



U.S. Economic Statecraft in a Realigned World

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

SWIFT: Hi. Good morning, everybody. Thank you for being here, both of you that made it through security and into this beautiful space but also all of you at your computers or at home online. We appreciate it.

My name is Daniel Swift. I am a senior research analyst at the Foundation for Defense of Democracies, and I work in the Center for Economic and Financial Power.

So, before we jump into the content, I just want to say a few words about FDD. It's – for almost 25 years now, FDD has operated as a fiercely independent, non-partisan research institute solely focused on foreign policy and national security. As a point of pride and principle, we do not accept foreign government funding. For more on our work, please visit our website at FDD.org and on X, Instagram, and subscribe to our YouTube channel. I think FDD is pretty much everywhere these days.

So, it's my privilege to welcome you. And as Michael said, we are waiting on folks in transit or on a vote. But it – I do want to give some background to the event before we kick off.

So, the original idea for this actually stemmed from a research memo entitled, "A Gameplan for American Economic Security," that was authored by my colleagues Josh Birenbaum and Elaine Dezenski. And for those of you that haven't read it, let me just give you the shape of the argument before we jump into the – the panel discussion.

So, the memo starts from a – a singular or simple observation. It's that the United States has vast economic power and we've chronically under-used it. America has the world's largest economy. We issue the currency that the rest of the world trades on, and we have the biggest consumer market. So, in theory, that should give us quite a bit of leverage. But for most of that post-Cold War era, we didn't have – or we didn't really face any economic competition, so it was almost okay to leave a lot of that leverage on the table.

I think we all realize times have changed. China has emerged as a real economic rival, while Iran, Russia, North Korea, and China are now working more closely together and even deploying illicit financial networks against us.

And I would point to the back of the room. There's a new book issued, and Elaine is one of the co-authors, called *The Axis of Aggressors*, that goes into real detail about the relationships – the budding relationships between China, Russia, Iran, and North Korea.

We're also seeing these same adversaries pull third countries into their orbit through corruption and coercion. And economic tools that I think a lot of us thought about as kind of background instruments of foreign policy are now becoming real front-line instruments of national security.

So, when we think of these front-line tools, I think sanctions naturally come to mind, and fair enough. There is about 18,000 individuals, entities, and jurisdictions under all the different U.S. sanctions regimes right now.

But that's not the entire tool kit. The report argues that America has under-invested in the positive side of that ledger, so things like investment, in – infrastructure finance, trade preferences, technical support. These tools not only promote U.S. economic interests, but they also integrate partners into systems, rules, and norms that are more consistent with shared prosperity. Building out that positive arsenal, positive economic statecraft tools, alongside a punitive one is where the report sees the biggest opportunity.

So, in that spirit, the authors, Elaine and Josh, lay out four big ideas.

The first is a Near Global Economy, a kind of economic alignment among true market-based countries built on fair and enforced rules for things like trade, sanctions, and transparency.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

The second is ally-shoring, deliberately moving critical supply chains out of adversarial countries like China and into trusted partners. This is something the Development Finance Corporation has been very ambitious about doing in the – in the recent years.

And the third is the Economic Strike Force, a rapid response capability to support fragile countries at critical transition points.

And the last is an Economic Pentagon, a real center of gravity inside the U.S. government to coordinate all of this, because right now, all these tools of positive economic statecraft are scattered across agencies, and their authorities are scattered all over the place too.

So, I say the last point, and I emphasize it because it's not abstract to me. I saw it up close when I was the acting coordinator for something called Prosper Africa, which was a presidential initiative with 17 agencies to increase two-way trade and investment between Africa and the United States.

A big part of my job was corralling 17 different U.S. government agencies with positive economic tools to all act together to promote American businesses in Africa. This was – this was not an easy task. And I really hated the – the title “coordinator”, and I'll tell you why, because no one in the U.S. government wants to be coordinated, right?

And on top of that – and I see a – a colleague from FCS [Foreign Commercial Service] here – I worked in a lot of embassies around the world and in Washington, and it often felt like commercial diplomacy always kind of played a backseat role in U.S. foreign policy. It – economics in general played a – a backseat role to now – what were considered harder national security issues.

You know, the NSC was – the National Security Council – was always too busy with, you know, various crises around the world to put real time and attention into economic security questions that do require long time horizons and planning functions.

