

Remarks at a Meeting of the President's Export Council

March 12, 2013

The President. I want to get back to the official business at hand. But I did want to stop by. First of all, I just want to say thanks to the PEC for the unbelievable work that you guys have done and the extraordinary leadership that you've provided to our team and the administration as we've tried to promote exports all around the world. And I'm glad to see that we've got a couple of our outstanding Senators here as well who, I know, care deeply about exports because their States benefit from exports. We all do.

And I assume that part of these charts was Becky going over, the progress that we've made over the last several years, so I won't reiterate it. The good news is we are well on our way to meeting a very ambitious goal that we set several years ago to double U.S. exports. And what we know is, is that a lot of the growth, a lot of the new jobs that we've seen during the course of this recovery, have been export driven.

What's also encouraging is it's been coming from a whole variety of sectors. Obviously, our agricultural sector has always been strong, and it's gotten even stronger. But what we've also seen is, is that our manufacturing base, our high-tech, our services across the board, we're seeing significant increases. And the question now becomes how do we sustain this momentum?

Part of it is making sure that we get in place strong trade deals. And having ratified with the help of a number of our legislators the Panama, Colombia and, most significantly, South Korean trade deals, we've now been moving aggressively on the Trans-Pacific Partnership, a high-standards trade regime that, we think, can advantage U.S. companies and U.S. workers because it sets a bar that ensures that trade is fair and free. And for those of us who abide by high labor standards and high environmental standards, obviously being able to lock in those kinds of high standards in the fastest growing region of the world and the most populous region of the world can yield enormous benefits and help to generate billions of dollars in trade and millions of jobs.

As I announced at the State of the Union Address, we're also going to be launching an effort to lock in a EU-U.S. trade deal as well. And already, Europe is our largest trading partner—the EU as a whole—and we think that we can expand that even further. And some of this has to do with us being able to break down some existing barriers across the Atlantic to U.S. products and services, but some of it also has to do with smoothing out differences in regulatory approaches, just trade frictions that arise that are unnecessary that are—carries over from earlier periods. And we think just as the TPP can be an enormous boost to U.S. trade and growth, that our trade with Europe can expand substantially and that will advantage U.S. companies and U.S. businesses.

But in order for us to do this, we're going to need the help of industry and labor and all the parties that are represented here. One of the things that we've also been trying to do during the course of this process is to make sure that it's not just the Xeroxes and the Dow Chemicals that are benefiting from this, although we want our Fortune 100 companies to be selling as much as possible. They also have a whole lot of suppliers, so small businesses stand to benefit immensely from this process. We actually think that there's room for small and medium-size businesses to export directly, not just supplying large businesses, but also to break

open and enter into these markets. And that can make a huge difference in terms of our long-term prospects.

So overall, this is a good story, this is an optimistic story, but it's one that we're going to have to continue to sustain.

One last point, just because I had a chance to see Bob. I think many of you are aware of the fact that when tourists come here and spend money, that's an export. That goes on the export side of the ledger. And thanks to some of the great work that we've done in a public-private partnership, we've been able to accelerate visas. We've been able to make sure that we are out there actively seeking visitors to come here and promoting the U.S. as a tourist destination.

Just to give you a small example—something that I didn't realize until I went to Disneyworld—it turns out that in Florida, for example, Brazilians are the fastest growing—one of the largest sources of tourism in Florida. And by the way, when they come, they stay a lot longer, and they spend a lot more money.

The problem we had was we had, I think, three places—three places—to get visas in all of Brazil, which is a pretty big country. And so we've been able to cut down visa times drastically. We've seen as a consequence some significant expansion in tourism out of South America because of some of the steps that we've taken. That's the kind of smart, very cost-effective set of steps that we can take that can make a big difference.

And a lot of those ideas have been generated from this group. So I just want to say thank you to all of the terrific people who have been involved, and I'm looking forward to us just staying on this thing until we get it right. Okay?

President's Export Council Chairman W. James McNerney, Jr. Great to have you here.

The President. Good to be here.

Chairman McNerney. We discussed a lot of the FTA momentum that was started during your first term and now you're doubling down in the second term, and many of us around the room are very supportive and delighted to be part of the effort.

I think maybe just another word or two on the European effort from your point of view. TPP, I think we all get, we're working on, we're in the flow. The European thing, because it is a stalled, back-and-forth situation right now because of their economy, just wondered what the theory of the case was from your—

The President. Here's why we're modestly optimistic that we can get this done. I think in the past, the EU, because they've got to coordinate among so many countries, consistently had to pursue the lowest common denominator. And there are certain countries who—whose agricultural sector is very strong, who tended to block at critical junctures the kinds of broad-based trade agreements that would make it a good deal for us. If one of the areas where we've got the greatest comparative advantage is cordoned off from an overall trade deal, it's very hard to get something going.

