

THE ROLE OF THE EXPORT-IMPORT (EX-IM) BANK
OF THE UNITED STATES AMID
INTENSIVELY ECONOMIC COMPETITION
WITH CHINA

HEARING
BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY,
ILLICIT FINANCE,
AND INTERNATIONAL FINANCIAL
INSTITUTIONS
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
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C O N T E N T S

Thursday, June 27, 2024

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**THE ROLE OF THE EXPORT-IMPORT (EX-IM)
BANK OF THE UNITED STATES AMID
INTENSIVELY ECONOMIC COMPETITION
WITH CHINA**

Thursday, June 27, 2024

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY,
ILLCIT FINANCE, AND INTERNATIONAL
FINANCIAL INSTITUTIONS,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:01 a.m., in room 2128, Rayburn House Office Building, Hon. Blaine Luetkemeyer [chairman of the subcommittee] presiding.

Present: Representatives Luetkemeyer, Barr, Williams of Texas, Loudermilk, Meuser, Kim, Nunn, Beatty, Gonzalez, Nickel, Foster, Vargas, and Gottheimer.

Chairman LUETKEMEYER. The Subcommittee on National Security, Illicit Finance, and International Financial Institutions will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

This hearing is entitled, “The Role of the Export-Import (EX-IM) Bank of the United States Amid Intensifying Economic Competition with China.”

Without objection, all members will have 5 legislative days within which to submit extraneous materials to the chair for inclusion in the record.

I recognize myself for 5 minutes to give an opening statement.

**OPENING STATEMENT OF HON. BLAINE LUETKEMEYER,
CHAIRMAN OF THE SUBCOMMITTEE ON NATIONAL SECURITY,
ILLCIT FINANCE, AND INTERNATIONAL FINANCIAL
INSTITUTIONS, A U.S. REPRESENTATIVE FROM MISSOURI**

From the outset of the 118th Congress, my top priority as chairman of the subcommittee has been addressing what I believe to be the biggest threat not only to the United States security but also a global security. That threat is the bid for global economic domination posed by Communist China.

Unlike the United States, the Chinese Communist Party (CCP) does not subscribe to the rules-based order that has governed trade and export credit financing for nearly a century. The CCP dem-

onstrates daily that it plays by its own rules and will do anything to gain footholds in strategic sectors vital to security.

China's highly aggressive actions in export credit financing blend beyond economic advancement and are clearly an effort to enhance its global power and economic might. It is critical the United States compete and win in this arena against China. An important tool for doing so is the topic of today's hearing, Export-Import Bank United States, or Eximbank.

It has been 5 years since this committee last held a hearing on Eximbank, leading up to its most recent reauthorization in 2019. It has been 9 years since the sitting chair of the Bank testified before us in 2015. So we are glad to welcome the current chair, the president of Eximbank, Ms. Reta Jo Lewis, testifying before us today.

Thank you. We appreciate your attendance, and I look forward to your testimony here.

Eximbank was established during the Great Depression, and over the decade since, has helped to support exports of U.S. goods and services in cases where the private sector is unwilling or unable to provide financing. Through direct loans, loan guarantees, insurance, and an innovative reinsurance risk-sharing program, the Bank boosts American small businesses and exporters, creating or sustaining tens of thousands of American jobs across the country.

Eximbank's ability to manage risks successfully is why it is one of the rare government-run entities that actually makes a profit for American taxpayers and has sent approximately \$9 billion back to U.S. Treasury for debt reduction since 1992.

To orient the Bank directly—to orient the Bank to directly combat the economic threat of Communist China, as part of its 2019 reauthorization, Congress directed Eximbank to establish the China and Transformational Exports Program, or CTEP. However, 5 years in, although it seems this program is having some impact, there is much more to do that I think it could do. I have always viewed Eximbank as having a vital role in the United States' ability to promote global economic leadership.

We saw the harm when Eximbank's charter lapsed between 2015 and 2019, leading to a significant increase of projects being funded by foreign export credit agencies, and those jobs went to foreign companies and workers.

There is enormous opportunity in restoring and bolstering America's position as a global energy superpower. Eximbank's charter rightfully requires that it consider deals based on banking criteria and not political considerations such as whether an industry is disfavored as hydrocarbons are by the current administration.

To your credit, Chair Lewis, on your watch, Eximbank approved hydrocarbon projects in Indonesia and Bahrain. Unfortunately, the green ideologues criticized you for doing so.

Despite those correct decisions, there must be enormous political pressure to ignore your charter by applying a green filter to transactions. That is why it is so worrying to this committee that major projects, particularly the enormous natural gas projects in Mozambique, have been delayed and remain unfunded by Eximbank, leaving tens of thousands of American jobs waiting.

Similarly, nuclear power is an area where America needs to restore its role as a global leader, and Eximbank could help do that.

These areas and other areas, I believe, Eximbank can help ensure a level playing field in our globally geoeconomic competition with China but for the Bank to play that role, it must be managed competently. That is why my colleagues and I were concerned by a recent inspector general report that cited significant challenges to Eximbank surrounding organizational culture, employee morale, and high attrition rates.

In the Office of Personnel Management's (OPM's) Federal Employee Viewpoint Survey, Eximbank plummeted from 12th place in 2021 to dead last among 30 small Federal agencies for Best Places to Work in the Federal Government.

So, Chair Lewis, I hope to hear from you today just exactly what you and the rest of Eximbank leadership are going to do to address these alarming trends. I appreciate your willingness to come before this committee and tell us about some of Eximbank's successes, also tell us how you and us can work better together to be able to make Eximbank a better place to work and a better functional agency. We look forward to your testimony.

With that, the chair recognizes the ranking member of the subcommittee, the gentlewoman from Ohio, Mrs. Beatty, for 4 minutes for an opening statement.

OPENING STATEMENT OF HON. JOYCE BEATTY, RANKING MEMBER OF THE SUBCOMMITTEE ON NATIONAL SECURITY, ILLICIT FINANCE, AND INTERNATIONAL FINANCIAL INSTITUTIONS, A U.S. REPRESENTATIVE FROM OHIO

Mrs. BEATTY. Good morning and thank you, Mr. Chairman, for holding this hearing. Thank you to our witness, president and chair of Eximbank, Reta Joe Lewis, for appearing here today to discuss the role of the United States Export-Import Bank, particularly with respect to competition with China.

This year, Eximbank celebrates, as we have just heard from our chair, 90 years of carrying out its mission to create economic opportunity for the United States companies and workers. So we are excited to hear from you and I join my chairman in saying we are excited to hear how we can work together. So thank you for that, Mr. Chair.

In full disclosure, I have had the opportunity to not only know, but work with Madam Chair and president for some time. For those who do not know, she comes to us as a scholar, Emory, American University, a lawyer, a diplomat with years of international experience in this area.

We know by providing financial tools to help the United States businesses export their American-made goods and services around the world, Eximbank supports United States jobs and helps our companies successfully compete abroad.

Today you may hear claims that Eximbank simply hands out money to large corporations, but I want to go on the record, Mr. Chair, stating that, in fact, 90 percent of Eximbank's authorizations directly benefit United States small businesses.

The purpose of Eximbank is to level the playing field to ensure that American companies can compete for global sales, and that is

exactly what the Bank does in every single one of our congressional districts represented in this hearing today.

Mr. Chairman, I would like to enter into the record a chart. I think that will be very helpful. It identifies the amount of small businesses who benefit from the funds of those of us who are questioning you today and let me just say, my colleagues on the other side, their small businesses should be applauding you because they are in the hundreds and hundreds and hundreds of millions of dollars to small businesses, and we hear that frequently, that we are small business owners.

Chairman LUETKEMEYER. Without objection.

[The information referred to was not submitted prior to printing.]

Mrs. BEATTY. Thank you.

Under your leadership, Chair Lewis, the Export-Import Bank has committed to advancing diversity, equity, inclusion, and accessibility, and cultivating a diverse workforce at the Bank, and identifying ways to support women-owned, minority-owned, rural, et cetera, et cetera. The Export-Import Bank is critical to ensure the United States can effectively compete with China.

The China and Transformational Exports Program supports U.S. exporters facing competition from China, and ensures that we continue to lead in the 10 transformational export areas, including AI, renewable energy, financial technology (fintech), and semiconductors. By fostering American innovation and expansion into global markets, Eximbank enables the United States company to go toe-to-toe with foreign rivals, resulting in more export and more well-paying jobs in cities across the country.

Unfortunately, some of my colleagues across the aisle have fought the reauthorization of Eximbank, despite historically strong bipartisan support for the Bank. Eliminating Eximbank as proposed by some extremist agendas, like Project 25, will only harm our Nation's small business and hamper our efforts to compete against China.

Democrats have a long record of working with you and I would like to say that I was proud to be here in 2015, because the Republicans used a discharge petition to do away with export, and Democrats have increased the cap for Export-Import lending.

I yield back because my time is up.

Chairman LUETKEMEYER. The gentlelady's time has expired. I want to thank her for the comments with regards—and putting into the record the amount of small businesses that are helped by Eximbank. I always call Eximbank the small business bank because, technically, even if you help a big business, it takes lots and lots of little businesses to be able to provide the parts and service to that big business to be able to make this all work. So there is a ripple effect that affects lots and lots of small businesses. We have the chairman of the Small Business Committee with us today, and I am the vice chairman of that committee and proud to be so as well. So it is a really, really big deal to have you with us here today, Ms. Lewis.

With that, we welcome the testimony of Hon. Reta Jo Lewis. Ms. Lewis is the president and chair of the board of directors of Eximbank. The ranking member did a great job of giving us an overview of your past and present accomplishments and your aca-

demic record. With that, we thank you for taking time to be here. You will be recognized for 5 minutes to give an oral presentation of your testimony. Without objection, your written statement will be made part of the record.

