MINUTES OF THE

U.S. DEPARTMENT OF COMMERCE

TRADE FINANCE ADVISORY COUNCIL

MEETING ON February 22, 2018

I certify that I was present at the above reported meeting and that the summary of the meeting is accurate.

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Chairman, Kevin Klowden **Date**

If applicable: (Please note that each paragraph must be marked.)

CLASSIFIED BY: N/A

REASON: N/A

DECLASSIFY ON: N/A

Attachments below include Meeting Minutes and List of Attendees

TRADE FINANCE ADVISORY COUNCIL
Public Meeting
February 22, 2018 ‖ 10:00am – 3:00pm
United States Department of Commerce – Commerce Research Library

WELCOME REMARKS AND KEYNOTE SPEAKERS

The Council's interim Chair, Kevin Klowden, opened the meeting by welcoming members and introducing the Department of Commerce Deputy Assistant Secretary (DAS) for Services Industries, James Sullivan, to co-chair the meeting. Chair Klowden continued to do a roll call of TFAC members, U.S. Government attendees, and the public.[1]

Chair Klowden underscored the mission of the Council and its member's diverse expertise with a common denominator: their commitment to increase exports of U.S. goods and services. He emphasized the need to focus on actionable recommendations which could help the Commerce Department increase the amount of capital available to SMEs for exporting.

DAS Sullivan, greeted TFAC members and attendees. He congratulated the TFAC's recently appointed members: Patricia Gomez with HSBC, Russell D'Souza with Hanesbrands, Steven Bash with City National, and Alan Beard with Interlink Capital Strategies.

In his remarks, DAS Sullivan emphasized TFAC members' experience and leadership within the field of trade finance and Commerce's reliance on their advice to support its goal of increasing access to trade finance among SMEs. He encouraged the TFAC members to reach consensus on a firm timeline for delivering their next set of recommendations, prior to the council's charter expiration in August 2018. DAS Sullivan also recognized members' time and work dedicated to the TFAC and their commitment to public service.

Chair Klowden emphasized that the TFAC was operating under a mandate to provide multiple actionable recommendations by August 2018. "The goal of today's meeting is to interact with various government officials, and council members and to prioritize work streams to provide actionable results," he stated. He then suggested to utilize the input from Secretary Ross, as well as the various government officials participating, to make TFAC recommendations fundamentally actionable and make a difference in the access to capital for exporters.

At this time, the DFO asked U.S. government officials to introduce themselves, along with members of the Office of Finance and Insurance Industries.

Chair Klowden emphasized the Administration's concerns about the balance of trade. With the emergence of the global middle class, U.S. businesses need to export to reestablish as a center of

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[1] See attendance log attached for details.

global manufacturing. TFAC is an opportunity to help facilitate the ability of U.S. business to export, he stated.

Chair Klowden also emphasized the private sector's key role in fostering access to trade finance. He noted that at least two of the council's work streams are centered around privatization and effective public-private partnerships (PPP) at providing trade finance. The council is also examining ways to mitigate risk to assure both potential exporters and potential lenders. He then opened it up for members comments, which included:

- Communication across agencies and coordination with all stakeholders present is incredibly important for the TFAC as they develop their recommendations.
- Considering users/lenders' perspectives in developing policy that will facilitate access to capital for SMEs is an important role the TFAC and Commerce are undertaking. However, making it easier to share and utilize the data generated in related financial transactions is also key.
- Commented on the grueling competition U.S. SMEs face abroad from other firms that receive state support.
- Discussed about the advanced level of coordination within the trade finance community in other markets, especially in Europe. TFAC has provided an ability to reach outside of existing silos.
- Observed that, being mindful of the impact on U.S. SMEs of the current regulatory environment, e.g., correspondent banking de-risking, is key for the TFAC to consider how to create more liquidity sources specific to the trade space.
- Noted the relevance of technology innovations within the space, where these have provided for new mechanisms to deliver capital, information, how to engage with clients. However, technology also inundates exporters and lenders with information. One of the focus areas for the TFAC is discussing how the standardization of data can be used effectively to mitigate risk.