Today, I'm hopeful. I do think there is a growing appreciation on both sides of the aisle that economic security is, indeed, national security. I just don't think our institutions have fully caught up to that idea yet. And it's interesting to me – and the Gameplan memo makes this point very clearly – that America has long, long understood that effective military action requires unified leadership and a centralized structure for planning, tactics, and operation. Why would economic statecraft be any different? It is, in some ways, equally as complex, operating across so many entities. And often times, these tools have effects on U.S. consumers and U.S. interests at the same time.

So that's what we really want to get into today, is to talk about hard questions about how do we improve U.S. economic statecraft over the long term. So, within this administration and beyond.

And we're lucky here – and pretty soon, it is my understanding – we're going to be joined by three people that have just as much – about – have more standing than pretty much anyone in Washington to talk about these topics.

So, first, I'm going to introduce Elaine Dezenski. She is the senior director and head of FDD's Center for Economic and Financial Power, and the lead author of, the Gameplan, and also the – the *Axis* book you see in the back of the room – one of the authors of the *Axis* book.

She spent her career at the intersection of economic and national security at the World Economic Forum, INTERPOL, and the Department of Homeland Security, where she served as deputy and acting assistant secretary for policy. Elaine will be moderating our conversation this afternoon.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

Senator Hagerty, who we understand is tied up with a vote but will be coming soon – and I'll do his introduction now – is chairman of the Senate committees – sorry, is the chairman of the Senate subcommittees on Financial Services and General Government, National Security and International Trade and Finance, and the State Department and USAID Management, International Operations, and Bilateral International Development.

Prior to the Senate, Senator Hagerty served as the U.S. ambassador to Japan from 2017 to 2019 and as a commissioner of the Tennessee Department of Economic and Community Development from 2011 to 2014. He was also an economic advisor and a White House fellow, which by the way is an – a terrific program, under President George H.W. Bush.

Ben Black, who we understand is fighting traffic right now but is close to joining us, is the CEO of the U.S. International Development Finance Corporation, or U.S. DFC. Before that, he spent his career in private markets at Goldman Sachs, then Apollo Global Management, before founding his own investment firm.

Confirmed last October, he's led DFC through its reauthorization this past December, which gave the agency a new cap of \$205 billion in investment capacity, about a three-times increase. And this puts him in charge of what might be the single most positive tool this report calls on America to use more aggressively.

So, I think what we'll do now is, if we can take a few questions from the audience, if anyone has questions about the Gameplan report or a – anything else that I covered in the remarks, and then we can start to pivot to the – the roundtable as soon as Senator Hagerty arrives.

HOWARD: Thank you. Thanks for the introduction, Dan. Could you please go into a little more detail about the intersection of some of the things that you talked about in the Gameplan and the *Axis of Aggressors*? How can the different tools of American security be used – or of American economic power be used to work with a – to combat the combined influence of the Axis of Aggressors?

SWIFT: Yeah, thank you. I – I think the book does a really good job of spelling out a lot of the connections, especially in the economic world that aren't readily apparent. We've seen recently with Iran that the Treasury Department is being more aggressive about the enforcement of sanctions related to the country. Certainly, more opportunity to expand that, and there will be big decisions, you know, in the future, especially with the Xi summit coming up, about how aggressively they decide to pursue those.

But definitely positive tools also fit into this argument as well. It's about making a better proposition to potential allies. It's about setting those norms and standards in place that can lead to productive engagement. It's about, in even things like critical supply chains or – you know, it's about building those pathways that aren't just exclusively Chinese. And we're seeing that really aggressively with – with critical minerals.

My sense and my hope is that it will expand into other areas, like active pharmaceutical ingredients, or even some components of technology, like optical processors and things like that that are kind of Chinese dominated and in American supply chains and data centers right now.

So, I think there's a big opportunity to kind of expand these positive tool tips. DFC's got the ability now to operate in a broader number of countries to – to address a wider range of issues as it relates to the unprecedented coordination among China, Russia, Iran, and North Korea.

So, it's a super important issue and important to realize that it's not just punitive tools or sanctions that are on the table. We have to employ everything at our disposal.