Just a little quick overview, a tutorial here on the light system. When it hits red, that is the stop sign, so—and we will—when you hear me, like that, so if we could kind of wind up your answer to whatever, we will move on. We will, as we indicated earlier, try and adjourn at 10:30 here as a result of votes being called.

With that, Ms. Lewis, you are recognized for 5 minutes.

Please turn on your microphone. Ms. Lewis—there we go and pull the microphone close to you, please. That box does move, so just pull it close to you so we—

**STATEMENT OF HON. RETA JO LEWIS, PRESIDENT AND CHAIR
OF THE BOARD OF DIRECTORS, EXPORT-IMPORT BANK OF
THE UNITED STATES**

Ms. LEWIS. Chairman Luetkemeyer, Ranking Member Beatty, members of the subcommittee, thank you for inviting me to testify on the Export-Import Bank of the United States, Eximbank's role in intensifying economic competition with the People's Republic of China, known as the PRC.

We hear from our partners and clients on a day-to-day bases about the economic challenges posed by the PRC's actions. This committee's concern about competition from the PRC was instrumental, as you know, in establishing the China and Transformational Exports Program, our mandate, which is now a part of Eximbank's historic 2019 reauthorization.

Through CTEP, Eximbank supports U.S. manufacturers and exporters facing PRC competition and advances Americans' comparative leadership across 10 transformational export areas. As you know, Eximbank is the official export credit agency of the United States. Its congressionally mandated mission is to support U.S. jobs by financing or facilitating exports. The agency does this through our direct loans, loan guarantees, and insurance programs in cases where the private sector is unable or unwilling to do so.

A lapse in our charter, a lack of quorum on the board of directors had a devastating impact on operations, staffing, and morale, but during the 4-year period when Eximbank was precluded from authorizing transactions greater than \$10 million, competitors like the PRC—and other Asian, Canadian, and European countries—stepped in to fill the void.

Our team has worked tirelessly to revitalize, restore, and rebuild Eximbank's reputation as a reliable partner. In Fiscal Year 2023, because of the dedication of our talented workforce, Eximbank supported nearly \$8.8 billion in authorizations, a 67 percent increase over Fiscal Year 2022, and supported an estimated 40,000 jobs across the country.

Of the nearly \$8.8 billion in total authorizations last year, \$2.4 billion, or more than a quarter, supported our CTEP mandate. The value of CTEP transactions is significant. Since my arrival in February 2022, CTEP authorizations have jumped from \$253 million in Fiscal Year 2022 to \$2.4 billion in Fiscal Year 2023. At this point in Fiscal Year 2024, the dollar amount in authorized CTEP

transactions is greater than at this point last year. In total, Eximbank has approved \$3.6 billion in CTEP transactions.

So you may ask, what does countering competition with the PRC look like in practice, and how has Eximbank used the CTEP mandate to counter it? Here is just one example. This past November, Eximbank's board approved \$169 million direct loan to BETA Technologies, a small business in Vermont that manufactures electric power aircraft. The direct loan will finance the expansion of BETA's manufacturing campus and help U.S. manufacturers compete with the PRC for this emerging industry. The transaction also falls under Eximbank's Make More in America initiative, or MMIA.

American industries produce goods, services, and technologies that compete and win in global markets on quality, innovation, and lifecycle price but when the playing field is not level, U.S. exporters are disadvantaged when competing in foreign markets. The PRC's industrial policies hamper and harm the ability of America's exporters to compete on fair terms in the global marketplace.

We are laser-focused on the challenge so posed by the PRC and the need to ensure a level playing field for U.S. exporters. We are using our tools like CTEP and MMIA to address this challenge.

It is fair to say we want to do more and we can do more. Our CTEP transactions are still subject, though, to Eximbank's 2 percent default rate cap. Suffice it to say, the default rate poses a significant challenge to Eximbank's ability to support U.S. exporters. China's Eximbank and the PRC and other lenders, export lenders, are not bound by these constraints.

We are seeking a default rate cap exemption for CTEP transactions. This would allow Eximbank to compete more aggressively against the PRC and embrace higher risk technologies and markets.

I would also be remiss if I did not mention that Eximbank's charter expires at the end of 2026, because from 2015 to 2019, when the charter lapsed and we lacked a board quorum, the world saw a 35 percent increase.

So, Mr. Chairman and the committee, one of the things that we would be remiss in not talking about is the fact that an early reauthorization with enhancements to CTEP mandate backed by a large bipartisan majority would send a strong signal to the world that Congress is committed to supporting Eximbank and empowering the agency to advance national interest by facilitating exports and supporting jobs.

I look forward to working with you and other congressional stakeholders and I look forward to your questions.

Thank you.

[The prepared statement of Ms. Lewis follows:]

**Testimony of Ms. Reta Jo Lewis, President and Chair
Export-Import Bank of the United States
House Financial Services Subcommittee on National Security,
Illicit Finance, and International Financial Institutions
June 27, 2024**

Chairman Luetkemeyer, Ranking Member Beatty, members of the Subcommittee, thank you for inviting me to testify on the Export-Import Bank of the United States' (EXIM) role in economic competition with the People's Republic of China (PRC).

Thank you also for holding this hearing. I know this committee is well-versed in the PRC's unfair, non-market economic practices. We hear from our partners and clients on a day-to-day basis about the economic challenges posed by the PRC's actions. Responding to these challenges will require a whole-of government approach, in which EXIM plays a vital role to help U.S. exporters compete on a level playing field against companies that benefit from distortionary PRC state subsidies and other forms of support.

I am well aware that this committee's concern about competition from the PRC was instrumental in establishing the China and Transformational Exports Program (CTEP) mandate as part of EXIM's historic 2019 reauthorization. Through CTEP, EXIM supports U.S. manufacturers and exporters facing PRC competition and advances America's comparative leadership across ten transformational export areas. In a moment, I will speak about how EXIM has embraced our CTEP mandate.

As you know, EXIM is the official export credit agency of the United States. Its congressionally mandated mission is to support U.S. jobs by financing or facilitating exports. The agency does this through our direct loan, loan guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing without government support.

EXIM is guided by market principles, so while our financing does not compete with private capital, all EXIM transactions are required by law to demonstrate a reasonable assurance of repayment, in other words to be bankable deals.

In short, while EXIM plays an important role in promoting and sustaining U.S. commercial interests around the world, we are not a development agency. EXIM is a bank focused on supporting U.S. exporters and American jobs.

EXIM continues to reemerge after several very difficult years. A lapse in EXIM's charter, a lack of quorum on the Board of Directors, and the COVID-19 pandemic had a devastating impact on morale, staffing, and operations. During the four-year period when EXIM was precluded from authorizing transactions greater than \$10 million, competitors like the PRC—and other Asian, Canadian, and European countries—stepped in to fill the void, leaving U.S. exporters at a significant disadvantage.

Building on my predecessor's success in reopening the agency—an effort I know many of you supported—I have worked tirelessly to restore, rebuild, and revitalize EXIM's reputation as a reliable partner and set it up for even greater success in its next chapter.

In FY 2023, because of the dedication of our talented workforce, EXIM supported nearly \$8.8 billion in authorizations—a 67 percent increase over FY 2022—and supported an estimated 40,000 jobs across the country. These authorizations reflect not only our commitment to helping American businesses succeed, but also the strong, and growing need for EXIM products and services.

Of the nearly \$8.8 billion in total authorizations last year, \$2.4 billion—or more than a quarter—supported our CTEP mandate. The value of CTEP transactions is significant for several reasons and represents the focus we placed on implementing this mandate. Since my arrival in February 2022, CTEP authorizations jumped from \$253 million in FY 2022 to \$2.4 billion in FY 2023. And at this point in FY 2024, the dollar amount in authorized CTEP transactions is greater than at this point last year. In total, EXIM has approved \$3.6 billion in CTEP transactions since the program's inception.

You may ask what does competition with the PRC look like in practice and how has EXIM used the CTEP mandate to counter the PRC's non-market policies and practices?

Here is one example: in March 2020, the EXIM Board unanimously authorized a \$91.5 million transaction to support an Illinois-based U.S. small business exporter that won a contract to provide electricity to 400 rural villages in Senegal.

A year later, during the COVID-19 pandemic, we learned that a PRC-based consortium sought to displace the U.S. exporter by offering a more favorable financial package. In response, EXIM's Board of Directors unanimously approved an amendment to the transaction, extending an 18-year repayment term to cover the entire EXIM financing package and an option to convert the previously approved EXIM loan guarantee to a direct loan.

Another example, last year EXIM approved a \$907 million direct loan to the Angolan government to support the construction of two photovoltaic solar energy power plants. This is the largest clean energy project in EXIM's history and will support exports of U.S. solar panel mounting systems, connectors, switches, sensors, and other equipment. For this transaction, EXIM leveraged its flexibility for transformational export area transactions, which allowed for a lower down payment requirement.

Lastly, this past November, EXIM's Board approved a \$169 million direct loan to BETA Technologies, a small business in Vermont that manufactures electric-powered aircraft. The direct loan will finance the expansion of BETA's manufacturing campus and help U.S. manufacturers compete with the PRC for this emerging industry. I am particularly proud that this transaction also falls under EXIM's Make More in America initiative, or MMIA.

Under MMIA, EXIM makes available the agency's existing medium- and long-term loans and loan guarantees to export-oriented domestic manufacturing projects. Doing so will help revitalize American manufacturing, improve supply chain resiliency, and level the playing field for American companies facing unfair competition overseas, including from the PRC.

American industries produce goods, services, and technologies that compete and win in global markets on quality, innovation, and life-cycle price. I heard that message loud and clear during an international export finance conference in Greece

earlier this month. Conference attendees from around the world described their preference for buying American goods and services in sectors where the PRC is competing aggressively—such as in critical minerals and telecommunications.