Council Chair Election

DAS Sullivan led the election of a TFAC Chair for the remainder of the charter's term. He explained that council members had been invited to send expressions of interest in leading the group prior to the meeting. No expressions of interest were received. DAS Sullivan conveyed that the current TFAC leadership offered to continue to lead the group. DAS Sullivan officially welcomed Kevin Klowden as Chair of the council and thanked the leadership for their service.

Opening Remarks By Secretary Of Commerce, Wilbur Ross

DAS Sullivan introduced Secretary Ross to council members and others present.

Secretary Ross thanked members for their service and welcomed his recent appointees to the TFAC: Steven Bash, Alan Beard, Russell D'Souza, and Patricia Gomez.

In his remarks, he noted that fewer than 3 percent of American businesses ever export anything. As such, expanding access to capital for U.S. companies, especially SMEs looking to grow sales abroad, is a key element of the Administration's trade strategy. He stressed the relevance of the Council's work in facilitating the Administration's goal of reducing the current trade deficit in goods and services, which increased 12.1 percent in 2017, to $566 billion. He mentioned their continued efforts on the enforcement side, and bilateral renegotiation of trade deals. “Our policies will take time to bear fruit, but we are confident they will pay dividends for American workers,” he noted.

“While we seek to level the playing field and negotiate more favorable terms with our trading partners, we count on you to continue empowering SMEs in the international arena. The lack of finance options limits our country’s economic growth and costs our nation good paying jobs,” he added.

Secretary Ross thanked members for their first set of recommendations reflecting on the SME credit gap and importance of both private and public sector in working together to bridge the gap. He explained that the tax repatriation proposal was not transmitted to the Treasury Department for consideration, during tax reform discussions, to avoid any proposals that could have contributed to further budget deficits. However, he recognized the merits of incentivizing the private sector to take a more robust role in areas where government is less efficient or effective. He encouraged members to continue to seek opportunities on that front.

Going forward, he added, I hope you will help us understand and mitigate the complexities and challenges faced by U.S. businesses looking to finance their sales abroad. He then urged the council to continue to identify areas of opportunity, especially with respect to two of the Commerce Department’s core functions: (1) Education and Outreach: to raise awareness of private and public-sector trade financing resources, reach out to bigger audiences with Commerce’s existing tools to guide businesses toward export success, or any new tools necessary for the success of U.S. exporters; (2) Engagement with Business Stakeholders: areas where Commerce should continue to direct its resources and others which could do better.

He asked the lenders in the room for advice on how Commerce and other government agencies should engage with the private sector to find solutions to the challenges in offering financing to potential exporters or their overseas buyers.

Finally, discussing about new technologies such as blockchain, which could potentially impact the availability and affordability of credit facilities, he asked for their advice on how Commerce should engage in this regard.

Alluding to a 2017 Asian Development Bank survey, Secretary Ross noted that 74 percent of rejected trade finance transactions come from SMEs and midcap firms, and that a 10 percent increase in trade finance could boost employment by 1 percent. “Given the substantial individual and collective expertise of the TFAC members, I look forward to hearing how government can help reduce the export financing challenges faced by American businesses, and increase job opportunities.”

In closing, he mentioned his intention to renewing the Council’s charter, and expectations on receiving the Council’s recommendations by the spring. He thanked members for their service and recognized other government agencies’ participation at the meeting.

TFAC members engaged in a Q&A with Secretary Ross, which included:

- Areas of particular interest for the Secretary where the TFAC would be most effective in expediting recommendations within the current charter term. The Secretary remarked that e-commerce is playing an increasing role in boosting SMEs growth, he asked members to think outside the box in providing advice on how Commerce could help exporting SMEs by leveraging e-commerce channels.
- The Administration's views regarding programs that may require incremental funding by the government. Secretary Ross observed that any funding requested would depend on the justification and impact of the proposal. Any large allocation of funds would have to come from existing funding somewhere else in the Department of Commerce budget, he added.
- Regarding the Export-Import Bank of the United States (EXIM), Secretary Ross commented that restoring EXIM to full functionality is critical for U.S. exporters. The Secretary stated that the Administration submitted a full slate of candidates to the senate, and expressed his regret that none of the candidates had been approved. The lack of a board quorum and support for all transaction sizes, he added, affects our companies' competitiveness against foreign firms backed by other nations' official export credit agencies. This issue affects exporters of all sizes.

