DETAILED MINUTES OF THE

U.S. DEPARTMENT OF COMMERCE

TRADE FINANCE ADVISORY COUNCIL

MEETING ON April 26, 2018

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

__________________________ ______________________

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
April 26, 2018 ‖ 12:00 – 2:00pm (EDT)

Via conference call
Phone: 1-800-857-6730 / Participant Code: 1534883

WELCOME AND OPENING REMARKS

The Council's Designated Federal Officer (DFO), Ericka Ukrow, opened the meeting, continued to do a roll call.[1]

TFAC Chair, Kevin Klowden, called for the approval of the minutes of the February meeting minutes, which was seconded by Vice-Chair Facter.

Chair Klowden welcomed members and the audience, and thanked DAS Sullivan and OFII staff for facilitating the TFAC meeting. He underscored the purpose of the meeting was to deliberate and vote on the five draft recommendations before the council.

James Sullivan, Deputy Assistant Secretary (DAS) for Services Industries, Industry & Analysis, International Trade Administration, U.S. Department of Commerce, welcomed members and attendees and especially the recently appointed TFAC members who had helped shape the recommendations in their short time on the council.

He expressed confidence that the TFAC's recommendations would contribute to helping U.S. exporters receive the financing that they needed to expand overseas, and boost economic growth.

DRAFT RECOMMENDATION PRESENTATIONS AND DISCUSSION FOR APPROVAL

Incentives for Private Sector Lending to Stimulate Exports, Presented by Kevin Klowden and Adam Dener
(Moderated by Vice-Chair Facter)

Chair Klowden noted that this recommendation was designed to fill the gap for the recommendation initially presented in September 2017. The goal of the recommendation is to help provide more specific actionable steps that can address the $1.7 Trillion USD credit deficit between supply and demand in export finance, which primarily hurts SMEs.

Key Issues:

[1] See attendance log attached for details.

- Provide a capital incentive for investment and private sector managers to overcome the key constraints that disincentivize traditional capital to place money into the export credit sector, including constraints both domestic and international.
- Including those under the Basel Accords which often make SME export lending in this space less profitable and more burdensome.

Recommendation

Incentivize private fund managers to employ funds through existing channels by establishing "The SME Investment Management Office" in the Department of Commerce. This Office would provide one-time grants to private sector investment managers to set up new product offerings as SME lending capital or receivables purchase capital that are term funded with that capital committed to be lent to SMEs over a period of several years.

By setting these structures up you incentivize more profitable structure for both fund managers to deploy capital and banks to issue capital to SMEs for export finance. With a goal to create a sustainable source of lending which will not need additional and ongoing federal support once the structures are set up, with the exception of basic management and oversight to insure the process continues and remains effective.

The goal is that by issuing a cap at $500Million for one-time funding, with the exact amount to be determined by the Department of Commerce, this would provide a direct and immediate mechanism for stimulating further exports, and directing capital to SME exporting, which has been the export sector most effected by the capital crunch.

Questions and Comments from TFAC Members and the Public

Kenneth Wengrod from FTC Commercial Corporation commented that it was an interesting approach, but that it was also necessary to address the mitigation issue on the UCCs. The United Nations Convention on the Assignment of Receivables about to be released from the Senate Foreign Affairs Committee, would help lenders on exporting and allow them to conform to the UCC and Article 9 internationally. This issue has been holding up a lot of exports, even those with insurance protection, he added.

TFAC member Steven Bash from City National Bank, as a regional banker he requested more discussion around the origination of the loans. He noted that the recommendations focus on the collaboration between bank channels that can originate the credit. However, those channels that might be perceived as being open may not be. Therefore, the TFAC may not have the resources or focus on potential borrowers that would feed into this type of program. He reiterated his support for the program, but noted that he worries about the origination process using solely the banks.

TFAC member Steve Wilburn from Firm Green suggested that better coordination with the Small Business Administration should be considered.

Adam Dener responded to Steven Bash and Steve Wilburn comments, noting that both were asking questions about access to small businesses. Mr. Dener commented that access channels to

SMEs would be a necessary part of the design of the program if it were to be adopted, which could include coordination with the banking sector, and the SBA or other federal and state agencies.

Vice-Chair Facter asked if Mr. Dener had an understating of the depth of the market from a lender perspective, given such incentives.