But when the playing field is not level, U.S. exporters are disadvantaged when competing in foreign markets. The PRC's non-market policies and practices harm the ability of American exporters to compete on fair terms in the global marketplace. And because the PRC combines both export finance and development finance, as well as other distortionary policies, to aid its exporters, its role as the largest official source of international development finance makes it a formidable competitor to U.S. exporters.

So, my message to you today is this: we are laser focused on the challenge posed by the PRC and the need to ensure a level playing field for U.S. exporters, and we are using our tools, like our CTEP mandate and MMIA initiative, to address this challenge.

But I will be the first to say we can and should do more. Our CTEP transactions, for example, are still subject to EXIM's two percent default rate cap. Under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, EXIM would be unable to authorize any new loans until the default rate was brought back below two percent. Suffice it to say, the default rate poses a significant challenge to EXIM's ability to support U.S. exporters. I should also note that China EXIM and the PRC's other export lenders are not bound by these constraints.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, we end up supporting transactions with higher risk profiles. Inherent in this risk-taking is the possibility of some defaults.

Put simply: EXIM cannot fulfill its mission of supporting U.S. jobs, and cannot aggressively pursue its mandates from Congress, if this agency, created to take risks that commercial lenders would not, is constrained by the two percent default rate cap.

Currently, this two percent trigger significantly hampers EXIM's willingness to incur risk, particularly in areas where Congress wants us to be bolder, like competing with the PRC through the CTEP mandate.

Other U.S. government lending agencies such as the Department of Energy, the Small Business Administration, and the U.S. International Development Finance Corporation do not face the same two percent constraint. Nor are we aware of any foreign export credit agencies subject to such a stringent restriction. The result for EXIM is an overly conservative underwriting culture that limits our ability to level the playing field for our U.S. exporters.

As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on equal footing in the global market.

Finally, while reauthorization is not the subject of today's hearing, I would be remiss if I did not mention EXIM's charter expires at the end of 2026.

From 2015 to 2019, between EXIM's charter lapse and lack of Board quorum, the world saw a 35 percent increase in the number of foreign export credit providers. During that period, other official export credit providers evolved their philosophies and substantially expanded their roles and activities. That expansion was in no small part a reaction to competition from the PRC.

EXIM's most recent Annual Report on Global Competitiveness found there was a surge in export credit support in 2023. This surge was led by three countries—Italy, Germany, and, yes, the PRC. Despite our efforts, EXIM was 7th in terms of annual commitments. This is partly because EXIM's foreign competitors have modernized their policies to help their manufacturers gain market share to the disadvantage of U.S. manufacturers.

An early reauthorization with enhancements to the CTEP mandate, backed by large, bipartisan majorities would send a strong signal to the world that Congress is committed to supporting EXIM and empowering the agency to advance America's national interest by facilitating exports and supporting jobs. I look forward to

working with you and other congressional stakeholders on bipartisan, multi-year reauthorization legislation.

Thank you again, and I look forward to your questions.

Chairman LUETKEMEYER. Thank you, Ms. Lewis.

I will now turn to member questions, and the chair now recognizes himself for 5 minutes.

Chair Lewis, let us drill down on Eximbank's deal flow and national security. Eximbank has statutory lending authority of \$135 billion. How much of that \$135 billion is now obligated, and how much more could Eximbank be doing before reaching \$135 billion ceiling?

Ms. LEWIS. That allocation, Mr. Chairman, is around \$34 billion that we have authorized thus far. We intend to—we have a very, very strong pipeline of projects throughout the different mandates, as well as throughout different sectors that we are operating in, and we look forward to continuing to do more.

Chairman LUETKEMEYER. Okay. I know that when we shut down in the late 20-teens, that really hurt our ability and, I guess, the reputation of the Eximbank, and it took us a while to get it back up and going, then the pandemic hit, but I think we are in a position now where we need to, especially with China coming on, to be able to compete against them and find a way to get that done.

So that leads into my next question here with regards to—Congress passed, and as you mentioned here, President Trump signed into law the reauthorization. As part of the legislation, the Program on China and Transformational Exports was established with a goal of 20 percent of your statutory lending authority, which is \$27 billion to counter China. You note in your testimony that it was only, I think, 2.4 last year and you are up to over 3 billion now, if I am not mistaken. What is your strategy for substantially growing CTEP transactions?

Ms. LEWIS. Absolutely, Mr. Chairman. We have a sense of urgency about the work that we are doing. Our strategy has been, as we have reviewed the 10 transformational exports, we have seen significant growth in the work that we have been doing in everything from renewable energy, 5G, as well as in the work on water and sanitation.

Our strategy has been that we are looking to use all of our tools to compete with China, as well as to help build and keep manufacturing here in the United States. That is why, as we have looked at the 10 specific sectors, everything from AI to financial technology to renewable energy, we are continuing to be as aggressive as we can to work as a whole of government in looking for bankable projects.

Chairman LUETKEMEYER. Okay. As you go through all this here, the CTEP was pretty limited to 10 transformational export areas. We look at changes to the program, how does that impact your underwriting, should we be looking at adding more areas or scrap them all together. I think that is one of the questions we want to look at here. Basically, what kind of changes do you see to the program that can be impactful? The 10 transformational export areas here, do we need to scrap it, do we need to expand it?

You mentioned already that the 2 percent default cap rate is a problem. Should it go to 4? You suggested here that we have an exemption for just CTEP programs. Can you expand on that, please?

Ms. LEWIS. Yes, Mr. Chairman.

Also, no other Export Credit Agency (ECA) that we are aware of, and definitely not the PRC, has those types of constraints on them as it relates to a default rate. One of the things, as I mentioned in my testimony, we are definitely seeking a CTEP carve-out, as well as appreciating the opportunity to come before this body about early reauthorization. We believe that carve-out will continue to help us level the playing field because we still have numerous statutory parameters that other ECAs do not.

Chairman LUETKEMEYER. I appreciate that. I think one of the things you need to look at is this green lens that you have to look through your project from has got to be forgotten about. We have to look at the value of that project with regards to our ability to impact jobs here at home and across the world and a leadership position that we can be in.

I would be remiss if I did not mention or discuss for a few minutes here the report from OPM. It is very alarming, quite frankly, Ms. Lewis, whenever best places to work you go from 12th to the bottom. This committee has oversight of Federal Deposit Insurance Corporation (FDIC) and the FDIC just had a scathing report in which it had documented cases of racial discrimination, sexual discrimination, even a rape, with regards to some of its employees and some of the training facilities that they were located in. That is disturbing when you are that low.

Can you tell me what is going on, what your plans are to fix the problem?

Ms. LEWIS. Thank you, Mr. Chairman, for that question.

One of the things that I say on a repeated basis is that human capital is our greatest resource and one of the areas that I was very intense on after being confirmed, and prior to confirmation, was to really review where we were as it relates to staff morale, where we were in terms of an agency.

As I have begun to study Eximbank and being there now, if I look at the Federal Employee Viewpoint Survey (FEVS) scores that were started back in 2005, we have always been at the lower one-fifth of the category. So that data was telling me that there was some systemic historical challenges, but there are opportunities for us to do more.

One of the things that immediately I began to do was to hire human capital—

Chairman LUETKEMEYER. Ms. Lewis, I will let somebody else ask the question again and you can give us further elaboration. My time is up.

With that, we would go to the gentlelady from Ohio, the ranking member. Mrs. Beatty, is recognized for 5 minutes.

Mrs. BEATTY. Thank you, Mr. Chairman and thank you president and chair.

Just for the record, I want to make sure, in my opening statement when I said I was proud to be here, that got associated with when we reestablished Eximbank under Ranking Waters' leadership after 7 years. It may have gotten mixed in with something else.

For my first question, let me continue with what the chair is saying, because he is correct how we felt about FDIC and what was

happening there. So I will give you some time to finish your statement on that.

Ms. LEWIS. Madam Congresswoman, one of the first things we also did was to bring in an outside—one of the Big 4—to work directly with our leadership team to improve the unity and leadership levels; would focus on training and development. In more than 5 years, we had not hired a permanent chief human capital officer, and we have done so. We also have hired a new chief management officer. We have redoubled our efforts around training and development, launched our first formal mentoring program, enhanced our affinity programs, expanded individual benefit programs.

We are working extensively on next generation of leaders in ensuring that our next senior level officers are prepared for the future. We have conducted over three offsite retreats, not just with the senior managers, but with all of our managers, which encompasses about 60 of them. We have required individual departments to host offsite retreats for their teams.

So we know that change may be slow to occur, but I do believe that we are moving in the right direction.

Mrs. BEATTY. That is what I was going to ask you, if you think—and let me just remind people, you have been there for how long?

Ms. LEWIS. About 2 years.

Mrs. BEATTY. For 2 years. You said in more than 5, so some of this I think I am safe in saying you acquired from past. It sounds like you at least have a plan, and you are bringing experts from the outside to deal with it. So I am sure you will be asked in later time about that again. So I applaud you for recognizing and not denying that there is an issue, and I think that is the first step.

Let me also go to the next question. There has been some discussion about increasing Eximbank's default cap from 2 percent to 4 percent. Many of my colleagues have put together legislation that would do that. Can you expound on or explain how this change could positively, if so, impact your work in your capacity to carry out your mission?

Ms. LEWIS. Absolutely, Congresswoman. We are seeking a default rate cap exemption for CTEP transactions. We believe it will allow Eximbank to compete more aggressively against the PRC and embrace higher risk technologies and markets. When you look at what hampers any other agency, no other U.S. Government agency has that cap, no other foreign credit agency and definitely not the PRC, that we are aware of.

We know that with Eximbank sunseting in 2026 or through early reauthorization would signal that market in U.S. exporters that Eximbank is for them for the—in it for them for the long term. So getting that default rate cap and that carve-out for CTEP would be exceptional and significant.