What I think has changed is the recognition throughout Europe that it is hard for them to figure out a recipe for growth at this point, in part because of the austerity measures that have been put in place throughout the euro zone, in the absence of a more aggressive trade component. So I think they are hungrier for a deal than they have been in the past.

I think, thanks to the work of good people like Mike Froman, we've been able to narrow some of the differences. We've identified on the regulatory side, customs side, areas where we can synchronize without hurting either side, but simply lubricating more effective trade between the two countries.

So we've narrowed down the issues. I think it will still be a heavy slog. There's no guarantee that in the end, some of the countries that have been hard cases in the past won't block it again, but I think that you're going to see more pressure from more countries on the other side of the Atlantic to get this done than we've seen in the past.

Lael, Mike, is that a fair assessment? These guys spend more time in Europe than I do.

Deputy National Security Adviser for International Economic Affairs Michael Froman.
Yes.

Chairman McNerney. Do you have time to take a couple questions—

The President. Sure.

Chairman McNerney. —from the group? Anybody care to weigh in?

The President. Or comments.

Chairman McNerney. Or comments? Sure.

The President. Everybody is just dying to get back to Becky's charts. [*Laughter*] They're nice-looking charts.

Sen. Amy J. Klobuchar. They're very good. Mr. President, thank you for your leadership on this issue. And I just think setting that goal of doubling the exports was one that many of us have used over and over again. And many of us were talking about the need for more kids to go into science, engineering, technology. We are—literally have so many jobs that are unfilled right now, particularly in western Minnesota, and I think finding some simple goal like that of getting the increase in the number of kids going into these areas and selling it as something that they want to do would be a good idea.

And I wanted to commend the State Department—I did earlier—for the work on the visas. I still think there's so much more that can be done. We've doubled—doubled—the tourism. It's up 50 percent from China. And I think that there's even obviously more that we can do with videoconferencing on visa interviews, other things that we should try to use the technology that we have.

As you've noted, people are spending tons of money going to Disneyland; I would also add going to the Mall of America in Bloomington, Minnesota—[*laughter*]—a hot spot for Asia tourists, especially. Not as much Brazilians; it's too cold in our State for them. [*Laughter*] But I see so much promise here with the tourism.

And the last is what you mentioned, this growing political support for fair trade agreements is huge. And it's about the big companies, but when people see in their own towns these small and medium-sized companies where their brothers and sisters work, it creates a kind of support for trade that is much more organic and really goes in a grassroots way across the country. And I think we have to remember that as a piece of what's good for the economy, but also it will grow support for this new global economy.

So I just want to thank you for your efforts and hope that we can look at this—the workforce training issue—in a different way in terms of setting some goals for these kids so they see it as a career opportunity.

The President. Well, look, what's absolutely true is that exports, trade are one brick in this broader economic foundation that we're trying to build. But we're not going to succeed in meeting our export goals if we're not making great products and delivering great services. And we're not going to be able to do that unless we've got a great workforce.

You may want to come with me, because I'm—after this I'm about to go these Intel National Science Award winners, where you meet 15- and 16-year-olds who invents plasmas—[laughter]—and cure cancer, and most of the time, I have no idea what they're talking about. [Laughter] But they're very impressive and inspiring.

We are setting a set of goals for STEM education, number of engineers that we need to produce. All that stuff is going to be important. But what we also—one of the things that I've also been pointing out, when you look at a lot of those jobs that go unfilled, they're not necessarily Ph.D. jobs. The issue here is can we reintroduce an effective model for vocational training where—and part of the goal that we've set for ourselves with respect to high schools is duplicating some of the things that are being done, for example, by IBM, where they go into a high school in New York, and they say, we'll train you, and during high school, you will get the equivalent of an associate's degree so that by the time you graduate, maybe you take 2 years of community college, you are now fully trained for jobs that we know are out there and that people are hiring for, which makes the kids more engaged in high school, saves them money, reduces the number of Pell grants they're taking out. It's a win-win situation for everybody. And the employers then have great quality control in terms of knowing who it is that they're getting.

We want to see if we can duplicate that across the board.

Yes, Kirsten.

Sen. Kirsten E. Gillibrand. Well, I want to thank you, Mr. President, for your vision because I am telling you it's making an absolute difference in my own State in high-tech manufacturing and increasing our exports.

We also had an easy win—I appreciate the leadership you took with regard to Canada, something so parochial, so easy—but increasing our exports to Canada. For New York State to have Montreal and Toronto a stone's throw away is such a huge market for our entrepreneurs.

And some work still can be done. There's no streamlining of what governmental requirements are required on both sides of the border, and that's something that we can actually fix: making a one-stop shop for a young entrepreneur who's starting a business who wants to know what forms do I have to fill out to export my product abroad. That's a place where we have enormous export potential.

And even just in agricultural products, for apples that are going from New York to Canada, they have to be inspected on both sides of the border. Unnecessary. So there's some real streamlining I think we could do, to increase exports just between those two areas of the country.