WOOD: Duncan Wood with the Wilson Center. I've done a lot of work recently on chokepoints in the global economy and I'm interested in understanding how working with allies can help to overcome those chokepoints, as you just mentioned, at the same time as trading relations with those allies are at a low point.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

How do you sort of balance those two things? Because it's clear that, you know, the use of economic power, it's not just about exercising power, it's about exercising it in the right way.

SWIFT: Do you want to take it? We'll let the author of the report try.

DEZENSKI: Sure. I don't know if you can hear me on the mic. Do I need this one? Yeah, OK, great. Hi everyone, Elaine Dezenski, and thank you for being patient as we wait for our speakers to arrive.

Duncan, thanks for the question. I think this is – this is kind of at the heart of what's going on right now and where, I mean, what I would like to see is a lot more private sector engagement in helping to solve some of the questions around creating these new alliances, these new trade alliances, and building out the economic integration, the underpinnings, that will help the U.S. and allies get through the political turmoil a little bit more effectively.

Even – and we've talked a lot about the USMCA [United States-Mexico-Canada Agreement] over the years and what an important framework that is, and obviously we're at a critical point with that, but you know, there's a huge ecosystem of co-production, even in North America, that is really driven by a set of interests that I think supersede some of the political dynamics.

So, you know, I think we need to look for ways to really strengthen that opportunity for co-production, to bring in more of the industry, the industries that are affected, and to put some of the potential for deeper co-production on steroids, really.

That would be, I think, one way to consider it. Where do we have that opportunity for the deeper industrial engagement and where the forces of the market can push capital in the right way, and maybe with a push here and there, as we'll talk about in a little bit with DFC, that's useful.

But there are a lot of areas, a lot of, you know, industries where I think it's – we're ripe for this deeper integration, so.

I have a question for Dan. It's always interesting for me to, you know, when I've talked to you over the years, learn more about what you saw in – in your work in Prosper Africa, which was so critical during – during that period of time. I think you were there a few years ago. What worked and what didn't during your time at Prosper Africa?

SWIFT: Yeah, thanks. I think what was – what the mission of Prosper Africa was to bring a full of one U.S. government approach to bilateral U.S.-African economic relationships. So, both directions, bidirectional trade and investment.

I think without having underlying authorizing legislation, and maybe it's appropriate we're on the Hill, it always struggled a little bit to find the footing it needed to coordinate agencies, but also the kind of strategic direction to take.

So, I think initially it was envisioned as a one-stop shop for U.S. companies that wanted to engage in Africa, like there's these 17 agencies, and where do I go? Do I knock doors here? Do I go there? And, you know, you had a lot of very kind of upset people in the business community that couldn't quite find a toehold in the U.S. government.

So, one of the first things the initiative did is started this quote-unquote one-stop shop where we would put people in the sales force, we would route them, we would help them get through the system. I think we kind of realized that this was just a very labor-intensive approach, and it was very hard to get, even for us, other agencies to keep responding to inquiries unless the NSC was really behind it and driving the discussion.

We started to switch over time into more of a mission on investment, and what we're trying to do is build a bridge to passive U.S. capital, things like pension funds, big insurers, and be able to start to find mechanisms to de-risk just to the point where it would change people's behavior and they'd get more engaged in these markets, which is a really, really tricky thing to do.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

But we were able to develop co-funds with donors. We set up the first private guarantee insurance program on the continent. We were able to do quite a bit on the financial side, but we always kind of struggled between those two poles of working on finance and also business facilitation.

And then a lot of what we did, and I think maybe we were best at, is helping the NSC as like an extension of that entity to help bring people together on specific issues, whether it was the state visit from President [William] Ruto of Kenya or other types of things. We were kind of additional manpower from an NSC that even back then was fairly thin.

So, I think it does speak to the Gameplan recognition of this Economic Pentagon, is that a lot of our economic statecraft activities, there's a thin layer of coordination among the different agencies.

I know there's a whole universe at the White House, at the Cabinet, that happens, but routine business is difficult to coordinate across these entities. And an old mentor of mine for one – for once said, like, “Never get between Treasury and State Department in a fight.” You never want to be between those two. It can be really, really nasty. So, we help kind of play that facilitating role and often like the lower levels, the assistant secretary type levels, even to the point of like navigating turf battles and things like that.