TFAC DISCUSSION WITH U.S. GOVERNMENT AGENCIES (Part I)

(1) ***Peter Cazamias, Associate Administrator for the Office of International Trade (OIT), U.S. Small Business Administration*** (SBA), provided an overview of the office he oversees and programs SBA offers to U.S. exporters and welcomed input from the TFAC. Key messages below:

- SBA is charged by statute on the number and total dollar volume of international exports.
- OTI is separated into three divisions:
    - Federal and State Trade Development
        - Sits on the Trade Promotion Coordination Committee
        - Has the State Trade Expansion Program
    - Trade Finance
        - Export finance programs
    - Trade Policy and International Affairs Group
        - Responsible for negotiating alongside USTR on relevant agreements
- Current Administrator's priorities around reimagining SBA and better align its various functions to make these more visible and effective. Key action items here:
    - SBA is trying to work with the private sector on fee structure and incentives
    - SBA's export finance programs need modernization; some have not been updated since 1994.
    - SBA reviewing the Export Express and Export working Capital programs.
- Takeaways from their recent Trade Lenders Roundtable:
    - There is a knowledge gap when it comes to trade finance, especially in banks
    - There is a gap in solutions under $1million in trade finance
    - The current products are too cumbersome for banks to promote them to small businesses
    - SBA's effectiveness due to its relationships with both community and large banks should be leveraged

(2) ***Jennifer Hazelton, Senior Vice President, Office of Communications, EXIM***, spoke on the agency's mission:

- EXIM provides working capital loans, loan guarantees, and insurance products to businesses of all sizes.
- EXIM has reorganized under the current administration as two banks, one focused on large firms, and the other focusing on small firms.
- Because of the lack of a quorum, the bank cannot execute deals over $10 million
    - The big bank side is currently maintaining the current deals and performing due diligence on applications.
    - $40 Billion in deals sitting in the Ex-Im pipeline currently.
- Other export credit authorities (ECA) are filling this vacuum and some not playing by previously agreed ECA rules.
- EXIM currently focusing in the small side of its business.
- Focusing efforts in the digital space
- Focus on matching the experience that SMEs have in the private sector to improve how SMEs interact with EXIM

(3) Patrick Kirwan, Director, Trade Promotion Coordinating Committee

- Trade Promotion Coordinating Committee (TPCC) coordinates the U.S. governments' efforts to promote exports and export financing.
- TPCC works with the TFAC and other committees to find ways on how the recommendations can be implemented.
- Export financing is a huge choke point for American exporters, unable to close deals because of a lack of export financing.
- There is currently a lot of focus on improving programs to be more competitive with other countries.
- Sectors of greater focus at this time: energy and infrastructure.
- Working with states as an additional way to connect and support SMEs.
- Many SMEs get into exporting due to the advice of their accountant or banker, which emphasizes the role the TFAC should play in this space.

Q&A With U.S. Government Agencies

Questions and comments from TFAC members include:

- SBA and EXIM's capacity of existing programs with the current resource levels, in terms of dollar value outstanding:
    - SBA's capacity is currently underutilized in the market. There are approximately 400 to 450 loans but have the staffing and capacity for three times that amount. The dollar value could go up to approximately $3.2 billion, from $1.18 billion currently.
    - EXIM has operated without a quorum for two and a half years. Congress sets the cap for which they can lend.

- Commented that foreign countries are "finance dumping" which allows their firms to gain market share at the expense of American firms.
- Discussed about a similar problem of underutilization of export credit in the SME space, and the vast educational gap on this space.