Mrs. BEATTY. Thank you.

One last question I may be able to squeeze in. Chair Lewis, Eximbank's authorization is going to expire, and you have said that in your opening remarks, December 30, 2026. A reauthorization will be necessary prior to that date, as you have said. Let me again say to all who are here and some who may not have been here as long as the chair and I, this has always been a bipartisan for most of the time that I have been here. So can you take my last minute

to share or say, are there any potential long-term challenges facing Eximbank that Congress should consider in reauthorizing your agency?

Ms. LEWIS. Congresswoman, thank you, also to the committee. We have always operated in a bipartisan way. Chairman Bachus, who used to be the head of this committee, sends his regards. He is going to be with us later today. He could not be here right now, but he is on his way to Washington.

The continuation of the seeking of the relief for the CTEP carve-out, the early reauthorization, is the areas that would be of significance to support jobs, help our companies level the playing field, and help us compete with China.

Mrs. BEATTY. Thank you.

Mr. Chair, I give you back 7 seconds.

Chairman LUETKEMEYER. Thank you, ma'am, the gentlelady from Ohio.

We are going to try to get one more in here before the votes are called. With that, we are going to recognize the gentleman from Kentucky, Mr. Barr, who is the chair of the Subcommittee of Financial Institutions and Monetary Policy. He is recognized for 5 minutes.

Mr. BARR. Thank you, Mr. Chairman.

Chair Lewis, my wife graduated from the University of Georgia, so she would say "Go Dogs." I am a Kentucky Wildcat so that is hard for me to do but, anyway, great to see you and thanks for your service.

In May, members of this subcommittee sent you a letter expressing concerns with recent suggestions that Eximbank was prioritizing projects aligned with environmental goals as opposed to this China objective. Chairman Luetkemeyer mentioned deal flow and the backlog of unapproved projects.

One such project is the natural gas pipeline in Mozambique. What is the holdup here?

Ms. LEWIS. Mr. Chairman, definitely tell your wife "Go Dogs." She is absolutely right. We are all about the red and the black.

Right now, Congressman, no decision has been made yet with respect to that amendment of the approved financing for that particular project. The current amendment does not involve a fresh review of entire transactions which was approved under the prior administration.

Mr. BARR. Well, let me just—without regard to the specifics of the Mozambique natural gas pipeline, I hope that the holdup is not related to the political influences of the administration's climate agenda. In fact, when we reauthorized Eximbank, we prohibited the Bank from discriminating against fossil energy projects. Let me tell you why that is important with respect to the China and Transformational Exports Program that we also authorized in the reauthorization.

As the independent task force report from the Council on Foreign Relation demonstrates, since the creation of the Belt and Road Initiative, billions of dollars in Chinese funds have flowed toward fossil fuel projects around the world. Now, it is great if the United States can offer clean energy projects as an alternative in lesser developed parts of the world as a tool to counter Belt and Road. The

fact of the matter is, in the global south, there is a lot of energy poverty and when we do not offer an alternative for those lesser developed countries in terms of energy security, they are going to go to China.

So I am concerned that the bias against fossil energy projects at Eximbank and within the administration compromises U.S. national security with respect to this objective of countering China. Can you speak to that and can you commit to this committee that the administration's climate agenda will not compromise our efforts to combat Belt and Road?

Ms. LEWIS. Congressman, we know as Eximbank we are not an island separated from the politics of the broader government. However, we believe that there is an important role for Eximbank to play to support all industries and workers in our country, but we have to do it also in accordance with the statutory, regulatory, and policy requirements that Congress has laid out for us. Congress has been very clear about the nondiscrimination clause in our charter and we take that to heart.

To further your comment on Moz, the amendment request, just so you know, is being processed in compliance with Eximbank standard policies. Eximbank remains in coordination with the other project lenders, and due to force majeure, no disbursements has been made to date on this transaction.

Mr. BARR. Thank you very much. We will look forward to hearing more about the progress on Mozambique.

I introduced a bill called the Countering China Through American Exports Competitiveness Act. I am a big supporter of CTEP and I appreciate your work on that. I want to supercharge that work and this bill would increase from 20 to 33 percent the incentives that Eximbank would be used to counter China.

Do you agree that while it is still essential that the Bank make sound business decisions in its deals, allowing the Bank to make larger, more aggressive deals is a key tool in countering China?

Ms. LEWIS. Congressman, as they say, we have more, we can do more. We really look forward to working with you and the committee on any legislation that is going to assist us to help American workers, help American business exporters to compete against China to help level the playing field.

Mr. BARR. By the way, I agree with you about raising the default rate cap, especially for CTEP. My bill would raise that from 2 percent to 5 percent to allow Eximbank to be more aggressive in its transactions and posture to counter China's Belt and Road Initiative.

I think the goal under CTEP right now would be something like \$27 billion. I think the deal is only about 2.

Ms. LEWIS. Yes. We are at 3.6.

Mr. BARR. 3.6. So you have a lot of room to go to get to 20 percent. I want to raise it to 33 percent of all Eximbank activities. So just to encourage you to get a little higher on those deals that are related to CTEP.

Ms. LEWIS. Yes, we are, sir. Those deals are coming in, our pipeline is strong.

Mr. BARR. Thank you. I yield back. Appreciate your service. Keep up the good work.

Ms. LEWIS. Thank you, sir.

Chairman LUETKEMEYER. The gentleman yields back.

With that, we go to Mr. Nickel from North Carolina. You are recognized for 5 minutes.

Mr. NICKEL. Thank so much, Chair Lewis, for being here today. I enjoyed talking with you earlier.

The Export-Import Bank plays an essential role in assuring American competitiveness around the globe by providing American companies with the financial tools necessary to export their goods and services globally. We can compete directly with China's aggressive trade practices while boosting American manufacturing jobs.

One area where the Export-Import Bank has the potential to be extremely influential is nuclear energy exports. The export of U.S. civil nuclear energy technology is important to our national security, our economic security, and most importantly, to fighting the climate crisis around the globe.

Governments around the world are shifting policies toward nuclear energy, and the U.S. must be the leader in this space. Unfortunately, Russia is the world's dominant global nuclear supplier. Russia's state-owned nuclear energy conglomerate currently has 70 percent of the worldwide export market for new reactor construction. The Chinese nuclear industry has said that China could build as many as 30 nuclear reactors around the world abroad worth \$145 billion by 2030. Russia and China both funnel endless resources into nuclear exports for their geopolitical influence. Meanwhile, U.S. companies are competing against foreign governments without meaningful support from the Federal Government.

The United States of America cannot fall behind. That is why I am drafting legislation to jump-start nuclear financing at the Export-Import Bank. I have a two-part question for you here. What do you think of my proposal, and would you support these policies?

So that is what I am going to get to in a sec here. What role do you think the Export-Import Bank could play in financing nuclear energy if the default rate limit was permanently raised from 2 percent to 4 percent and its civil nuclear facilities were included in the China and Transformational Exports Program? Again, would you support those policy proposals?

Ms. LEWIS. Congressman, thank you very much for that question.

Eximbank has been supporting financing for overseas nuclear transactions now for over five decades, and it has world-class expertise to be able to evaluate the technical, the legal, and the financial of these particular projects.

One of the things that we are very supportive of, Congressman, is also a carve-out for under CTEP, as well as a carve-out for nuclear. We believe that it will also continue to make us more competitive and be able to offer more flexibilities for our exporters, but also the continuation of supporting jobs, but more importantly, to help us compete against the PRC and Russia.

Mr. NICKEL. Should we be concerned about what happens when China and Russia start aggressively pushing their nuclear technology in key strategic areas around the world?

Ms. LEWIS. We should be concerned, but I am going to let our State Department take that question when they come before you but one of the areas specifically as it relates to Eximbank, we want

those, our manufacturers, to be able to compete but not just compete, to win. We want our American—we want those products to be American made. We do not want our manufacturers to lose, and that is why we are so aggressively in this space.

If you have seen the work that we have been doing over these last couple of years, very much being aggressive around, not only the large nuclear reactors, but the work that our companies are producing manufacturing around small nuclear reactors.

Mr. NICKEL. I want to do a lot more to help improve the mission. The Export-Import Bank has the experience and expertise to approve highly complex transactions like civil nuclear exports. Given the demand in this space, does the agency have the resources and staffing to do the business development, underwriting, and legal work needed to manage these transactions?

Ms. LEWIS. That is why our carve-out, Congressman, could be so important for us under CTEP, as well as in the nuclear space. We are also working very closely with our partner and our allies on co-financing together. We are working very closely in our entire U.S. Government. We believe that it is the combination of all the work that we will be able to do, we will be able to see our exporters not only compete but also to win and be able to help with the tools we have to level the playing field to be able to win against China and Russia.

Mr. NICKEL. It is clear that we are falling behind. China is a decade or more ahead of the U.S. in its ability to deploy nuclear reactors at scale. Given that China has three export credit agencies supporting its geopolitical ambitions, do you agree that the U.S. must work to level the playing field?

Ms. LEWIS. Absolutely, Congressman. These deals that you are speaking of are very large, and we need the types of flexibility that only this committee can be able to afford us and we really look forward to working with you on your legislation.

Mr. NICKEL. Thanks so much.

I look forward to working closely in a bipartisan way with my colleagues on both sides of the aisle to get this done. Thank you.

Chairman LUETKEMEYER. The gentleman yields back.

Votes have been called, and in my discussions yesterday with the floor leader, he indicated he is intent on getting the 20 minutes for the first vote and after that he will start closing the board. So because of that we are going to call a recess here.

Ms. Lewis has agreed to stick around. For her purposes—so we have 21 votes, which should take about an hour and a half, roughly. So if you would come back in the neighborhood of noon, we will be back here as soon as votes are over.

With that, the committee is recessed.