So, there is no architecture underpinning this to make it work. It's all got to be kind of ingenuity. And I will say for Prosper, I think under my leadership and British Robinson and the people before that, we did a lot of great work, but we never had the authority to kind of pull it all together. And that was a missing element on Capitol Hill, is that no one – there were still fights about what it should be and what it should do, and it never got to the point of getting nailed down and authorizing legislation.

SIBLEY: Nate Sibley with the U.S. Helsinki Commission. We're a sort of independent, but bipartisan, bicameral commission here on the Hill looking at security issues in Europe. You talked about the need to have a more coherent approach across agencies and departments to the massive, complex challenge of – of U.S. economic statecraft in the 21st century.

I was wondering if you could talk a bit more about what that might look like if it was achieved and how it would be coordinated and what would need to change to do that. But also, what might the circumstances need to be for it to change, because, you know, we've been – we know we're in a kind of titanic confrontation or competition with China, and one would think that would provide the catalyst to – for the government to have rearranged itself already to confront this thing.

During the War on Terror, we rearranged all our counter-terrorism stuff in response to 9-11 and the War on Terror. What would it take for us to do the same sort of thing for economic statecraft?

SWIFT: Yeah, well, I will certainly answer your question offline at the end. I'll solve all your problems and come up with a grand strategy and answer for U.S. economic statecraft. But before I do that, I think it's time to start our panel.

So can I please welcome Senator Hagerty and CEO Ben Black to the to the stage, please. And Elaine Dezenski, of course.

DEZENSKI: (Inaudible) Yeah, that'd be great. Thanks, Dan. Thank you so much. Appreciate your opening remarks.

I know we've got a tight schedule today, so we're going to jump right into the questions. Senator, welcome. Great to have you here. I'm going to jump right in, Senator. We've been having a bit of an introductory discussion around economic statecraft, the coordination of positive economic tools, which is really the focus of the conversation today.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

And we've seen an expansion, a dramatic expansion since the first Trump administration with the creation of the Development Finance Corporation, a more engaged EXIM Bank [Export-Import Bank of the United States], the stand-up of the Office of Strategic Capital and the Economic Defense Unit at DoW.

And I'm curious, do you feel like we're at the high point of this discussion and government engagement, or will we keep growing from here?

HAGERTY: Well, I'm sure President Black is keen to hear the answer to this as well. I certainly don't think that we've hit the high point yet. I think what we're – what we're doing, though, is we're demonstrating an ability, a capability that we haven't had before.

And bringing finance professionals with the backgrounds of Ben Black into the arena, I think gives us a whole new perspective on how we approach challenging strategic opportunities.

I think about a situation I'm literally walking through O'Hare Airport several months ago. A friend of mine's name pops up on the phone. I haven't talked with him in a while. He's an investment banker from New York, very good finance guy from the Street [Wall Street]. He said, "Bill, I'm on the inside now. I'm working for Steve Feinberg over at the Department of War." Well, this is the Economic Defense Unit that's coming together. And he's bringing this type of talent, talent like Ben Black, talent like my friend that called me, are coming in to help us get this muscle memory in place.

So, I think it's just the beginning. And I think what we're going to do is we're going to demonstrate that working together, and I want to hopefully get to talk about allies. And I think that's where Ben plays an important role, both diplomatically and strategically.

We're proving, I think, that we can join with allied nations as well and get something that's a force multiplier in place and create momentum that hadn't existed before.

DEZENSKI: Yeah, absolutely. Ben, pivoting over to you, you've said that international partners choose to work with the U.S. because, quote unquote, "our model is better." I'd love to hear your thoughts on what that means in practice. So, what happens in the room? What makes American financing better than an option from China or from Russia? And are we messaging that well enough?

BLACK: Well, absolutely. I think, you know – look, part of this is, and I think it's a good opportunity for DFC 101. You know, as Senator Hagerty mentioned, it came about in the first Trump term out of the old OPIC [Overseas Private Investment Corporation], but really, we were created out of our reauthorization last December.

And so now we're a \$205 billion organization on a six-year reauth, subtract out our previous commitments, and we're going to be allocating over \$30 billion a year. And that's a huge amount of money, but this is why I say our model is better. [\$]205 [billion] is an enormous amount, but it pales in comparison to the \$1.5 trillion conservative estimate that is China's Belt and Road Initiative.