Mr. Dener explained that by using the high yield loan and bond market as a proxy, which is a market of more than $1 Trillion predominately focused on U.S. companies, also a sector difficult for banks to serve under the Basel II accords, gives a good indicator of market depth.

Vice-Chair Facter followed up by asking Mr. Dener about the cost of the incentive, should the initiative fail, if there is a way to return the money for the incentives.

Mr. Dener responded that it was an important consideration along with compliance and risk. Program design would have to cover this area, where the $500 Million number is 5 basis points of a trillion dollars. It would depend on how much money the Administration would be looking to raise. The ongoing $15 Million administration number came from looking at other agencies, and their operating costs.

TFAC member Tim Gaul from Caterpillar asked for clarification on how this proposal would be targeted at SMEs who would use this capital to export, or financing specifically for the purchase of export related receivables.

Mr. Dener responded that this would be a program design question, since there are constraints surrounding how capital can be used by an SME.

Michel Fontaine from Transacxion Technologies, stated that he previously ran a small business in Canada which used trade financing to grow successfully. When relocating to the U.S. noticed the deficiency in the trade finance space. There is always a potential to run afoul of GATT, which for example does not allow the Ex-Im Bank to provide insurance for domestic transactions. How do we make it commercially viable for banks and non-banks to provide lending for export financing? Creating a standardized program akin to mortgagees would allow all parties involved the knowledge of how to execute the process. The key is to have something that can be measured, which lowers the fixed cost of processing those transactions. If an additional incentive can be created for foreign buyers, via trade finance, U.S. jobs will be created.

Mr. Dener stated that one of the topics that has been examined by the TFAC is the issue of the high fixed cost to originate credit and evaluate information. The topics are addressed in separate recommendations.

Chair Klowden noted that the SBA briefed the TFAC, at the in-person February meeting, about reforms they were considering to be more effective in their outreach and programs. He further noted that at the next TFAC meeting one of the key potential work streams would include this analysis.

He then asked specifically if there are any proposed changes to this recommendation from the TFAC members. No proposed recommendations were made by TFAC members.

VOTING AND ADOPTION OF THE RECOMMENDATION

Chair Klowden moved to a motion (roll call) to vote on the recommendations and Vice-Chair Stacey Facter, seconded the motion.

Members voting YES: Alan Beard, Adam Dener, Stacey Facter, Timothy Gaul, Karsten Herrmann, Kevin Klowden, Gary Mendell, Steven Bash, William Browning, Russell D'Souza, David Herer, Samuel Hodges, Louis Tierno , Steve Wilburn, Todd McCracken, Mark Roberts.

Members voting NO: None

The recommendation was formally adopted by the TFAC.

Data Standardization for Facilitation of Export Credit, Presented by Adam Dener (Moderated by Vice-Chair Facter)

Mr. Dener noted that the recommendation evolved from early work by members Chris Bozek and Sergio Rodriguera that centered on seemingly different initiatives. The first being a Know Your Customer (KYC), Anti-Money Laundering (AML) utility focused on banks, and the second was a master standard data repository that could be used in collecting identity and financial data on U.S. companies.

The recommendation is for the creation of a standards based repository that would be mandated and managed by the federal government, specifically the Department of Commerce. This repository would contain a standardized and validated set of documents which would include unique identity and company identifiers, ownership, and beneficial ownership relationship documents, customer and supplier relationship documentation, and corporate financial statements, including income statements, balance sheets, cash-flow statements, and asset and liability registries. Both working groups did significant background analysis, including meeting with key stakeholders, which lead to this recommendation.

The working team has concluded that there is significant benefit in the collection of this information, and in that information being centralized and standardized. The federal government already collects much of this data, which is privately disclosed and maintained by, among others, the Treasury Department, and through commercial relations with the private sector (when the private sector is a service provider). The group acknowledges that this information is highly sensitive.

Access to segregated data is key to credit decisions. There is no central database of this information in the U.S., however, other countries have mandatory data requirements for such sensitive information, which included credit information. Centralizing and standardizing information has benefits including saving time and resources, and increasing the volume of financing since the costs of aggregation and analysis is a significant hurdle for credit provision.