[Recess.]

Chairman LUETKEMEYER. The committee will be back in session and appreciate the witness, Ms. Lewis, for sticking around. Apologize for the interruption, but welcome to our world. This is the way we operate every day.

With that, let us go to the gentleman from Texas, Mr. Williams, who is the Small Business Committee chairman. He is recognized for 5 minutes.

Mr. WILLIAMS of Texas. Thank you, Mr. Chair.

Madam Chair, thank you for being here today.

Compared to other export credit agencies and international financial institutions, the U.S. Eximbank tends to move slower when approving deals. The Eximbank approval process can take over 6 months; in some cases, over a year. However, other countries, like China, are approving deals more quickly which allows them to undercut Western export credit agencies.

I understand the importance of taking the time to vet deals. I am in the financing business myself, but I am concerned that the U.S. will be overlooked if our approval process is known to be slower, which puts us at a competitive disadvantage to China.

So, Madam Chair, what is Eximbank doing to improve deal approval timelines and ensure the Bank remains competitive with its counterparts?

Ms. LEWIS. Yes, Congressman. One of the things that we have been able to definitely do is, one of the things we realize is that our internal controls, which are very critical for any financial institution. We have been working to understand where we are in our processes and move to them quicker. We have also hired a Big 4 to really help us revamp our internal controls procedures so that we can stand up as a—and we are also standing up an independent new ethics division.

We know that our deals may take a little longer, but we want to make sure that we are continuing to do the work that Congress asks to us to do and protect the new taxpayers, and that is why our due diligence may take a little longer, but we are doing what we can to move things faster.

Mr. WILLIAMS of Texas. That is important, and thank you for doing that.

Furthermore, it seems that the approval process has become even slower for fossil fuel related projects, as Eximbank has come under pressure from environmental groups. Now, we cannot allow foreign adversaries like China to gain a competitive advantage over the United States because the administration is restricting projects based on politics.

So, Madam Chair, do deals in certain sectors take longer than average? If so, which sectors and why?

Ms. LEWIS. As you said, Congressman, I want to speak specifically to that, we believe that at Eximbank we have a very serious role to play, especially in that industry. To support—as we support all industries and workers in accordance with the statutory, regulatory, and policy requirements but one of the things is that we review each deal on its merits. We stay in close contact with all partners involved and we are working through a lot of these. These deals are major project finance deals, and they have oftentimes some very serious security concerns.

With that, some of our—a lot of our underwriters do not have the clearances, but we are being very clear about those that do to make them understand that we are taking the responsibilities to look at all of these deals closer and make sure that we do not have any perceived delays.

Mr. WILLIAMS of Texas. Well, they do not need to be based on certain related projects that may not fit this administration.

Let me just ask this: Could you provide—I am going to ask a question here—could you provide the committee with a list of deals that have taken more than a year to consider?

Ms. LEWIS. We can work with your staff and the committee on that, yes.

Mr. WILLIAMS of Texas. Okay. If you would do that, that would be great.

Now, China's Belt and Road Initiative has expanded its influence globally through massive infrastructure investments, raising concerns about the strategic and security implications for the United States. The Belt and Road Initiative has been criticized for being—for creating debt dependencies for participating countries and increasing China's geopolitical leverage.

As the U.S. seeks to counter China's influence, we face a challenge of competing effectively without adapting similar authoritarian or state-driven practices. Madam Chair, how does the Export-Import Bank plan to mitigate these risks and offer competitive alternatives to countries considering China's Belt and Road program?

Ms. LEWIS. Well, Congressman, thank you so much for the question, because we believe that we are working very aggressively to institute our China and Transformational Export Program. We have also, from the board, modernized our content policy as it relates to 5G and other transformational exports. Also, we believe that helping—using tools like Make More in America to help build and keep manufacturing here in the United States is one of the big areas that is going to be transformative to help us compete with the PRC.

Mr. WILLIAMS of Texas. I have a real short amount of time here. I will ask you real quick, has the number of vacancies in key positions hindered the Eximbank's ability to support U.S. exporters?

Ms. LEWIS. We have been looking very aggressively with a new chief human capital officer and a chief management officer to fill all of our vacancies, and we have been moving very aggressively on those.

Mr. WILLIAMS of Texas. You have to have people.

I yield my time back.

Chairman LUTKEMEYER. The gentleman yields.

With that, we go to the gentleman from Pennsylvania, Mr. Meuser, who is recognized for 5 minutes.

Mr. MEUSER. Thank you, Mr. Chairman. Thank you very much, Chair Lewis.

It is, of course, crucial to understand the importance of the Export-Import Bank's role in supporting American businesses abroad with China and Russia, as has been stated many times here. Financial global projects and an aggressive manner, Eximbank is an important tool to help American companies. That is clear.

Your approval of significant fossil fuel projects in Indonesia and Bahrain demonstrates Eximbank's capacity. However, we need a commitment to remain project neutral, especially concerning the \$18 billion of the liquefied natural gas (LNG) projects in Mozambique and New Guinea. Allegations of delays due to the President's executive order need to be addressed.

Second, reauthorization of Eximbank's approaches next Congress—as we approach next Congress, fiscal responsibility is critical. So we must examine how much of the \$135 billion in capital that is currently obligated consider measures to enhance fiscal prudence.

And last, the Eximbank is a lender of last resort, not a competitive private financing. This distinction is vital to ensure it supports American companies effectively without encroaching on the private sector business.

Given President Biden's recent ban, Chairwoman, on LNG exports, can you commit to being project neutral for two LNG projects in Mozambique and New Guinea totaling nearly \$18 billion?

Ms. LEWIS. As it relates, Congressman, no decision, as we have said, has been made yet with respect to the amendment on the approved financing for this project. We know, as it relates to Moz' LNGs project, for all of our deals, Eximbank conducts extensive due diligence which takes time. Although not being a national security agency, there are so many individuals that we have to continue to conduct due diligence with and because of all the geopolitical issues surrounding a lot of the projects, we work very closely with interagency partners.

However, one of the things is, as you know Congressman, when the committee instituted a nondiscrimination policy, we understand that we write to our standard of reasonable assurance of repayment, as well as we work extremely hard to support all industries and to make sure that we uphold in all of our underwriting the statutory, regulatory, and policy requirements.

Mr. MEUSER. Okay. Thank you.

My guess is, though, you must be a little frustrated that—to improve the deal approval timelines so the Bank remains competitive, particularly against the Belt and Road and such?

Ms. LEWIS. Absolutely. There are some of the projects that have been no fault of Eximbank's from a delay perspective. There are others that have all of them, ones I think you mentioned have security concerns. We would really love to have an opportunity to come speak with you or any member of the committee to discuss where we are in any of those projects.

Mr. MEUSER. Okay. So reauthorization for Eximbank is going to come up next Congress. So your Eximbank's lending leverages taxpayer dollars, of course, fiscal responsibility is critical. Of \$135 billion Eximbank's available capital, how much is currently obligated?

Ms. LEWIS. About 35—about \$34 billion.

Mr. MEUSER. Okay.

Ms. LEWIS. We have a very strong pipeline, Congressman.

Mr. MEUSER. Okay, and you currently have this 2 percent cap on percentage of loans that can default before heavy penalties. Is that where—where do you stand on that? What is your feeling about that?

Ms. LEWIS. Well, one of the things that we have been in discussions about the asking for that carve-out for CTEP, as well as it is important for us to work with all of you to understand that no other ECA or no other, especially the PRC, does not have that type of constraint but we are very clear that working to level the play-

ing field is very important. So getting a carve-out on the default rate during reauthorization would also be very important for us.

Mr. MEUSER. Okay. What is it now? What are you writing off? What is the default rate?

Ms. LEWIS. It is about 1.012 right now.

Mr. MEUSER. Okay, good.

Ms. LEWIS. Yes.

Mr. MEUSER. That is excellent.

All right. Can you offer anything else as to your thoughts on what improvements or projects or something else that is top of mind with the Export-Import Bank and why you believe it is such an effective tool and something you are proud of?

Ms. LEWIS. We are very proud of the fact of the CTEP mandate that Congress awarded us. We are very proud of the fact that we have instituted a new program called MMIA, which is Make More in America, to help build and keep manufacturing right here in the United States. We believe that the combination of CTEP and MMIA as additional tools allow—

Mr. MEUSER. Thank you, Chairwoman. I am sorry, I am out of time.

I yield back, Mr. Chairman.

Chairman LUETKEMEYER. The gentleman's time has expired.

With that, we will go to the gentleman from Illinois. Mr. Foster is recognized for 5 minutes.

Mr. FOSTER. Thank you, Chairman Luetkemeyer and thank you for joining us today, Chair Lewis.

Since 2014, the Eximbank has helped companies in Illinois export roughly \$6 billion in goods, including nearly \$100 million in my district alone. The Chicago and metropolitan region just celebrated its 11th straight year of being the number one region in the United States for businesses to locate into. Many of these businesses are high-tech manufacturing businesses, and many of them are reshoring jobs to build more in America. It has been a long-term success, I think, frankly, in large part due to the high-skilled union workforce that you can get in the Chicago metro region.

This is also a subject very dear to my heart because, as you may know, I am actually one of the few manufacturers in the U.S. Congress. When I was 19, my little brother and I started this company that manufactures the majority of theater lighting equipment and exports a big fraction of what we do. So we understand all the stress that U.S. manufacturing has gone through over the last 30 years. I really thank you for your role in mitigating that.

Out of the 241 projects that Eximbank has supported in Illinois, I am really happy to see that nearly three-fourths of them have been from small businesses. Okay? Early in this administration, the Eximbank restarted its new business development and outreach division to engage American companies about the services that your bank can provide.

Since restarting that effort, how has the Eximbank been engaged with companies across the country that may benefit from the assistance it provides? Because not every business knows that you exist and the help you can provide.

