to play, in helping to bring U.S. private sector solutions to aviation sector challenges in Latin America. Since its inception, USTDA has funded over 50 activities in the aviation sector in the region.

USTDA is an independent U.S. government agency designed to create partnerships between U.S. companies and overseas partners that will drive economic development and generate economic growth.

We have developed many tools to accomplish this goal. Through our International Business Partnership Program, we directly connect U.S. providers of goods and services to international project sponsors, through trade missions or, of course, conferences such as this.

We also support project development, providing grants to overseas project sponsors to fund assistance such as feasibility studies or pilot projects. In fact, today USTDA will be awarding one such grant, to fund technical assistance to the State Economic Development Secretariat in Brazil. The project will support the development of the Pampulha Airport Development Plan. More than 800,000 passengers travelled through Pampulha Airport, located in Minas Gerais, Brazil, in 2010, and that is expected to double by 2014. The build-out will help the airport better serve the economic needs of the region, and as a result, will contribute to the region's ongoing economic development. I look forward to hearing from our Brazilian partner, the State Economic Development Secretariat, and signing this grant shortly.

However, while the economic development of our partner countries is a focus of the USTDA mission, we constantly strive to leverage and support the strengths and interests of the U.S. private sector.

This was one of the primary motivations for the launch of the U.S.-Brazil Aviation Partnership in April of this year. This unique partnership provides a coordinated and structured vehicle between the Brazilian and U.S. aviation sectors to address mutual aviation sector priorities. It also allows us to share expertise on industry best practices, to enhance technical capacity, and to develop technology solutions to aviation sector challenges. We are very pleased to be joined this morning by Marcelo Pacheco dos Guaranys, with whom we are working closely on developing this partnership.

This Summit represents a fantastic opportunity to share experiences and learn from each other. Over the next two days you will hear about the current state and future prospects of aviation in Latin America, and I encourage you to take advantage of the expertise we have assembled here. By strengthening our partnerships and cultivating new relationships, I believe we will achieve great progress in the coming decade.

Thank you.