Separately, and importantly, the National Security divisions of the U.S. government rely on disclosures by financial institutions to ensure National Security compliance in a myriad of ways including to attempt to minimize criminal activity such as money laundering and terrorist financing. Foreign governments utilize their mandatory aggregated data systems as part of their sovereign security infrastructures. A consolidated data repository is critical to U.S. business ability to gain broader access to finance as well as to assure greater National Security assurance. Given privacy and confidentiality issues the Federal government is uniquely placed to obtain, house and eventually analyze such aggregated data and the Department of Commerce is an appropriate agency to oversee such activity.

Currently much of this activity is ceded to the private sector bi-laterally in their activities among one another as well as to state and local governments in multiple jurisdictions throughout the country, each of which is using its own data and systems which obviously results in a highly inefficient and costly approach. The Federal Government should develop and implement a government-wide data repository ("GDR") and standard reporting regime for corporate identities and their financial and business information. The GDR should be initiated by the Department of Commerce (DoC) and implemented initially within the DoC in a pilot program which should identify an operating department with significant activity with the private sector that is engaged in business and services with small businesses, particularly exporters. The DoC should develop and implement a program to aggregate data with those companies. As part of that pilot the DoC should coordinate with National Security agencies on the design of the pilot and system as a means of developing an appropriate mandatory infrastructure.

Questions and Comments from TFAC Members and the Public

Vice-Chair Facter asked if there are similar ideas currently in place in different jurisdictions which could be used as models for developing this program further.

Mr. Dener answered that this has been attempted in other parts of the world, but the U.S. has a different legal and property rights infrastructure than exists in other parts of the world. States' rights vs. property rights vs. federal law create a variety of issues, including privacy issues which differ at a state level. This would be an issue DoC should explore as part of a pilot program, before an overall program was to move forward.

Vice-Chair Facter read comments from former TFAC Chair Bozek, which read as follows:

"Centralizing and standardizing data will directly and positively benefit importers and exporters of all sizes with the biggest benefit arguably accruing to SMEs. By reducing the cost associated with trade finance origination and ongoing finance administration for all parties to the transaction."

Vice-Chair Facter read comments from former TFAC Vice-Chair Sergio Rodriguera, which read as follows:

“Members of the TFAC I want to submit this statement for the record, to provide further substantiation and support to the data standardization for facilitation of export credit proposal. As a former Vice-Chair of TFAC, I collaborated with Adam Dener on the investigation of the credit gap for small and medium sized enterprises due to the lack of access to traditional sources of capital, and increased regulatory requirements following the financial crisis of 2009. The credit gap is estimated to be approximately $1.7 trillion and traditional financial institutions have been unable to address the needs of SMEs. Non-bank institutions and financial technology firms (FinTech) established after the crisis have stepped in to fill the void. However, at the heart of the problem of extending credit to SMEs is the cost of origination, which can be attributed to compliance with the bank secrecy act, and anti-money laundering regulations. More generally, the costs in extending credit can be tied to the cost of accessing data, including identity ownership, and business relationships. Simplifying and classifying data under one system can provide aggregation of data, and better analysis in a more cost effective manner. The federal government is uniquely positioned to act as a repository for such aggregated data by instituting a government wide repository. The benefit for the private sector is the facilitation of more banking activity, specifically extension of credit. In addition the government will benefit by improving known ownership of companies, ultimately enhancing national security. In conclusion, I want to extend my thanks to Adam Dener for continuing and furthering the work on this proposal. Incorporating this proposal can lead to the facilitation of more credit to SMEs and by extension promote more growth and an increase in exports.”

Vice-Chair Facter turned the meeting over to member of the public David Gustin, Global Business Intelligence, to provide comments.

Mr. Gustin stated that he worked with a number of specialty lending clients who use technical tools to scrape data via AI and machine learning, there is sophisticated technology being used in the space. What the TFAC has outlined goes well beyond export finance, and would allow all underwriting costs to be significantly driven down. This proposal would also allow for better underwriting decisions to be made. There is a real net positive to the proposal.

Mr. Gustin asked TFAC member Adam Dener: When you think about how you could pilot such an initiative, could you engage with some of the larger U.S. commercial banks to service the target segment as aggregators? And work with SMEs who opt in to such a program, where the Department of Commerce needs only to align with the banks on the standards? Has the scope of the pilot been defined?

Mr. Dener responded that the program should be run by an office with a large number of SMEs as constituents. It would be the TFACs recommendation that bank and SME interfacing be a consideration of the program design.

