

**Remarks for Chairman Fred Hochberg
American Association of Port Authorities Spring Conference
Washington, DC – March 25th, 2014**

Good afternoon. Thank you, Kurt, for that introduction, and thanks for inviting me to join you here today.

I've always felt a strong connection to the work you do as Port Authority professionals. And that's for two reasons: one nostalgic, and one professional.

The first reason goes back to 1967, when I was 15 years old. Yes, I'll do the math for you—I'm 62 today.

That year, I had the opportunity to board a freighter headed from Brooklyn to southern Africa. The carrier was a company called Farrell Lines. Today, Farrell Lines still operates a fleet under the Danish Maersk Line, carrying American military cargoes across the Atlantic.

On the voyage I took as a teenager, we made our way around the Cape of Good Hope, stopping at a number of ports along the way. I visited Namibia, which at the time was still called German South-West Africa. I visited Angola. I visited the city of Maputo in Mozambique, which was then known as Lourenço Marques.

Of course, I had no idea at the time that I'd ever be back in Mozambique, let alone as a government employee. But 45 years later, I was there again—this time to promote U.S. energy and infrastructure investment.

As a young man, experiencing a new and mysterious continent was the thrill of a lifetime. And I'll never forget how it felt to be on that freighter, making our way through bustling harbors, exploring southern Africa port by port. I remember observing Apartheid South Africa up close—it was frightening.

So I have a strong attachment to ports that goes beyond exports and economics.

Now, the second reason I feel connected to your work is a little more concrete: it used to be my work, too. Just before President Obama nominated me to become Chairman and President of the Ex-Im Bank, I served on the board of commissioners for the Port Authority of New York & New Jersey.

As you know, that port is among the busiest in the country. It's essential to foreign trade—as well as to the local economy. I was honored to serve on the board not only because of the Port

Authority's enormous importance to the region, but because it gave me a fundamental understanding of how ports, exports, and trade can impact our national economic wellbeing.

As Chairman of the Ex-Im Bank, I have the opportunity to visit ports frequently, and see firsthand the roles they each play in driving our economy.

I've visited the port of Houston—America's busiest seaport when it comes to foreign trade. I've visited the port of Miami—which recently completed dredging to allow for larger cargo ships to do business there. I've visited the port of Savannah—which needs to be dredged in order to get ready for the New Panamax ships.

Everywhere I go, I see evidence of the ways in which ports are strengthening our economy.

And I'm not alone. Just a few months ago, President Obama gave a major economic address from the Port of New Orleans. He reminded us that ports keep our economy moving. And he reminded us that ports are a big part of the reason why we've been successful in increasing exports so rapidly.

Increasing exports is what we're about at Ex-Im. Not for the sake of the exports, per se; we do it because it creates jobs and strengthens our economy.

At Ex-Im, our mission is to support U.S. businesses of all sizes. And we do that by equipping them with the tools they need to overcome financing obstacles and reach new customers abroad.

The reality for American entrepreneurs is that 95 percent of their potential customers don't live in America. So if they're not thinking about exports, they're ignoring 19 out of every 20 people who might benefit from the goods or services they have to offer.

So if we think of this room as a potential customer base, businesses that don't export are limiting themselves to just the small group of people up front. And the rest of the room? They're clamoring for quality and innovation. They want products stamped 'Made in the U.S.A.,' because they know that America produces the best goods borne of the best ideas.

The rest of the room represents the global middle class. And according to study after study, they're growing by 200 million every year. Think about that: 200 million is about the size of the adult population of the U.S. That's how many people are joining the global middle class every single year.

So we're going to see huge spikes in demand for power, construction, locomotives, mining equipment, windmills—you name it; they want it.

This is a major opportunity for American exporters and the ports they depend on.

The country that steps up to meet this demand will see an incredible return on its investment in the form of new jobs and a stronger economy. China wants to seize that opportunity. Russia does, too. Everyone is gearing up to win those deals and send their goods to rising markets around the world.

We can't afford to sit on the sidelines.