And the fact of the matter is, and I'm going to kick myself for saying this, because who would turn down more allocated dollars? But the reality is we don't want to be [\$]1.5 [trillion] like China, because then you're just recreating a state capitalism model. What we want to be doing is exporting the American system.

And so, when I look at a lot of this, I think of it not as the first time, but this is renaissance for really putting financial and economic statecraft at the forefront of our foreign policy. And it's vitally important. We build markets like we did in the Marshall Plan. And by doing so, we help American businesses, American workers, and American citizens.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

And the simple stat I'll leave you with is in the Marshall Plan, 70 percent of the funds that were allocated over to Europe were ultimately used to purchase U.S. goods and services. And at the same time, embed U.S. companies and capital allocators in European markets.

DEZENSKI: Senator, you served as ambassador to Japan between 2017 and 2019, one of our most important economic allies. How did you think about economic statecraft when you were on the ground? And what lessons can we take from that?

HAGERTY: Daily. That's the first point. The second point is – is very simple. Japan, at the time, the third largest economy in the world after the United States and China, was absolutely our best potential partner to do more things together.

And boy, did we. I remember very distinctly a conversation I had with President Trump the night before he was inaugurated about the historic trade imbalances that had existed with Japan.

I have long experience in Japan. Boston Consulting Group sent me there back in 1988 for three years. I was the senior expat in that office at that time. And I've seen the – the country and the region change dramatically. What we set about doing immediately after I arrived in Japan in 2017 was to stimulate more foreign direct investment from Japan into the United States to get Japan basically to build in America what they sell in America.

Obviously, that started with the automotive industry. The Indy 500 had just been won by a Japanese driver, Takuma Sato. I had a big celebratory event at the ambassador's residence. And I asked my economic team to, figuratively speaking, take that car apart and figure out who built every part, every spring, the tire, the engine, whatever componentry might go into it.

And we had 250 Japanese CEOs for that event. For those that had already invested in America, I thanked them. For those that had not yet, I said, I'm coming to see you. And that I did. And we converted Japan to the number one investor in America on my watch while I was ambassador. We also did two trade deals with Japan.

Still more to do, but no one thought it possible before. When I first moved to Japan in 1988, we were working on the Structural Impediments Initiative. We chipped away at the edges, but getting a free trade agreement was quite a challenge and quite an accomplishment.

I think as I look forward, we're continuing to find ways to deepen our economic relations. I talk to Japanese investors on a weekly basis. And they've made a \$550 billion overall commitment.

That's the government of Japan to invest in America. They're taking this seriously. And they're looking at very distinct opportunities that will make a strategic difference. In my home state of Tennessee, \$40 billion into small modular reactors with the Tennessee Valley Authority.

You go around the region. I spent a lot of time in Korea as well. The Project Korea Zinc. I know Ben knows this one very well. A strategic mineral project. Thirteen critical minerals will be derived from – from the process that's under way now. That's a great partnership with a Korean institution that's going to be, coincidentally, going to Tennessee. But that's – that is a direction and a movement I think that we're going to see more and more of.

DEZENSKI: Excellent. Ben, I want to move to Europe to talk a little bit about the U.S.-Ukraine Reconstruction Investment Fund, which is meant to unlock investment for infrastructure, critical minerals, and economic recovery. What kind of impact are you seeing from our engagement there and are you concerned about China angling into Ukraine's reconstruction?

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

BLACK: Well, look, I think starting in reverse, as we were created against – as a bulwark against Belt and Road, we're always on the lookout for that. But the reality is, the more we integrate and involve on the ground and get investments going, which you've seen and will continue to be seeing, they move the needle and show everyone what good capital partners we are and what we can do there.

And I think – I'm glad you brought up URIF, because the other piece of it is, it's a really unique structure. We have a special authority at DFC to create not just funds but whole holdcos [holding companies], evergreen permanent capital vehicles that lead to greater investment, greater way of sourcing capital, and it helps us really, really align with the private sector and bringing best in class investors.

We did this in Asia, sorry to pivot back, with I Squared Capital, one of the best energy infrastructure firms out there. And I think you're going to see a lot more of this coming. And I think it really helps move the needle, not just for our allies but for American firms.

DEZENSKI: Yeah. Senator Hagerty, we talk in our Gameplan about economic security as – while there's – as the opportunity for economic tools to serve a humanitarian purpose, but also to serve a purpose for driving economic prosperity and viability. Where do you think we have the greatest opportunity to start using these tools abroad? And how should we be cultivating it?