- Large U.S. companies work with ECAs around the world, and are welcomed by these banks for their in-country products (e.g., in China). However, that large firms support thousands of SMEs who do not necessarily see themselves as exporters.
- Identifying the numbers of SMEs who are suppliers to exporting companies could be a very useful number.
- Trade agreement effects on suppliers have been studied by trade associations and might be a source of information on contributions of the supply chain to the export of finished goods.
- EXIM is trying to work on the small suppliers side by working with its partners. Washington, and Idaho states were large losers in trade in 2017, both states being major suppliers to Boeing, which has been hurt by the lack of a functioning EXIM.
- European ECAs have always been more aggressive than EXIM, even with a functioning quorum. When asked about any considerations on content flexibility requirements for SMEs, EXIM explained that the current focus is on achieving full functionality before revisiting content requirements, but that it was necessary to be more flexible in the future.
- Other comments suggested that the lowering of ECA content requirements pre-dated the ascendancy of Chinese and other ECAs. Liberalization of content requirements would allow for more U.S. exporters to leverage EXIM offerings. EXIM occupies a unique space as the only true pay as you go underwriter of credit insurance in the market.
- It was noted that SBA, Commerce, and EXIM all have different content requirements for their different products. This reflects the different missions for each agency.
- It was noted that SBA needs to reformat its products to make them more profitable and modern for banks. On the supply side, SBA commented that is changing to a metric based organization to increase volume of loans.
- SBA also explained about the three levels of changes that can be made to SBA:
    - Legislative: requires changes in the law. (e.g., changing the caps on specific products)
    - Regulation: how regulations are interpreted, which can be changed by SBA
    - Standard Operating Procedures: can be streamlined by SBA

- Regarding SBA's appetite for non-bank financial institutions, SBA expressed there is potential to work with these organizations; however, it would require more latitude for SBA to be able to choose its own lenders.

TFAC DISCUSSION WITH COMMERCE AND GOVERNMENT AGENCIES (Part II)

DAS Sullivan introduced USG officials joining the afternoon discussion.[2]

Chair Klowden provided a brief summary of the six active work streams in TFAC. He then invited TFAC Subcommittee Chairs to present their ideas for discussion and input from participants.

Fintech and Data Standardization, Addressing Process obstacles for SME Credit Risk Assessment - Sergio Rodriguera

Mr. Rodriguera presented a synopsis of a potential proposal to the TFAC:

[2] See agenda attached for speakers.

- Government plays a role in which it collects and houses information, however data governance and security issues need to be addressed. The Department of Commerce can take a leading role in this area.
- SME exporters are burdened with a larger number of administrative costs regarding trade compared to multinational corporations since they do not have the same access to resources.
- Financial regulations following the 2009 financial crisis have increased the cost for banks to on-board new customers, and some of this cost has been passed onto customers.
- The Federal Government must make it a priority to better collect, share, and analyze financial data to determine identity.
    - The current inability of agencies to share information, the necessity to duplicate this information is costly to both the public and private sectors.
    - This information is necessary for National Security purposes as well; this has not been addressed by Congress outside of government spending.
- Proposed recommendation would be that the Department of Commerce adopt and mandate data standardization on all forms, documents, files, and reporting requirements across the agencies that streamlines the collecting, sharing, utilization, and protection of financial data.
- Implementing a stronger data policy addressing governance, policy, and security will instill more trust in government. Allowing for better sharing of information between the Department of Commerce's bureaus will result in savings through a reduction in duplication of efforts, and improve the information sharing and analytic capabilities to address violations of trade policy and other national security risks. Furthermore, data standardization will help SMEs better report information to the Commerce, reducing compliance costs. This would serve as a pilot measure for the entire government.

Export Finance Best Practices - Lou Tierno

Mr. Tierno presented the following findings to the TFAC:

- The subcommittee largely focused on interviews with a sampling of senior management who are actively involved in state level programs that pertain to access to export finance for SMEs. These interviews were conducted over a variety of states, along with U.S. government agencies, and the Florida Export Finance Corporation, which is the sole remaining state level export loan guarantee program.
- Interviews made it clear that budget constraints have limited the available resources for these programs, and indicate that finance is likely not the best path for states to follow. Programs that had been created were constrained by limited demand, high operational costs, and lack of credit quality.
- State capabilities now focus on technical resources that refer potential exporters to programs available in trade finance. It is not known how well this current program is working, due to a lack of recent research in this area.
- The opportunity for states is likely in an increase in the effectiveness on how best to leverage the existing resources, along with maximizing the assistance from federal partners. Areas states can achieve this improvement would be by adopting collaborative teams within the state, e.g., in Georgia where the Georgia Small Business Development center convenes regular meetings between Georgia's international trade specialists and key federal agencies.