Right now, exports represent about 14% of our GDP. That's good progress—back in 2009, it was only 11%. And in the 1950s, it was less than 5%. But Germany's exports account for 52% of their GDP. In South Korea, it's 57%. So there's no reason we can't do more.

And that's especially true today, when we have so many reasons to be bullish about export opportunities.

That's why President Obama launched the National Export Initiative a few years ago. The goal: to double U.S. exports. And we're on our way.

It wasn't so long ago that America was the largest exporter in the world. In fact, that was true up until 2002, when we were passed by Germany. In 2010, China moved ahead of Germany. But just last year, we moved from third place up to second. And there's no reason we can't be first.

Exports have been growing at an annualized rate of nearly 10% as compared to 2009. In the past year, U.S. exports amounted to \$2.3 trillion—another huge jump from five years ago. Let me repeat that: \$2.3 trillion in exports just last year. That's a record we've never achieved before in America.

And that export success has translated into job success.

Of course, we've seen the unemployment rate drop by about a third since 2009—yet we still need more jobs. Ex-Im helps deliver those jobs. In fact, we supported more than 200,000 U.S. jobs in the last year alone.

And we've been getting results for a long time. Let's go back in time for a moment.

Ex-Im was founded in 1934, during the depths of the Great Depression. In our early years, we helped spark trade and fuel exports by financing the Pan-American Highway, a 30,000 mile road that opened up trade through the Americas. Our \$2 billion loan supporting the Marshall Plan

helped rebuild Europe in the aftermath of World War II. And our support of U.S. exporters working on the Burma Road meant that the trucks constructing the 700 mile-long project in China were Fords, Chryslers, and GMs.

Back then, the sky was the limit for American exporters. But today, U.S. companies are proving that even the sky is not the limit anymore.

In the same factory where American Motors built their iconic Nash Rambler back in the 1950s, Boeing now builds their pioneering all-electric propulsion satellites.

I had the opportunity to visit that factory not long ago. It was an incredible reminder that America is always retooling—always reaching for the next innovation that can change the world.

Now, U.S. satellites don't usually end up moving through your ports, of course. But they do provide the GPS technology your ports rely on for safe and efficient passage. So even though the exports we support sometimes look a little different than those we supported in decades past, our mission remains the same.

And so does our commitment to American exporters.

We're still supporting job growth. In fact, we've supported 1.2 million American jobs since 2009.

And we do it all at no cost to the taxpayers. That's right: we actually run a profit. Now, here in Washington, we don't use the word 'profit'—we prefer to think of it as a negative subsidy.

But whatever you want to call it, the reality is this: We generated 1 billion, 57 million for U.S. taxpayers in 2013. "1 - 0 - 5 - 7." And I'm so proud of that figure that I made it the password to my iPhone—I hope I can count on you to keep that between us.

So the big question in front of us is: how do we keep this momentum going so that the American economy can reach new heights?

Well, we need to follow through on President Obama's call to keep investing in our infrastructure—including our ports.

We know that America requires a strong port system to keep exports flowing. But America also requires a strong export credit agency for the exact same reason.

We want to keep supporting those jobs, and keep working to bolster the American economy. It's vital that we continue to do that on behalf of U.S. exporters and workers.

But there's still one impediment ahead of us.

The Ex-Im charter is set to expire this fall. We're a sunset agency. So in order to keep moving the economy forward, we need to be reauthorized by Congress by September 30th, 2014.

In short, there's a conversation happening right now about our role in the economy. And my hope is that all of you come away from today with an increased understanding of the ways in which Ex-Im supports your work—and American jobs.

In closing, let me just say that the stakes have never been higher for America's entrepreneurs and our workforce. There are 59 other export credit agencies out there around the world. Every one of the countries they represent wants to be an export nation. The competition for deals has never been more intense.

Trade is increasing across the globe—and with it, opportunity is increasing in turn. We want to continue to support U.S. businesses in seizing that opportunity, so that we can keep your ports bustling with exports, and your cities bustling with jobs.

Thank you.