HAGERTY: Well, I think economic security and national security are – are very, very closely linked. That had not been the case, if you looked at State Department dogma and the talking points before 2017. Economics were – were never in the domain of diplomacy or our military strategy. That's changed dramatically now, and I think for the good. Our adversaries certainly view it that way, don't you think, Ben? And I think we are – we're very realistic that our economic security and national security are aligned.

You asked me where I think the greatest opportunity is. I'll tell you, it's energy right now. And if I think about some of the conversations I had one going back to when I was ambassador to Japan, in about two-and-a-half weeks, we'll have CEOs from both Japan and South Korea here meeting with CEOs from America, the fourth annual TED, we call it, the Trilateral Economic Dialogue. We will be talking considerably about energy.

And one of the visions that I've had is that we create significant transshipment facilities in the vicinity of Japan or South Korea. The trading companies out there know exactly how to market into Southeast Asia. Ben is talking about how do we become a counterpart? A better alternative, I should say, to China's Belt and Road. Can you imagine delivering clean American energy, LNG, into the entirety of Southeast Asia on a continuous basis? Think about how geostrategic that is for us.

Compare that to China's game plan, think about what they did in Sri Lanka and Colombo. They go in and build a deep-water port. Their workers never leave. They foreclose. It's, you know, debt-trap diplomacy, is the term that they utilize.

But I think that having strategic connections like that, and energy is the first and most obvious to me, would be a place to – to focus attention. We have opportunities all around the planet. You think about Europe's dependency on Russia. They're trying to get out of that right away.

I was just in – in Greece with our ambassador there. She had the prime minister, the foreign minister, the defense minister, and the energy minister meet with me one night, talking about how they're going to utilize the great shipping industry of Greece to work around the Strait of Hormuz and any other chokepoint that we might have.

So, I think we're – we're going to be creative. We're going to be innovative. And with new financing opportunities, I think energy would be one of the first places we would look for – for national security linkages.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

DEZENSKI: Great. And, Ben, similar question for you. Which regions do you think look most promising? And if you could ask Congress for one new tool or authority, what might that be?

BLACK: Well, I am so excited to talk more about energy too, but look – which I couldn't agree and echo more with what Senator Hagerty said here. I think if we just look at the energy giant that the United States is, we're the largest producer and exporter of both crude and LNG and natural gas across the world, and there's so much more to be done there. I think, look, in the immediate term, I think I'd keep my eyes on the Western Hemisphere and the Middle East and surrounding areas where there's enormous opportunity.

But in the – my wish list question? So, I get two calls every day without fail. The first one is, “Will you help us invest in data centers overseas?” And we go through a whole rigmarole about, “OK, do you have an energy source?” No. OK, maybe that's a nice wish and it's not going to happen. But if you do, you know, is it going to be built on U.S. pipes? If you want access to the U.S. tech stack, you know, you can't build on a Huawei foundation or a ZTE foundation. It's got to be with trusted vendors and partners.

The other call I get persistently is, “Can you help finance us to do business in Venezuela?” And the immediate answer is, “We can't at this moment because our reauthorization opened up a number of tools and opened up the world to us, but there are seven statically built-in countries of concern. And Venezuela is one of them.” The – what I would say, the best thing to do is make that dynamic. And I think Venezuela is a great example. We've done a lot of energy work as a country over there; DoE has been enormous and obviously the deal State just did with OSC [Office of Strategic Capital] is transformational.

That having been said, there is so much infrastructure on the ground we can be doing and be the tip of the spear to really move things along. When you get a fast-moving change – look, I do believe we're going to get a change to the Venezuela rules. But rather than being static, to be dynamic and allow us to move – mobilize capital and help stabilize nations that come out of issues that made them countries of concern, I think would be even more transformational.

DEZENSKI: Yeah, absolutely. I want to pivot...

HAGERTY: Point well taken.

DEZENSKI: Yeah, absolutely. And I know we're running through these questions without too much of a chance for you to respond to each other. So please feel free to jump in.

But, Senator, I did want to mention your legislation from 2025. You introduced a bipartisan bill, the Restoring American Mineral Security Act, which would create a duty-free allied market for critical mineral, batteries, and permanent magnets, contingent on aligning tariffs of China. And this really caught my attention because it echoes what we've been writing about, this concept of the Near Global Economy. How do we get our allies and partners moving in the same direction with the same set of rules around how we think about engagement in markets?