But I just want to thank you, because, as Amy said, in terms of filling these jobs, what's really worked is part of your initiatives of allowing the community colleges to work directly with the manufacturers to build the course work for the job the manufacturer needs.

And we had a fantastic example where Bombardier, who builds a lot of things, including subways, needed advanced welders. Well, they want to Adirondack Community College, built the course work, and those employees got their training, got a higher wage, and filled the spots. And so it's really exciting what you're doing in education innovation, which is training the people for the jobs that are available with the collaboration of the employers building the course work. It's a win-win for everybody. And I just want to congratulate you for your vision on that issue.

The President. Great.

A couple more?

Mayor Alvin Brown of Jacksonville, FL. Mr. President, I want to thank you for supporting the U.S. Conference of Mayors for the ports. Ports are a big economic engine in our cities, and they really focus on small business and entrepreneurs, helping them to export. So I want to thank you for that.

I know the policy you pushed to allow the study to be released early from the Army Corps of Engineers, which helped Jacksonville, Florida, by the way. Really appreciate that. Florida is very important. And like you said with Brazil, which is Florida's number-one trading partner, so we really appreciate your support on the ports and modernizing the port so that we can compete and position cities to really be competitive in the marketplace.

The President. Well, one of the things that we talked about is if we're going to export effectively, we've got to have effective infrastructure. The ports issue all around the Gulf is going to be critical. The Panama Canal is being modified. You're going to have bigger ships coming in. And if you want to unload those ships, you got to have high-quality ports. That obviously is a gateway for everything that's happening in Central and South America.

Recently, we had the challenge of—I know I talked to Pat about this—getting goods from the Midwest down the Mississippi when the water started going down. And if, in fact, temperatures are warming—I know this is not our climate change meeting—[laughter]—but I think we can anticipate that we may end up having some challenges in terms of managing our waterways. Well, whether or not we can continue to use barges to move a lot of product out of the American heartland to ports around the world, that's going to depend on our infrastructure.

So we are going to, in our budget, continue to push Congress to see if we can essentially deal with deferred maintenance. Sometimes, when it comes to Government spending, everybody thinks it's all the same. I think everybody around this table knows in your businesses, you think very differently about capital investments, long-term investments that are going to make your company more competitive, versus wasting money. And here's an example of where we should be doing less of some things that are not helping us grow. Building infrastructure is something that does help us grow. Okay?

All right, guys, I think you've got smarter people around the table than me to deal with some of these issues. Again, I just want to thank all of you who've been involved. We are going to continue to push this agenda.

One of the things I hope that you've seen during the course of these last 4 years is that if we hear good ideas, we'll implement them, we'll move them. So the great thing about a council like this is that it gives us insight into how things are actually operating or not operating, and we can start cutting through some of the redtape and get things done.

So continue to provide us with recommendations. We'll work them through. There's an interagency process; it's a good way for us to break down some of the silos that develop between various agencies. And I think we can make significant improvement and continue to build on the goals that we've set.

Thank you, everybody.

NOTE: The President spoke at 10:22 a.m. in the Room 350 at the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Acting Secretary of Commerce Rebecca M. Blank; Robert A. Iger, president and chief executive officer, the Walt Disney Company; Under Secretary of the Treasury for International Affairs Lael Brainard; and Patricia A. Woertz, chairman, chief executive officer and president, Archer Daniels Midland Co.

Categories: Addresses and Remarks : President's Export Council, meeting.

Locations: Washington, DC.

Names: Blank, Rebecca M.; Brainard, Lael; Brown, Alvin; Froman, Michael; Gillibrand, Kirsten E.; Iger, Robert A.; Klobuchar, Amy J.; McNerney, W. James, Jr.; Woertz, Patricia A.

Subjects: Brazil : U.S. visa policy; Business and industry : Small businesses :: Promotion efforts; Colombia : Free trade agreement with U.S.; Commerce, Department of: Acting Secretary; Commerce, international : Environmental protection standards; Commerce, international : Free and fair trade; Commerce, international : Labor protection standards; Commerce, international : U.S. exports :: Expansion; Economy, national : Strengthening efforts; Economy, national : Travel and tourism, promotion efforts; Education : Science and math programs; Education : Vocational and technical education programs; Employment and unemployment : Job creation and growth; Europe : European Union :: Trade with U.S.; Europe : Financial markets :: Stabilization efforts; Immigration and naturalization : Visa policy, U.S.; Panama : Free trade agreement with U.S.; South Korea : Free trade agreement with U.S.; Trans-Pacific Partnership (TPP); Transportation : Infrastructure, national, improvement efforts; Treasury, Department of the : International Affairs, Under Secretary for; White House Office : Assistants to the President :: International Economic Affairs, Deputy National Security Adviser for; White House Office : Export, President's Council on.

DCPD Number: DCPD201300146.