- U.S. Treasury's State Small Business Credit Initiative: provides seed money and technical support to states for SME small business loan and venture capital programs.
    - 18 states opted to deploy the funds for loan programs
    - Florida placed some of the money in the Florida Export Finance Corporation.
    - Other states could be encouraged to take Florida's lead, and expand their loan programs to include export finance, with federal agencies providing assistance where needed.
- Alabama has a unique approach with Export Alabama Alliance, including export finance as an integral part of its strategy. Export finance represented in this alliance by bankers who regularly organize trainings for both lenders and potential borrowers.

Trade Credit Insurance Underutilization - Gary Mendell

Mr. Mendell presented the following ideas to the TFAC:

- Credit insurance facilitates trade by enabling exporters to extend better payment terms, and enables trade finance by allowing lenders to monetize foreign receivables.
- Ad-hoc interviews conducted with other trade finance practitioners has supported this idea; however no meaningful data appears available.
- Data needs to be developed to determine if the increased utilization of credit insurance in trade finance would have a meaningful impact. Considering a recommendation for the Department of Commerce to conduct a thorough analysis on the utilization of credit insurance by U.S. exporters to determine any further action and policies required.

Mr. Karsten Herrmann elaborated on this subject as follows:

- Credit insurance can serve as a risk management, sales growth, and trade finance tool for U.S. exporters and financial institutions.
- There may be material opportunities for credit insurance both from private insurers as well as EXIM to play a greater role in supporting SME exporters.
- Utilization of credit insurance by U.S. exporters and financial institutions appears to be much lower than among equivalents abroad, particularly in Europe and Asia.

Mr. Tim Gaul added the following remarks:

- Credit insurance remains a relatively niche market in the U.S., which may stem from a lack of awareness, differing bank regulations, or difference in the value attributed to credit insurance products.
- The lack of an industry association may be stifling the expansion of the market in the U.S. compared with Europe.

Mr. Mendell clarified that the subcommittee is collecting anecdotal evidence that would reinforce the importance of conducting the study, so that hard data can be obtained. He further clarified that it was necessary to conduct interviews so that the types of data required by a study would be well defined, and have target sources already identified for Commerce.

Trade Finance Education Strategies - Kevin Klowden

- There is a lack of trade finance knowledge at the regional level by e.g., Commerce'USEACs). USEACs are very prominent in their communities as well as online. However, trade finance expertise varies wildly in the process, so trade finance is often discussed too late or not at all. Furthermore, USEACs often do not have knowledge of private sector options available to exporters.

- Commerce, in coordination with its interagency partners, should develop: (1) training materials that would help specialists in USEACs recognize and address the challenges that exporters face in accessing capital; (2) programs that would facilitate connections between local USEACs specialists and local banks, as well as non-traditional lenders and export-credit providers.
- These programs should also aid USEAC specialists in asking the relevant questions that would help detecting the financing needs appropriately. This can be accomplished by creating a visual guide or decision tree, which could be then integrated into existing export development/promote programs.
- The ability to refer exporters to the private sector would greatly increase the efficiency and capacity of the USEACs.
- Financial education should be done early in the USEAC process, so a critical component is not overlooked, the addition of an automated decision tree would help with this process.
- Commerce should also investigate partnerships as way of developing this approach.
- The Small Business Exporters Association recent survey shows that the number one challenge for exporting SMEs is actually getting paid.
- A lack of knowledge about trade finance and credit insurance hinders U.S. exports, and prevents some firms from exporting who otherwise would.
- Mr. Mendell and McCracken commented that the argument is to bring up the subject of trade finance early in the process, not necessary for USEACs to become subject matter experts.
- Mr. Beard iterated that many SMEs only know that they need trade finance, but not what type of finance that they need, in this instance a decision tree is helpful. This recommendation is also a tool that can be developed as a PPP.

DAS Sullivan invited Commerce participants to comment on the above-mentioned initiatives and provide an overview of their units:

Thomas McGinty, National Director of ITA Global Markets, was invited to speak:

- Recommended that the TFAC consider the program called Visit Industry, which allows personnel to be detailed to private industry, including banking, to gain private sector knowledge and bring it back to Commerce. Inter-agency details can be increased, as well as longer term swaps, to increase knowledge.
- Commented that export promotion has in ways gone back with fewer inter-agency details and fewer shared metrics. SBA, Commerce, and EXIM all use Salesforce now, there is no excuse not to be sharing data and create shared metrics.
- He noted that there was a joint 90-minute webinar put together by EXIM and USEACs on trade finance recently, but more can and should be done.
- The International Expansion Blueprint is a standardized way for USEACs to operate; adapting it to trade finance can and should be done.
- Discover Global Markets conference will have both SBA and EXIM in attendance.