TFAC member Todd McCracken with the National Small Business Association commented that, the greater sharing of information and standardization of information would greatly improve the ability of financial institutions to do their jobs and extend lending. However, with approximately twenty million business enterprises in the U.S. it is an enormously dynamic part of the economy, all in different places in terms of reporting, and the development of their financial statements. Without detail in terms of what kind of reporting would be mandatory for this program, the non-compliance penalties, and the security of data, he cannot support the recommendation and will vote no.

TFAC member Steven Bash with City National Bank commented that he strongly supports the recommendation, not just from a regulatory efficiency standpoint, but in two other ways as well. First, the speed to execution of approving and onboarding a loan would be incredibly enhanced by having this regulation adopted. Second, this could provide for comprehensive training of responsible lenders in the future around various different types of lending, including trade finance.

TFAC member Samuel Hodges with Funding Circle suggested that perhaps having the government start with standards around data the government already collects, the Modernizing the IRS bill which Senator Booker and Representative McHenry have been working on may be an interesting idea as a point to start. Working with the government on starting points around data the government already collects, and using that as a way to pilot this out, may also address some of the concerns raised by member Todd McCracken around reporting and information security.

Mr. Dener acknowledged the comments made by the TFAC members.

Chair Klowden noted that given the feedback the TFAC had received, if either Todd McCracken or Samuel Hodges had language for a simple amendment they would wish to put forward.

Todd McCracken noted that while he had some thoughts, he did not have a specific amendment to propose at this time.

Chair Klowden moved to vote on the recommendation as discussed, the motion was seconded by Vice-Chair Facter.

Members voting YES: Alan Beard, Adam Dener, Stacey Facter, Timothy Gaul, Karsten Herrmann, Kevin Klowden, Gary Mendell, Steven Bash, William Browning, Russell D'Souza, David Herer, Samuel Hodges, Louis Tierno , Steve Wilburn, Mark Roberts.

Members voting NO: Todd McCracken.

The recommendation was formally adopted by the TFAC.

Trade Finance Education Strategies, Presented by Gary Mendell and Alan Beard (Moderated by Chair Klowden)

Chair Klowden introduced Alan Beard who began the presentation, assisted by Gary Mendell.

Mr. Beard explained that while there are a number of excellent sources on export financing, their applicability to SMEs are often not clear. U.S. Export Assistant Centers (USEACs) are often on the front line, answering questions about trade finance and tasked with helping exporting SMEs find adequate sources of financing for their exports. By their nature USEACs are often generalists, and don't have the background to give very targeted responses to specific questions about financing. A more targeted response, which determines who needs financing (the exporter, receiving customer, etc.), and what type of financing is needed, and drills down further into the process will be helpful for the SME to get the kind of resources they need to be successful in obtaining financing.

To aid USEAC specialists in identifying the need and relevant financing resources to recommend, the TFAC put together a decision tree, which would ultimately be automated and be placed on the internet as an application. However, initially could take the form of a script.

Such a decision tree should include both private sector alongside public sector resources for export finance. Ideally the decision tree would be tailored specifically for each region. This program could be initially launched through Ex-Im or SBA's existing institutional partners. This partnership could include a matching process for export finance as well; BAFT previously had a program like this and could be a good candidate to pilot such a program. Export yellow pages is an example of a public-private-partnership (PPP) done by the Department of Commerce which could serve as a blueprint, he added.

In addition to the decision tree, a booklet could be produced encompassing all of the information which the Department of Commerce has on trade finance. Resource guide could serve as a method of outreach to financial institutions.

Gary Mendell further commented on the timing of introducing trade finance into the discussion. Throughout his career he had worked with exporters who waited until the 11^{th} hour to incorporate finance into their trade transactions, or into their companywide trade strategies. Often times it is too late at this point, or the opportunities for the best rates have already passed. Speaking with other TFAC members, this does not seem like an isolated instance. A key part of this recommendation is that USEACs and other in the process be cognizant of and be provided with the tools required to proactively bring trade finance into the conversation, regardless if the exporter broaches the subject.

Questions and Comments from TFAC Members and the Public

Chair Klowden opened the meeting to TFAC members who wished to comment.

Vice-Chair Facter, voiced that she was highly supportive of the initiative especially the decision tree.

Mr. Dener asked, if the intention was to build a software tool for a decision tree, or if this would be done in a USEACs office.