Ms. LEWIS. Well, we appreciate the question, Congressman.

And we appreciate the committee continuing to work with us throughout State and localities, especially in the State of Illinois we met with SelectUSA. We just met with the Governor's team, talking about new products like MMIA. We are really looking forward to the complementary work that we can do between CTEP and our Make More in America initiative.

Mr. FOSTER. Yes, thank you. I just want to encourage you to reach out more to the small businesses everywhere, because some of them know and the ones that know are very enthusiastic about your program and most of them just sort of look at you blankly when I go and talk to the chambers of commerce throughout the eight counties that I represent.

Now, in the 2019 reauthorization of the Eximbank, Congress established the China and Transformational Exports Program, which aims to counter subsidies and finance provided by the Government of China and advance U.S. competitiveness in key industries around the world and this is something I am personally very keenly aware of. We had to compete with clone Chinese products, built with poorly paid labor for some period of time now. I am proud that our company mainly succeeded. Though I should clarify, I no longer own the company. When I entered politics, I had my partners buy me out in order to avoid conflicts of interest, which maybe sounds a little bit quaint these days.

How does the Eximbank prioritize its review of projects that are meant to counter China's efforts in key sectors? What other factors are considered in setting the Bank's agenda in this area?

Ms. LEWIS. Congressman, these projects are really highly privatized. When we were reauthorized, as you said, the Congress gave us a mandate in those particular areas and we are being very aggressive within our global business development team, within our CTEP team, and with our small business and with our large- and medium-size businesses.

We have, I believe, broken down a lot of those silos to make sure that we are operating as a one Eximbank effort. I think what most people do not realize about us also, Congressman, is in the small business arena, that over for the last 21, 22, 23, over 85 to 85 percent of our transactions have been in the small businesses arena.

Mr. FOSTER. Yes. One of the things that makes your life difficult is that you compete against, for example, Chinese projects that are, frankly, driven by corruption in many of the countries they operate in. You can see—you are worried about your 2 percent failure rate. The Chinese Belt and Road Initiative is probably going to have a 100 percent failure rate in having their loans repaid because they were not driven by actual economic analysis and market need but by just corruption and not very well thought out. You see riots in Kenya today—

Ms. LEWIS. Yes.

Mr. FOSTER [continuing]. because of corrupt deals that have driven the country into debt. So how do you deal with the corruption end of it?

Ms. LEWIS. One of the things that we definitely see is that we tell our exporters we are not doing a race to the bottom; that we are there promoting American businesses on value and quality.

Mr. FOSTER. Thank you.

I guess my time is up. I just want to thank you again for what you are doing for U.S. manufacturing businesses.

Chairman LUETKEMEYER. The gentleman yields back.

With that, we have one more member who would like to have 5 minutes to discuss important and salient information that we can delve from the testimony of our wonderful witness here today.

Did I drag that long enough that you can get ready to go, Mr. Loudermilk?

Okay. With that, we recognize the gentleman from Georgia, Mr. Loudermilk, for 5 minutes.

Mr. LOUDERMILK. Well, thank you, Mr. Chairman. I apologize for my delay in getting back, but unavoidable delays.

Thank you for your patience in being with us and I guess I am batting cleanup here today. So we all get to take a break after this.

Again, thank you for being here to testify as we lay the groundwork for reauthorizing the U.S. Eximbank.

As my colleagues pointed out, the Bank's most recent reauthorization saw a realignment of the Bank's priorities toward strategic competition with China. The Bank now oversees the China and Transformational Exports Program, CTEP, as has been discussed earlier today. While there is a clear strategic value in countering Chinese export financing, I am concerned that CTEP has not scaled fast enough.

As the gentleman from Kentucky pointed out, Congress reserved no less than 20 percent of the Bank's \$135 billion of statutory lending authority for financing through CTEP. That means you are supposed to reserve around \$27 billion of your total lending authority for CTEP, but you stated that the Bank's total CTEP transactions amount only to around \$3.6 billion.

Ms. LEWIS. Yes.

Mr. LOUDERMILK. Could you explain in more detail why this is the case?

Ms. LEWIS. One of the things, Congressman—thank you for that question—is that some of these transformational exports are not really conducive to debt financing. Some of them are in nascent industries. However, what we have seen in the last year and definitely the last year and a half is an uptick in the specialty areas in some of the—not specialty, but in some of the transformational areas, especially around biomedical, energy efficiency, wireless, and renewables. We continue to not only drill down in those areas but to look more broadly at the transformational areas to see how we can offer up our tools to assist U.S. businesses to compete and win.

Mr. LOUDERMILK. So you mentioned earlier a strong pipeline of projects but we will want to see strong sides of betterment if we are going to reauthorize the Bank in the next Congress. Could you briefly share how you plan to scale up that statutory CTEP authority?

Ms. LEWIS. Absolutely, Congressman. We have issued—what we have is letters of interest, over 186 of those. We think that, in this particular time period, those letters of interest have been issued primarily in the energy storage and wireless communications sector, but this gives us a first review of looking at those particular projects. It also gives us an opportunity to develop those relationships and to do the type of engagements that is going to be needed.

Those—we see those interests as being very important. It is just a signal to the market and it also gives us an opportunity to convert many of those to actual projects.

Mr. LOUDERMILK. Okay. Thank you.

During the last Eximbank reauthorization debate, I saw the utility of the Bank as a national security and strategic tool, but was also sympathetic to some of the arguments from those opposed to reauthorizing the Bank. I am still concerned with striking the balance between aggressively countering China and maintaining Eximbank as a lender of last resort, mainly so we are not competing with the private sector. I think that is the concern of those that are in opposition to this.

In your opinion, how do we balance those two priorities?

Ms. LEWIS. You are absolutely right, Congressman. We need to always be striking that balance. In striking that balance, one of the things that Congress is very clear about Eximbank is that we are supposed to be crowding in not crowding out the private sector. We are supposed to be additional to any particular transaction. Those are the things that we, our underwriters, write to as standards.

One of the things that we do know, Congressman, is that many foreign competitors, you know, they get a lot of support from their financial institutions and from their governments, especially the PRC. Right now, there are over about 115 export agencies around the world and so, if we are not there, Congressman, some other government is and especially the PRC.

Mr. LOUDERMILK. Yes, and we are in a different era than what maybe even our Founders expected us to be in, especially with these heavily subsidization of competing nations.

Just to shift a little bit, in your opinion, how should we calibrate a potential default rate cap increase to best balance aggressive Eximbank financing with sound risk management while keeping the Bank a lender of last resort?

Ms. LEWIS. Absolutely, Congressman. Eximbank celebrated its 90th anniversary. We think there is still so much more that we can do to—for our exporters to be able to use Eximbank's programs. We believe that, as you know, no one gets any special treatment at Eximbank. All transactions are consistent with our legal requirements, our financial requirements, and our technical requirements. We are going to continue to do that type of work to ensure that our companies can stay competitive, but not just be competitive, but also to win.

Mr. LOUDERMILK. All right. Thank you. I yield back.

Chairman LUETKEMEYER. The gentleman yields back.

Now we go with the gentleman from Iowa, Mr. Nunn, who is recognized for 5 minutes.

Mr. NUNN. Thank you very much, Mr. Chairman and Madam Ranking Member for this.

I want to—I appreciate President Lewis for being here with us today.

I think we all know that we are currently in a new era of global competition and that we are faced off with our greatest adversary here being China. Literally in this case, all the chips are on the table when it comes to this. Specifically, our challenges in the global economic leadership are very real. U.S. possesses several critical

tools, as we know, to remain a global super power. The U.S. Import-Export Bank is one of those tools to support U.S. jobs, combat our adversaries, promote American economic influence.

In the last 10 years alone, the Export-Import Bank has helped generate nearly a quarter of a billion dollars in economic value just in my home State of Iowa. So I want to thank you for your leadership on this, for our farmers' sake, our manufacturers, and for being here today to help keep America a leader in this era.

With this, President Lewis, I want to speak specifically to the Chinese Communist Party's ownership in things like telecommunications, Huawei, ZTE; their investment in things like the deep water ports that we are seeing in South America, Peru specifically; economic corridors to Pakistan; bridges and roads being built in Cambodia. The list goes on and on. Mineral extraction in Africa. China's Belt and Road Initiative we all know is targeted, it has penetrated a huge part of the economic globe, and it is an area where we need to be looking forward on how do we combat this and bring it on its side.

Can you provide top line ways the U.S. can help combat this and specifically prevent the CCP taking ownership of other countries?

Ms. LEWIS. Absolutely, Congressman. As you said, the competition is fierce, and we are trying—we have the sense of urgency at Eximbank, especially with the mandate that you all have provided us and the new tools that we are creating and the new flexibilities that we are giving in terms of providing longer tenures and looking at the terms much more than having the ability to assist our companies. That is one of the reasons why we have been here to discuss how do we continue to level the playing field, and having that CTEP carve-out and the early reauthorization we believe is going to be very important.

Mr. NUNN. Good to hear. Let me ask this: Where is the Eximbank going in the runway ahead? Where can we be most effective?

Ms. LEWIS. I think we are most effective in this conversation that we are having today about CTEP. We are looking to continue to see how we can work with all of you so that the market is clear that Eximbank is a stable institution, that Eximbank has been revitalized, that Eximbank has strong bipartisan support in its reauthorization. All of those are areas that I believe would be very important to send as a signal to the market that Eximbank is not only back in business but that we can also deliver results around the mandates that we are supporting, as well as supporting all sectors, large, medium, and small companies.

Mr. NUNN. I think it is really important here, particularly when it comes to critical technologies, that we are playing in this space and sending a clear message to our competitors, particularly those coming out of Beijing.

Now, I want to look back just a little bit and say, in 2019, the reauthorization made an impact and we saw change in behavior. Do you see any of these same changes in behavior from what the Eximbank is doing now that is helping us counter China's influence?