John Larsen, Director of Digital Client Engagement in ITA Global Markets:

- Export.gov has a lot of content including 22 videos on how to export.

  - Includes a video on methods of payment, including private sector options.
  - Includes a video on trade finance, which focuses on public sector options.
- Currently export.gov cannot support decision trees.
- 70 percent of visitors to export.gov arrive via a search engine.
- Collaboration on Search Engine Optimization (SEO) would help drive people to export.gov: Keywords people search can vary wildly when they are referring to export financing.
- Export today email outreach; push marketing, beginning to start. This is divided into market segments, and the emails can be tailored to specific markets.

TPCCs Patrick Kirwan asked the TFAC how many were members of their district export councils (DECs). A few members acknowledged that they were. Mr. Kirwan explained that each USEAC helps mentor other businesses, and what the involvement of these district export councils could be in educating USEACs.

Chair Klowden commented that there was no reason not to involve the DECs, however as much as the USEACs vary, the composition of the DECs varied even more. The DECs could easily play a role in helping to identify local opportunities for trade finance. Mr. Kirwan suggested that greater specificity in a recommendation would allow it to be implemented better.

Stephanie Smedile, Acting Director, Office of Strategic Planning for the U.S. Commercial Service

Mrs. Smedile discussed about the ITA survey. She explained that ITA now conducts a survey of all its customers, this survey could had initial data that the TFAC is looking for. Answers associated with trade finance show up significantly in the survey. Companies answered that they saw a need for finance or insurance within the next 12-24 months.[3]

Q&A with Government Agencies

DAS Sullivan opened the floor to questions:

- David Vidal from SBA commented on trade finance education. SBA currently educates around 25,000 people a year on the subject. SBA is currently looking to realign its education to be closer to other agencies and to capitalize on the SBA brand name. SBA has a report on training going to Congress on the current trade education gaps in each state and metro area, which surveyed a broad variety of users. SBA is currently rebranding to focus on the importance of exporting.
- Mr. Cornelius from SBA, explained that every state SBDC has an international trade specialist who has gone through trade finance certification.
- Sergio was asked to clarify what TFAC and Fintech is looking for in terms of data standardization. Sergio responded that there is a mish mash of places to go currently to authenticate identity. The goal is to use DOC to pilot standardization within the department to facilitate better decision making, and to improve data governance.

PUBLIC COMMENT

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[3] See attached materials from the survey distributed at the meeting.

The public was invited to make written requests to be addressed by the council. No requests were received by the council.

NEXT STEPS & CLOSING REMARKS

DAS Sullivan thanked the U.S. government personnel for their participation and the TFAC.

Chair Klowden turned to Vice-Chair Stacey Facter to talk about the next steps for TFAC. Mrs. Facter mentioned that considering short-term implementation of any TFAC recommendation was key and invited the TFAC members to comment on which recommendations they believed fit this description.

Additional comments from members as follow:

- Mr. Rodriguera asked for clarification on who the end-user is for the proposed financial education initiative.
    - Chair Klowden explained that the TFAC was focused on the SMEs as the end-user, although some of the government agencies had brought up bankers not knowing about trade finance as an additional issue.
    - Mr. Bash added that a lack of knowledge might easily exist among both banks (especially regional banks) and among SMEs. Regional banks traditionally have not participated in this area. Credit officers may also need better understanding of trade finance offerings. Mr. Mendell noted that his experience matched Mr. Bash’s, and that the education component being raised by TFAC really focused on USEACs.

- Mrs. Gomes commented that BAFT has instituted a program designed to develop future leaders in trade finance. There is a disconnect between international banks and regional/community banks. There is now a rise of micro-multinationals, especially given the rise of e-commerce. Many regional and community banks do not have the capacity to underwrite international credit risk, but these are the banks which SMEs do business with, and with de-risking these sectors do not come together as they used to.