Mr. Beard noted that initially this would be done at the USEACs office, potentially on a word document, as opposed to an actual app. However, for effectiveness it should be developed as an application, via a PPP.

Mr. Mendell stated that the proposal was both about the tools but also the education around these.

Chair Klowden opened the line for public comments.

Paul Frost from the Department of Commerce, Ft. Lauderdale USEAC, thanked the TFAC members for their work and mentioned his support of the initiative. Recently, he added, USEACs conducted an internal webinar about working more with Ex-Im, through a relatively new initiative, the international expansion blueprint (IEB). The IEB is a standardized document, which includes a small section on trade finance, used by USEACs with clients to go in-depth. The TFFAC initiative would enhance the utility of the IEB.

He also suggested working with the USEAC regional network directors to see if they would be willing to set voluntary goals for the individual trade specialists to have a trade finance success story to share. This would give trade specialists more of an incentive to start down this path.

Mr. Beard thanked Mr. Frost for his ideas, and made the observation that while this would be in addition to the IEB, the hope would be to make it more robust then to focus only on government resources. Many SMEs get frustrated that they are only referred to SBA or Ex-Im, when it may not be a suitable solution.

Kenneth Wengrod from FTC agreed with Mr. Beard, and stated that it was imperative that private sector resources were highlighted along with success stories. The education should also be brought to commercial lenders, he added, to show that their collateral is strong, that can also be protected with credit insurance, and that they can lend against it and get paid. Further, Ex-Im needs to be educated to make their process simpler. In addition, working with the district export councils to develop lists of providers that companies can be referred to is key.

Chair Klowden noted that the recommendations could be modified after this meeting if necessary, to incorporate comments.

Chair Klowden moved to a vote to adopt the recommendation, Vice-Chair Facter seconded the vote.

Members voting YES: Alan Beard, Adam Dener, Stacey Facter, Timothy Gaul, Karsten Herrmann, Kevin Klowden, Gary Mendell, Steven Bash, William Browning, Russell D'Souza, David Herer, Samuel Hodges, Louis Tierno , Steve Wilburn, Todd McCracken, Mark Roberts

Members voting NO: None

The recommendation was formally adopted by the TFAC.

Trade Credit Utilization - Data Collection, Presented by Gary Mendell and Karsten Herrmann
(Moderated by Chair Klowden)

Chair Klowden introduced Karsten Herrmann and Gary Mendell.

Mr. Mendell explained that it has been the experience of some members of TFAC, including himself, that offering trade credit insurance can help exporters expand their international sales by supporting better payment terms. By insuring foreign receivables against non-payment risk, the coverage can be both a sales tool and a financing tool. It is the impression of some TFAC members that U.S. SMEs utilize trade credit insurance to a lesser extent than SMEs in Europe and other parts of the world.

If credit insurance is an effective trade finance tool, and if U.S. exporters use the coverage less than foreign suppliers do, this potentially makes U.S. exports less attractive abroad. Therefore, it might be worth exploring what the U.S. Government, the private sector, or a PPP could do about this. He also noted that the combined experience of the TFAC members is considerable; and although the impressions of the TFAC are only anecdotal, industry leaders the TFAC has spoken to in the U.S. and abroad have echoed this.

To determine the facts about the role of trade credit insurance and its utilization, let alone to determine what the private sector or U.S. Government might do about it, statistically significant data needs to be developed and analyzed. The TFAC believes the anecdotal evidence is strong enough to warrant undertaking such a research project. The private sector has not developed such data, and for commercial reasons appears highly unlikely to work together to create such data. The Department of Commerce would be a good candidate to develop this data.

Therefore, the TFAC recommends that the Secretary of Commerce initiate a project to develop data examining the use of credit insurance by U.S. SME exporters and its impacts on trade. This would provide the TFAC, U.S. Department of Commerce and all concerned parties with the relevant basis for future action in this area.

Mr. Herrmann added that in his work as a reinsurer he has seen a much larger use of credit insurance in Europe and Asia. The only major credit insurance industry association is located in Europe. In Europe credit insurance is seen as a trade finance tool, and that many firms in Europe believe credit insurance is underutilized in the U.S.

Questions and Comments from TFAC Members and the Public

Vice-Chair Facter, clarified that Mr. Mendell and Mr. Herrmann were speaking of private trade credit insurance, and not public programs.