Ms. LEWIS. Absolutely. When I have—as we have been ramping up the work that we are doing in CTEP, the numbers that have

been—we have been discussing around the wireless, over \$542 million energy storage, \$195 million renewable energy over—the largest deal we did, which was in Angola for \$962 million, all of those came under the CTEP mandate. I think that what we are—what others are seeing, and it bears out no matter where I am traveling to, that Eximbank is a force to now be reckoned with.

Mr. NUNN. I like to hear that.

Two things real quick. Department of Commerce is working on American dual-use technologies. I want to thank military capabilities here, AI, hypersonics. How does your team coordinate with Commerce on that?

Ms. LEWIS. We work with Commerce very, very closely. As you know, Secretary Raimondo is ex-officio on our board, but we work very closely with all units in the Department of Commerce, as well as other interagency partners. We believe working together as a whole of government allows all of us to be a force multiplier for the work that we are doing.

Mr. NUNN. You have the connective tissue you need there to be successful. You agree with that? You have the connective tissue there with Commerce to make that successful?

Ms. LEWIS. Yes.

Mr. NUNN. Good.

Hey, last question real quick. Your foreign export credit competitors have been accused of unfair practices to gain advantage. Does that compete with U.S. agencies at all?

Ms. LEWIS. There are definitely unfair practices throughout, especially with the PRC.

Mr. NUNN. Copy that.

Thank you very much, Mr. Chair. I yield my time.

Chairman LUETKEMEYER. Copy that. All right. Way to go, Mr. Nunn.

With that—do you have a question?

We will recognize the ranking member for a point of personal privilege here.

Mrs. BEATTY. Thank you so much and thank you again to our witness and to my colleagues.

I have a distinct honor today to have in our hearing room from my district the recipient first place of my congressional Art Competition, Olivia. So we want to congratulate you. She has her sibling and her parents, also a small business owner. So I invited them to come in because her mother, who is a physician, also has a small business downtown. Madam—President Chair, she might also have a product that, as a small business owner, that might be eligible to be in your export-import.

Thank you, Mr. Chairman. I yield back.

Her father is also here. So I wanted to make sure you knew both her parents were here.

Chairman LUETKEMEYER. Well, congratulations. I will have to go by the long wall and take a look at your masterpiece. Thank you for being here today.

I have one more question, and I want to put a little piece of information on the record right quick while we have you here, Ms. Lewis, and that is with regards to Eximbank statutory underwriting standard, a reasonable assurance of repayment, versus the

Department of Energy loan program. Their underwriting standard is reasonable probability of repayment.

I realize that is cutting hairs. Again, that is what we do around here. The words mean something, but this does have a significant effect. Again, I think—I guess my question is going to be, can we—would you support changing it from assurance to probability so that you can have more flexibility and be able to compete better with the—in the CTEP stuff?

Ms. LEWIS. The standard that I underwrite, you are absolutely correct, Mr. Chairman, is the reasonable assurance of repayment, because that is the stem that Congress has asked us to be—to be able to make sure that we have bankable commercially viable deals, and we look forward to working with the committee on any measure that you would want to put forth to Eximbank.

Chairman LUETKEMEYER. Well, I think that is a good place to start for some of the negotiations when the reauthorization starts, because I think you need the flexibility to, again, be able to compete, and that is what we are talking about here today is being able to compete with China and allow the Eximbank to be a partner in that.

With that, I would like to thank Ms. Lewis for being here today and your testimony. I appreciate you working with us through our vote series.

Without objection, all the members will have 5 legislative days within which to submit additional questions for the witness to the chair which will be forwarded to the witness for her response. I ask the witness please respond as promptly as you can.

[The information referred to can be found in the appendix.]

With that, the hearing is adjourned.

[Whereupon, at 12:44 p.m., the subcommittee was adjourned.]

A P P E N D I X

June 27, 2024

**U.S. House of Representatives
Financial Services Subcommittee on
National Security, Illicit Finance, and International Financial Institutions
June 27, 2024**

The Role of the Export-Import (Ex-Im) Bank of the United States Amid Intensifying Economic Competition with China

The Honorable Reta Jo Lewis
President and Chair
Export-Import Bank of the United States

Representative Young Kim

1. President Lewis: I am troubled that EXIM has only approved \$3.5 billion in CTEP transactions since the program's inception. It has been discussed that one way to encourage more CTEP transactions is to have carve outs from existing requirements. Other than these carve outs, do you have any other recommendations that Congress could enact to encourage more CTEP transactions and better compete with China's export credit agencies?

Response:

EXIM has embraced our China and Transformational Exports Program (CTEP) mandate and, under my tenure, CTEP authorizations have jumped from \$253 million in FY 2022 to \$2.4 billion in FY 2023. We expect CTEP authorizations in fiscal year 2024 to exceed the amount from last fiscal year. We are working hard to raise this number, and we have asked Congress for additional tools to help us get there, including by exempting CTEP transactions from the default rate cap. Congress could also consider raising the default rate cap for all projects. Both of these would allow EXIM to take on marginally more risk and enable the agency to more directly challenge People's Republic of China (PRC)-backed offers and support U.S. leadership in critical export areas. Finally, an early reauthorization would demonstrate to the market that Congress is committed to EXIM, and to CTEP as a core component of the agency's work.

2. President Lewis, will you commit to work together to ensure that the U.S. remains a leader in AI and 5G ORAN deployment across the globe?

Response:

Yes.

3. How does EXIM work to counter export financing from Russia and the PRC in the nuclear and LNG sectors and what can Congress do to narrow the gap?

Response:

EXIM works with U.S. interagency partners to meet the challenges posed by America's adversaries, including Russia and the PRC. EXIM's role is to support U.S. manufacturers and exporters and help ensure they can compete on a more level playing field.

EXIM has world-class expertise analyzing technical, legal, and financial risks in the energy sector and, under my tenure, the agency has taken steps to strengthen our work across the sector. In March 2024, for example, I traveled to Belgium as part of the U.S. delegation to the first ever global Nuclear Energy Summit, led by Senior Advisor to the President on Climate, John Podesta. At the Summit, I participated in a series of meetings and discussions with heads of state and government leaders to highlight EXIM's financing tools to support U.S. nuclear technology exports.

EXIM's default rate cap poses a significant challenge to EXIM's ability to support U.S. exporters in the energy sector, particularly because other export credit agencies are not bound by these constraints. As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP and nuclear transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk transactions, technologies, and markets.

4. U.S. allies and adversaries use their export credit agencies to finance military equipment. With the growing Russian and PRC aggression around the world, would you support removing restrictions to narrowly finance dual-use military technologies like AI?

Response:

EXIM Bank is prohibited by law from financing defense articles and defense services. However, so-called "dual use" exports—meaning they have both military and commercial or civilian applications—are eligible for EXIM support if such exports are non-lethal in nature and will be used primarily for civilian activities. In short: EXIM is currently able to support the export of AI technologies that qualify for the dual use exemption.

5. Will you work with me to ensure this important credit risk transfer program continues?

Response:

Yes, EXIM will work with you, your colleagues, and other stakeholders to ensure the agency can continue to support U.S. jobs through its financing programs, including those designed to mitigate credit risk.

6. You mentioned the promise of 5G during your opening statement, and that the Bank

has modernized its content policy to enable more lending for 5G to communications equipment companies looking to compete internationally against companies such as Huawei. Will you please elaborate on what internal processes are being modernized to expand the Export-Import Bank's work in this sector? What specific legislative steps can Congress take to further help the Bank enable companies to compete against Huawei for 5G deployment?

Response:

In 2020, EXIM's Board of Directors approved new content principles for ten congressionally mandated transformational export areas, and in 2023, the Board further clarified how those content principles would apply to 5G transactions. Under the clarification, full EXIM support is available for eligible 5G transactions with a U.S. content level of 51% or with less than 51% U.S. content under certain conditions, which include a written plan to increase U.S.-based jobs in the next 3-5 years. This will enable EXIM to support export solutions to help the United States and allies meet the challenges posed by Huawei and ZTE in the wireless communications space.

More broadly, EXIM is seeking a default rate cap exemption for CTEP transactions, including 5G transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on equal footing in the global market. Congress could act to reauthorize EXIM prior to the lapse of its charter in December 2026. An early reauthorization would send a strong signal to the market that Congress is committed to EXIM and instill stakeholder confidence in the agency.

7. During the hearing, you discussed how the China & Transformational Exports (CTEP) Program has statutory limitations on what it can provide for companies seeking to globally compete against Chinese companies. How can, for example, the Export-Import Bank of China enable a company like Huawei to potentially outmaneuver a Western-based company looking to use the Export-Import Bank of the U.S. today? What can Congress do to allow the CTEP program, and the Bank more broadly, to put Western-based companies on a more equal footing to compete with companies like Huawei?

Response:

The PRC has two official export credit agencies, as well as other government institutions that provide export and trade-related finance in support of the PRC's geopolitical goals. These agencies do not follow international standards on transparency or financing terms, they do not act as lenders of last resort, and they are not required to have a reasonable assurance of repayment on their transactions.

Through CTEP, EXIM has been able to help U.S. manufacturers and exporters respond to the challenges posed by the PRC's export credit agencies—and, under my tenure, CTEP

authorizations have jumped from \$253 million in FY 2022 to \$2.4 billion in FY 2023.

But our CTEP transactions are still subject to EXIM's two percent default rate cap: under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, EXIM would be unable to authorize any new loans until the default rate was brought back below two percent.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, the agency ends up supporting transactions with higher risk profiles. Inherent in this risk-taking is the possibility of some defaults.

The default rate cap poses a significant challenge to EXIM's ability to support U.S. exporters, particularly because other export credit agencies are not bound by these constraints. As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP and nuclear transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on a more equal footing in the global market.