What's – what's needed to get that legislation moving?

HAGERTY: So, as one of the few people with an extensive business background here in the – in the legislative branch, it seemed very obvious to me that we ought to be able to align incentives with our allies and create an environment where they would want to work with us. And that's precisely what this does. It basically makes a tariff-free environment for us to trade and move and invest in critical minerals. It also requires that they adopt the same posture toward adversaries like China and have similar tariffs so that we're protecting the same flanks.

And what – what will it take? I think we just need to get through the political season here. We're in the process of voting down the CLARITY Act upstairs right now. I'm sad to say that. Politics seems to be infecting everything.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

But after the 3rd of November, I hope that we could focus on the – again, you mentioned bipartisan support. It's strategic. It makes a tremendous amount of sense. And I – I have not talked with a – with a soul that doesn't think this is a good idea. So, I – I think it's something that has real potential once we get past some of the political noise that we'll be dealing with the next few weeks.

DEZENSKI: Yeah, great. Ben, I want to go to a topic around multilateral engagement. The World Bank Group's Multilateral Investment Guarantee Agency, MIGA, which is heavily involved in political risk insurance, part of what's happening in Ukraine, with the Ukraine Fund. These types of approaches from the multilateral side are meant to unlock private capital in unstable environments.

How is that working? Because I know the – you know, a lot of engagement the DFC undertakes is through the multilateral process. So how – how is it working? What kinds of changes might come up, particularly with how the World Bank is – is working with – with DFC?

BLACK: Well, so, I think political risk insurance is an enormous tool and – and something, especially with our expanded authorities and expanded size, you're going to see more – more of from us. The fact of the matter is – is since our predecessor agency OPIC, over a 55-year course of issuing insurance in war zones, conflict zones, and the like, we've done over 3,000 transactions. I can count on my hand – one hand, that is – the number of transactions in which we had to actually pay up on the insurance side, and in all of those, in the end, we collected a – from the failed payor in the first place.

So, the reality is – is a zero-loss ratio is something you don't see anywhere else, and I'd like to say that it's because we're the most brilliant underwriters in history. The reality is we represent the United States government and have the full faith, credit, and backing of our government.

And so, it is an enormously powerful tool and opens up the world for investment, from capital providers and businesses. And I'd highly encourage it for all our partners.

HAGERTY: I would just add to that, Ben and his team are in a better position to understand and assess risk of this nature than any other entity, and you have the – you have tentacles in areas that others don't. So, this is something I've always felt was under-utilized, frankly, from the private sector.

I've been – I've invested in insurance companies and re-insurance businesses – that I think this is something that could use a little more marketing, I would say, because I think it really could open a lot more doors for us on an international basis. I just don't think – if I think about my friends in the business community, many don't know about it.

DEZENSKI: Senator, you're a member of the Banking Committee, and there's been a lot of work around the Digital Asset Subcommittee in particular. And I was thinking about the role of stablecoin as a mechanism of economic statecraft and how we think about dollar-backed financial access to partner countries.

Do you see this as an opportunity to make stablecoin a major part of foreign aid? How would you see that rolling out?

[CROSSTALK]

HAGERTY: ... I certainly do. I had dinner last night with Jonathan Greenstein, who is the assistant secretary of Treasury responsible for making certain that foreign jurisdictions are GENIUS Act compliant. He's traveling all over the world right now. His team are working on this.

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

My goal in – in putting forward the GENIUS Act was to make certain that the dollar remain the reserve currency of the world, and as the world moves into the digital arena, we couldn't be left behind. And there had been a lot of noise and a lot of difficulty leading up to 2025, but I could tell once we – once I got the gavel and once we changed the White House that this would be possible.

So, the first piece of legislation that moved out of the Senate Banking Committee in this Congress was the GENIUS Act. And what it's aimed to do is to continue to perpetuate the U.S. dollar's strength on a global basis when used in a digital – and when used on digital rails. It is capable of doing that. It is – it is currently doing that. I just met with Boston Consulting Group today. They're working with a large consortium of major banks around the world to deliver on this.