- Mr. Gaul asked if it was possible to explore partnerships between the regional banks and the international banks to facilitate trade finance. Mr. Bash noted this was the core of the problem, however still questionable who would be responsible for various costs in any such transaction.

- Chair Klowden reminded members about the Secretary’s request to TFAC to propose recommendations by the spring, and inquired at how soon the various recommendations could be made. He acknowledged that the education initiative required a further definition of its scope, especially given the time constraints on the TFAC.
- Mr. Rodriguera stated that a draft was circulated the day before the meeting and some edits had been proposed. A final draft could be ready soon after the meeting.
- Chair Klowden noted that votes could be held by phone, but required a two-week notice for public participation.

- Mr. Mendell explained that the trade credit insurance background was finished, but additional work was needed for a final recommendation. He noted that additional expertise from TFAC members would be indispensable to completing, especially by providing specific examples of the use of credit insurance. No definitive timeline.
- Mr. Dener, in the phone, asked if the new members wanted to propose other initiatives that were not currently on the agenda. He also asked how TFAC was proposing to fund its recommendations given the budget constraints for implementing new programs.
    - Mrs. Gomes stated her interest in the business case for trade finance from a banker's perspective, and was investigating that area further.
- Chair Klowden emphasized that any projects which required money would need to be backed by strong data in order to be approved by the Secretary. He further noted that the Secretary was expecting actionable recommendations from the TFAC. He also noted there might an opportunity to considering commenting on SBA's efforts to shape its own processes.
- Chair Klowden noted that there would be at least one, if not two more in person meetings for the TFAC before August, when the TFACs charter expires. He encouraged the new members to follow up on their ideas if they had the time and resources to finish by August.

Chair Klowden thanked the members of TFAC, the DFO, and DAS Sullivan.

DAS Sullivan mentioned that while budgetary constraints were an issue, the TFAC should focus on the substance of their recommendations.

DAS Sullivan thanked the TFAC members and closed by emphasizing that increasing exports was a priority area for the Commerce, where trade finance was an important component of that.

The meeting was adjourned.

TRADE FINANCE ADVISORY COUNCIL
Meeting Attendance Log
February 22, 2018 ‖ 10:00am –3:00pm

Department of Commerce

- Wilbur Ross, Secretary
- James Sullivan, Deputy Assistant Secretary, Services, Industry & Analysis/ITA
- Patrick Kirwan, Director, Trade Promotion Coordinating Committee
- Tricia VanOrden, Deputy Director, Trade Promotion Coordinating Committee
- Thomas McGinty, National Field Director, Global Markets, ITA
- John Larsen, Director, Digital Client Engagement, Office of Digital Initiatives Global Markets, ITA.
- Stephanie Smedile, Acting Director, Office of Strategic Planning, U.S. Commercial Service
- Paul Thanos, Director, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Michael Fuchs, Team Lead, Trade and Project Finance, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Ericka Ukrow, Designated Federal Officer for TFAC, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Erik Lenz, Senior International Trade Specialist, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Scott Schmidt Senior International Trade Specialist, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Vincent Tran, International Trade Specialist, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Yuki Fujiyama, Senior International Trade Specialist, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Spencer Gross, Intern, Office of Finance and Insurance Industries, Industry & Analysis, ITA
- Pokuan Wu, Intern, Office of Finance and Insurance Industries, Industry & Analysis, ITA

Other Agencies

- Peter Cazamias, Associate Administrator, Office of International Trade, U.S. Small Business Administration

- Eugene Cornelius, Jr. Deputy Associate Administrator, Office of International Trade, U.S. Small Business Administration
- David Vidal, Policy Advisor, International, Office of International Trade, U.S. Small Business Administration
- Jennifer Hazelton, Senior Vice President, Office of Communications, Export-Import Bank of the United States
- U.S. Department of the Treasury, Jeremy P Kuester, Deputy Associate Director, Policy Division, Financial Crimes Enforcement Network