Mr. Mendell clarified that the recommendation to study credit insurance was agnostic to the public and private sectors, but that he had observed it is the same issue in both.

Vice-Chair Facter further stated that it would be wise to keep in mind current capital requirements of eligible insurance programs under Basel.

Mr. Mendell agreed with the impact of the insurance on capital adequacy requirements of financial institutions is a relevant subject and explained that the decision was made to somewhat narrow the initial stage of the recommendation from broader elements. This allows for a quicker result about data from the exporter side. However, as financial institutions are engaged at later stages, it will be important to keep in mind.

Vice-Chair Facter added that differing approaches abroad by financial institutions might be leading to the difference in the utilization of credit insurance.

TFAC member Russell D'Souza with Hanesbrands Inc. asked if there was any data from Europe and Asia about the utilization of credit insurance by SMEs which could be used as a point of comparison.

Mr. Herrmann stated that there was no statistically significant data in Europe or Asia in credit utilization, but that conversations with practitioners there led to the same conclusion.

Vice-Chair Facter noted the United Kingdon had recently released a paper on the subject, which may encourage more empirical research on the subject in Europe.

TFAC member Adam Dener from Fermat Capital asked if part of the recommendation was to determine how much equity was dedicated to the sector, how much was private sector, how much was public sector, and how much was reinsured, as well as do analysis on policy holders of these products.

Mr. Mendell responded that part of the recommendation was certainly to determine who is using credit insurance (i.e. banks, or corporations). Mr. Herrmann explained that the amount of equity available, who holds it, how much is reinsured, etc., would be something to analyze at a later stage.

Kenneth Wengrod from FTC commented that the focus should be on the constraints, and why private lenders are not lending against those credit insurance policies, and how to make them feel more comfortable. If lenders understand the ease of doing it they will take more advantage of credit insurance. The beneficiary, if an individual private company takes it out, a lot of times it is a sign to a lender.

TFAC member Steve Bash commented that from a lenders standpoint, data is needed to bridge the gap between lenders and the credit officers. This data would help close the gap of knowledge between all parties responsible for originating trade finance, and help more SME credit get approved.

DAS Sullivan made a quick comment that the Bureau of Economic Analysis and the Census, both at Commerce, do collect insurance transactions in their surveys, although not at the level recommended. Thus, there could be an opportunity to explore in greater detail the current uses and awareness of credit insurance by SME exporters. One caveat is that both bureaus authority to collect data and to survey businesses is set by OMB, so they don’t have complete unfettered discretion in this area.

Chair Klowden asked if more specific language in regards to the interface with the Department of Commerce, as well as specifically putting in language asking this recommendation be further conveyed to OMB to authorize and facilitate further specific insurance data collection.

Michel Fontaine from Transacxion Technologies commented that the insurance credit model has been the same for a long time. The core model itself is the problem. Most people do not know how to utilize credit insurance, and it should come packaged from the bank. Allowing a bank to do a deal packaged with insurance to finance exports where the 90% that is covered by the insurance would be a pass-through, would increase the profitability of the loan. There is a way to create policies which allows banks to assess the credit costs. The number one priority would be for the bank to get paid. By bundling the products together the cost of credit insurance is not that expensive. He added that the focus on credit insurance should be focused on de-risking the transaction for banks.

Mr. Mendell, made a final comment that the recommendation at hand was to show how important credit insurance is for SME exporters, and that the recommendation is just a first step.

Mr. Fontaine asked if the big three would participate.

Mr. Mendell responded that the TFAC had spoken to upper management at all three companies and they were not prioritizing finding this data.

Chair Klowden asked if any TFAC members had additional recommendations to make in regards to the proposal.

TFAC member Adam Dener suggested as part of the research to analyze both the public and private sector insurance companies, gather their financial statements, and trend them over periods of time, to ultimately match them with export volumes globally and regionally. As well as to analyze the amount of equity they have over periods of time as part of this work.

TFAC member Gary Mendell stated that he would not be in favor of the proposed amendment as it would significantly broaden the scope of the recommendation, and that it should be set up as a separate recommendation, which he would fully support.

TFAC member Karsten Herrmann supported Mr. Mendell’s position.

TFAC member Tim Gaul commented that splitting the data between public sector insurance and private sector insurance was doable. Going into financial analysis of statements seemed more appropriate for the next stage of work.