And I think what you're going to see is – is a – is a couple of things. One, the dollar will be the currency of choice in the digital arena. Two, we're going to stimulate demand for U.S. Treasury securities. What's bad about that in an environment where we would like to see rates come down a bit? Supply and demand works in the Treasury markets just like everything else. So that's good.

The other thing is it's just a much more efficient system. And if you think about how it has worked in the past with the – with the clunky system that was designed back in the 1970s and '80s – if you, in the old system, take five to 10 days to clear a transaction, what could go wrong? The other side, the counterparty could go bankrupt, right? This goes away with instantaneous clearing through a blockchain.

You think about currency risk, the fluctuations that could exist there. That all pretty much goes away as well because, again, you have instantaneous clearing. And then now, you could imagine where I got the friction. We took about \$1.5 trillion of float out of this system. Somebody's making money on that, but that was – that was where the resistance came, but we got that done.

DEZENSKI: Right. I think there's going to be a lot more rolling out in that space.

Ben, the Department of War's Economic Defense Unit just put some more money into a big deal in Brazil, the Serra Verde project which already had a loan from DFC, a bit over half a billion. What's the value of the layered multi-agency financing approach, where we can leverage what DFC offers, what DoW offers, financing potentially from EXIM? You know – and how do we move in that direction to really help the interagency siloes go away to open up the deal space?

BLACK: Serra Verde is a great example of this. And the reality is, you know, assets can go through different need cases all throughout a cycle. So, you know, we only invest overseas. And so, we can sell an asset as we did, with – in the case of Serra Verde to another branch and make taxpayer dollars as other private capital comes in there.

But the reality is we serve certain needs. Other agencies and entities serve others. But the whole point is you don't need to have sharp elbows and only grab the ball for yourself. If a deal comes in that – it looks like a good deal but it's going to be domestic, then we're going to call up somebody else.

I mean, our DNA is to be very, very friendly to the interagency process. On our broad, it's Treasury, State, and Commerce to begin with. So, it's in our core. And we, maybe stupidly, raise our hand a lot to play coordinator because I just want the United States to do well. It doesn't – who gets the credit, just doesn't matter.

HAGERTY: I'm going to add one thing, but just – just this before we – before we close out. This goes back to my time as U.S. ambassador. I was literally reading in *Nikkei Asia* one day that the Hanjin shipyard at Subic Bay in the Philippines was in bankruptcy. The two bidders' names were Chinese. I called in my intel team, I said, "Are you following this?" They said, "No, sir." I said, "Find out if these are CCP or PL – PLA-related." They came back in an hour and said, "Just what you think."

September 15, 2026

Featuring Ben Black and Sen. Bill Hagerty (R-TN)

Moderated by Elaine Dezenski

Introductory remarks by Daniel Swift

That night, I called up Steve Feinberg – at the time, at Cerberus; today, our Deputy Secretary of Defense. I said, “Steve, can you get a team together that can bid on this, because we’re going to have to inject ourselves in this.” Steve said, “We’ll do our best.”

I went to the Japanese. They bought all of the land around the yard. Steve’s team entered the bidding. We went to Duterte and got the Chinese – it was complicated, but long story short, we had a team from America by that shipyard. It is now a cornerstone of a new strategic area, the – the entire Luzon Economic Zone [sic, Corridor]. It has great potential.

But that happens because we were able to interject private sector competence, you know, with – with a willingness to work together on a public basis and bring our foreign partners to bear as well.

So, I think there’s just a lot of opportunity – Ben is right in this space, but I think there is so much opportunity, don’t you, Ben, of – of partnering with other nations that think alike and in being more creative with how you do it. I think the world’s your oyster, in many respects.

BLACK: And the Japanese, in particular, have been forward-looking, great. And so, you ask about institutions over there, and JBIC [Japan Bank for International Cooperation] is world-class.

DEZENSKI: Yeah, absolutely. Great. Well, I know we’re on a tight schedule, so we’ll wrap it up there. But thank you so much. We appreciate it. And I think we’ve got a – a copy of our new book here too. We’ll just leave that with you, because I know you need more reading.

[LAUGHTER]

HAGERTY: Great.

BLACK: Thank you.

DEZENSKI: But we appreciate it. And just keep up the good work.

HAGERTY: Great. Thank you.

DEZENSKI: Yeah. Thank you. Thank you, everyone.

END