TFAC Members

- Kevin Klowden, Executive Director California Center, Milken Institute. (*TFAC Interim Chair*)
- Stacey Facter, Senior Vice President Trade Products, Bankers Association for Finance and Trade. (*TFAC Vice-Chair*)
- Sergio Rodriguera, Chief Strategy Officer, The Credit Junction. (*TFAC Vice-Chair*)
- Steven Bash, Senior Vice President, International Banking City National Bank.
- Alan Beard, Managing Director, Interlink Capital Strategies.
- Peter Bowe, President and CEO, Ellicot Dredge Enterprises.
- Adam Dener, Managing Principal, Fermat Capital Management. (via phone)
- Russell D'Souza, Vice President & Corporate Treasurer, Hanesbrands, Inc.
- Timothy Gaul, International Export Finance Director, Caterpillar.
- David Herer, President and CEO, ABC-Amega Inc.
- Karsten Herrmann, Senior VP Political Risk and Trade Credit, Munich Reinsurance of America.
- Samuel Hodges, Managing Director, Funding Circle. (via phone)
- Patricia Gomes, Managing Director, Regional Head of Global Trade and Receivables Finance, North America, HSBC Bank USA, N.A.
- Todd McCracken, President and CEO, National Small Business Association.
- Gary Mendell, President, Meridian Finance Group.
- Lou Tierno, Vice President Trade Products, Fulton Financial Corporation.
- Steven Wilburn, Chief Executive Officer, FirmGreen. (via phone)

Public

- Andy Lee, US Global Trade & Receivables Finance, Senior Manager in Solutions Structuring, HSBC.
- Mary Berger, Washington Trade Daily.
- Rossella Brevetti, Legal Editor/Reporter, Bloomberg BNA.

TRADE FINANCE ADVISORY COUNCIL
MEETING AGENDA
Thursday, February 22, 2018 ‖ 9:30 am – 3:00pm
Department of Commerce ‖ Washington, DC

9:30 – 10:00 AM ***Networking and Coffee***

10:00 – 10:20 AM **Roll Call and Introductory Remarks**
Interim Chair Kevin Klowden

10:20 – 10:30 AM **Welcome Remarks**
James Sullivan, Deputy Assistant Secretary, Services Industries, Industry & Analysis, International Trade Administration, U.S. Department of Commerce

10:30 – 11:00 AM **Opening Remarks**
Wilbur L. Ross, Secretary, U.S. Department of Commerce

11:00 – 12:00 PM **TFAC Discussion with U.S. Government Agencies**
DAS Sullivan and Chair Klowden: Moderators

- Peter Cazamias, Associate Administrator of International Trade
  Eugene Cornelius, Jr. Deputy Associate Administrator, Office of International Trade
  U.S. Small Business Administration (SBA)

- Jennifer Hazelton, Senior Vice President, Office of Communications
  Export-Import Bank of the United States

- Patrick Kirwan, Director
  Trade Promotion and Coordinating Committee (TPCC)

Q&A

12:00 – 1:00 PM **Lunch – Subcommittee Breakout Session**

1:00 – 2:15 PM **TFAC Discussion with Commerce and Gov. Agencies**
DAS Sullivan and Chair Klowden: Moderators

- Trade Finance Education Strategies
  Kevin Klowden, TFAC Subcommittee Chair

- Export Finance Best Practices
  Lou Tierno, Subcommittee Chair

- Fintech and Data Standardization – Addressing Process obstacles for SME Credit Risk Assessment
  Sergio Rodriguera, TFAC Subcommittee Chair

- Trade Credit Insurance Underutilization
  Gary Mendell, TFAC Subcommittee Chair

- Thomas McGinty
  ITA Global Markets, National Field Director, Commerce

- John Larsen, Director of Communications
  ITA Global Markets, Office of Digital Initiatives, Commerce

Q&A: Including:
- SBA - David Vidal, Policy Advisor, International Trade Finance
- U.S. Department of the Treasury - Jeremy P Kuester, Deputy Associate Director, Policy Division, Financial Crimes Enforcement Network
- DOC:
  - Patrick Kirwan, Director, Deputy Director, TPCC
  - Stephanie Smedile, Acting Director, Office of Strategic Planning, U.S. Commercial Service

2:15 – 2:25 PM **Public Comments**

2:25 – 2:35 PM **Council Chair Election**

2:35 – 2:55 PM **Next Steps**
Vice Chairs Facter and Rodriguera

2:55 – 3:00 PM **Closing Remarks and Adjournment**
Chair Klowden