Chair Klowden asked Mr. Dener if he wanted to amend the language of his amendment or keep the language as proposed.

Mr. Dener responded that he wished to keep the language as proposed.

Chair Klowden moved to a vote on the recommendation as it is stated unamended, Vice-Chair Facter seconded the vote.

Members voting YES: Alan Beard, Stacey Facter, Timothy Gaul, Karsten Herrmann, Kevin Klowden, Gary Mendell, Steven Bash, William Browning, Russell D'Souza, David Herer, Samuel Hodges, Louis Tierno , Steve Wilburn, Todd McCracken, Mark Roberts.

Members voting NO: Adam Dener

The recommendation was formally adopted by the TFAC.

Private Sector Risk-Sharing Project, Presented by Stacey Facter

Chair Klowden proposed postponing discussing this recommendation due to time constraints, with the intention of voting on the recommendation first at the next public TFAC meeting.

Chair Klowden held a motion to postpone the recommendation until the next meeting, the motion was seconded with none opposed.

NEXT STEPS & CLOSING REMARKS

Chair Klowden thanked the TFAC for the discussion and recommendations, and noted that the TFAC would hold one more in person meeting to consider the postponed recommendation and any other recommendations that are being put forward for the current term of the TFAC.

Chair Klowden recommended either June 19th or June 21st in Washington D.C. for the next meeting.

Chair Klowden thanked the TFAC members for their participation and for passing four different recommendations. He also encouraged members to consider any work streams that could be turned into recommendations for the next meeting and commented about discussions on expressed interest in developing recommendations related to the Small Business Administration.

DAS Sullivan thanked the TFAC members for their time and second set of recommendations, and for the very productive discussion. He noted that he would work with the Office of Finance and Insurance Industries team to make sure the recommendations were transmitted to Secretary Ross for his consideration.

The meeting was adjourned.

TRADE FINANCE ADVISORY COUNCIL
Attendance Log
April 26, 2018 ǀ 12:00 – 2:00pm (EDT)

Department of Commerce Trade Finance Advisory Council (TFAC) Members

- Kevin Klowden (Chair)
  Executive Director California Center, Milken Institute
- Stacey Facter
  Senior Vice President Trade Products, Bankers Association for Finance and Trade *(Vice Chair)*
- Steven Bash
  Senior Vice President, International Banking City National Bank.
- Alan Beard
  Managing Director, Interlink Capital Strategies.
- William Browning
  Senior Vice President – Business Credit, First National Bank.
- Adam Dener
  Managing Principal, Fermat Capital Management.
- 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.
- Todd McCracken
  President and CEO, National Small Business Association.
- Gary Mendell
  President, Meridian Finance Group.
- Mark Roberts
  Vice President, Specialty Banking Services, Alliance Bank of Arizona
- Lou Tierno
  Vice President Trade Products, Fulton Financial Corporation.
- Steven Wilburn
  Chief Executive Officer, FirmGreen.

Commerce & U.S. Government

- James Sullivan
  Deputy Assistant Secretary for Services Industries
- Paul Thanos
  Director, Office of Finance and Insurance Industries
- Michael Fuchs
  Trade and Project Finance Team Lead, Office of Finance and Insurance Industries
- Ericka Ukrow
  International Trade Specialist, TFAC DFO, Office of Finance and Insurance Industries
- Spencer Gross
  Intern, Office of Finance and Insurance Industries
- Kristy Lynn Howell

Chief, Balance of Payments Division, Bureau of Economic Analysis
- Paul Frost
  Commercial Officer & Deputy Team Leader, Global Financial Services Team, U.S. Commercial Service.
- Inci Tonguch-Murray
  Deputy Chief Financial Officer, Export-Import Bank of the United States
- Katherina Dimenstein
  Legislative Director, Office of Congressman David Schweikert

Members of the Public & Press

- Michael Avari, CEO
  GraceOne Advisors, Inc.
- Ted Barba
  Vice President, Global Supply Chain Finance Solutions, GT Nexus.
- Mary Berger
  Washington Trade Daily.
- Rosella Brevetti
  Legal Editor/Reporter, Bloomberg Law.
- Dominic Capolongo
  EVP, Global Head of Funding, PrimeRevenue, Inc.
- Adam Cherubini
  Greensill Capital.
- Zeynep Ersel
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