Representative Joyce Beatty

1. Chair Lewis, the Export-Import Bank has a significant amount of unspent funding. You indicated in your testimony that a default cap rate increase from two percent to four percent would expand EXIM's ability to issue loans.

If Congress were to authorize the increase, how would you prioritize telecommunications/5G network projects? The CTEP program has yet to award a telecommunications project since Congress created it in 2019.

Response:

IT and Telecommunications were EXIM's fourth largest export of services in FY 2023. As part of a whole of government approach to compete against Huawei 5G equipment, for example, EXIM's Board approved a June 2023 preliminary commitment to the Government of Costa Rica's Instituto Costarricense de Electricidad & Subsidiaries. While this application has a number of steps to satisfy before it is ready for Board consideration, the preliminary commitment shows EXIM's interest in exploring whether it can support a transaction designed to help deploy a 5G network across Costa Rica.

One of the challenges EXIM faces in supporting 5G transactions is the limited manufacturing capacity of U.S. companies in the 5G sector. EXIM is working to support greater capacity where it can, including through its Make More in America (MMIA) Program. And in January 2023, EXIM issued a 5G-specific content clarification, making clear that EXIM can finance sourcing from third country markets provided the vendor commits to maintain or increase their U.S. jobs footprint.

Ranking Member Maxine Waters:

1. Communities affected by EXIM's financing should have an independent and robust channel to raise concerns about environmental and human rights impacts. Do you commit to creating an independent accountability mechanism?

Response:

EXIM has several mechanisms to give project-affected communities the opportunity to raise concerns about the environmental and human rights impacts of EXIM projects. EXIM's fully independent EXIM Office of the Inspector General (OIG) examines EXIM policies, programs, and transactions. EXIM also requires all projects receiving support to establish a grievance mechanism. EXIM routinely assesses these mechanisms' accessibility and functionality and our projects' capacity to properly manage the mechanisms. Finally, EXIM has established an internal accountability mechanism through the Environmental and Social Project Information and Concerns webpage ("the portal") and the Environmental and Social Review Committee. The portal includes an online registry to increase transparency regarding complaints received from affected communities and stakeholders. EXIM believes these existing accountability mechanisms are adequate.

2. Support for minority-owned and women-owned exporters is an important part of EXIM's mission. Please describe what EXIM is doing when it comes to attracting and supporting diverse-owned export businesses. What does the outreach look like to those businesses, and how does EXIM plan to engage diverse communities in the future so a wider groups knows about EXIM programs?

Response:

I said during my confirmation that one of my top priorities would be not just small businesses but minority and women-owned businesses—and I have prioritized it throughout my tenure. For example, EXIM established a new Council on Advancing Women in Business to support greater outreach to and collaboration with minority and women-owned businesses to help them expand their international footprints. The Council provides recommendations on ways EXIM can reach more women in business and enhance equity goals in EXIM strategic planning. Through the Council and other initiatives, EXIM provided \$349.3 million in total support for MWOBs in fiscal year 2023.

3. Please describe how EXIM evaluates carbon-intensive projects, especially the impact that these can have on local communities. Additionally, how is EXIM Bank managing the tension between the nondiscrimination provision and harm to the environment and communities, especially in light of President Biden's clean energy mandates and targets?

Response:

Upon receipt of an application, EXIM staff assess the project in accordance with our Environmental and Social Due Diligence Procedures and Guidelines (ESPGs), which reference the International Financial Corporation Performance Standards and the Equator Principles (EP4)—the standards used by global lenders in international project financing. In accordance with these standards, project sponsors assess and quantify project-related greenhouse gas emissions, which are reviewed by EXIM staff and independent consultants. And for high carbon intensity projects, staff also develop and submit to the Board a detailed description of project-related greenhouse gas emissions mitigation measures, including additional feasible options.

EXIM also posts the estimated project-related emissions with annual emissions of at least 25,000 metric tons on its website and reports the emissions related to its authorizations on its website prior to Board consideration and within its Annual Report.

4. Can you please explain how EXIM balances social, environmental, and political risks in evaluating its possible projects, especially in its internal pre-financing assessments? What are you doing to increase the depth and efficacy of due diligence reviews, and how is that being integrated into the approvals process?

Response:

EXIM reviews each transaction based on a number of factors, including bankability, a reasonable assurance of repayment, environmental review, technical and safety, and compliance with all applicable laws.

Representative Roger Williams

1. Could you provide a list of deals that have taken more than a year to consider?

Response:

As of June 27, EXIM had 50 pending Board-level applications, of which 14 applications have been in process for more than a year. EXIM is required to publicize limited information for certain projects seeking support—such as projects requiring Environmental & Social Impact Assessments—but the agency does not otherwise publicize information related to potential transactions because of business confidentiality.

EXIM performs an extensive and detailed analysis on each transaction including, but not limited to: credit factors, technical analysis, environmental analysis, country, and legal analysis. The processing times for each application can vary depending on the complexity and nature of the application (e.g., limited recourse project finance, nuclear, co-financed, asset-backed, etc.); processing can also be paused at the request of a borrower.



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[DISCUSSION DRAFT]118TH CONGRESS
2D SESSION**H. R.** _____

To establish a nuclear energy assistance trust fund at the World Bank, the European Bank for Reconstruction and Development, and other international financial institutions, as appropriate, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCHENRY introduced the following bill; which was referred to the Committee on _____

A BILL

To establish a nuclear energy assistance trust fund at the World Bank, the European Bank for Reconstruction and Development, and other international financial institutions, as appropriate, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nuclear Energy Assist-
5 ance Trust Fund Act of 2024”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Nuclear power is an emissions-free energy
2 source that produces approximately 30 percent of
3 the world's low-carbon electricity. In 2021, 33 coun-
4 tries operated nuclear power plants.

5 (2) The People's Republic of China and the
6 Russian Federation have sought to export nuclear
7 reactors to Europe, Eurasia, Latin America, Africa,
8 and South Asia. According to a 2017 study by Co-
9 lumbia University's Center on Global Energy Policy,
10 Chinese and Russian nuclear reactors are associated
11 with higher safety risk than Western nuclear reac-
12 tors. In addition, financial and operational support
13 for nuclear power can extend over decades, allowing
14 Beijing and Moscow to secure long-term influence in
15 both advanced and developing economies.

16 (3) The Russian Federation is currently build-
17 ing 21 reactors outside its borders, while the Peo-
18 ple's Republic of China is assembling more than a
19 third of reactors under construction globally. Ac-
20 cording to research published in Nature Energy in
21 February 2023, when the Russian Federation
22 launched its invasion of Ukraine in 2022, Russian
23 state-owned nuclear operator Rosatom "boasted as
24 many as 73 different projects in 29 countries. The
25 projects were at very different stages of development

1 from power plants in operation; through construc-
2 tion of reactors ongoing, contracted, ordered or
3 planned; to involvement in tenders, invitations to
4 partnerships or officially published proposals. On top
5 of that, Russian companies have bilateral agree-
6 ments or memoranda of understanding (MoUs) with
7 13 countries for services or general joint develop-
8 ment of nuclear energy.”.

9 (4) In its report, “International Status and
10 Prospects for Nuclear Power 2021”, the Inter-
11 national Atomic Energy Agency wrote, “A total of
12 28 countries have expressed interest in nuclear
13 power and are considering, planning or actively
14 working to include it into their energy mix. Another
15 24 Member States participate in the Agency’s nu-
16 clear infrastructure related activities or are involved
17 in energy planning projects through the technical co-
18 operation programme. Ten to twelve embarking
19 Member States plan to operate NPPs [nuclear power
20 plants] by 2030–2035, representing a potential in-
21 crease of nearly 30% in the number of operating
22 countries. Several embarking countries have also ex-
23 pressed interest in SMRs [small modular reactors]
24 technology, in particular Estonia, Ghana, Jordan,

1 Kenya, Poland, Saudi Arabia and Sudan, as well as
2 expanding countries such as South Africa.”.

3 (5) On December 2, 2023, the United States,
4 alongside more than 20 other countries, pledged to
5 triple nuclear energy capacity by 2050 and support
6 the financing of nuclear energy through the World
7 Bank and regional development banks, so as to “en-
8 courage the inclusion of nuclear energy in their or-
9 ganizations’ energy lending policies as needed, and
10 to actively support nuclear power when they have
11 such a mandate”.

12 **SEC. 3. ESTABLISHMENT OF NUCLEAR ENERGY ASSIST-**
13 **ANCE TRUST FUNDS.**

14 Title XV of the International Financial Institutions
15 Act (22 U.S.C. 262o–262o–4) is amended by adding at
16 the end the following:

17 **“SEC. 1506. ESTABLISHMENT OF NUCLEAR ENERGY ASSIST-**
18 **ANCE TRUST FUNDS.**

19 “(a) IN GENERAL.—The Secretary of the Treasury
20 shall instruct the United States Governors of the Inter-
21 national Bank for Reconstruction and Development, the
22 European Bank for Reconstruction and Development,
23 and, as the Secretary deems appropriate, other inter-
24 national financial institutions (as defined in section
25 1701(c)(2)) to use the voice, vote, and influence of the

1 United States to establish at each such institution a trust
2 fund to be known as the ‘Nuclear Energy Assistance Trust
3 Fund’ that meets the requirements of subsections (b) and
4 (c) of this section.

5 “(b) PURPOSES.—The purposes of such a trust fund
6 shall be the following:

7 “(1) To provide financial and technical assist-
8 ance to support the generation and distribution of
9 nuclear energy in borrowing countries.

10 “(2) To ensure that the international financial
11 institution makes financing available on competitive
12 terms, including for the purpose of countering credit
13 extended by the government of a country that is not
14 a member of the OECD Arrangement on Officially
15 Supported Export Credits.

16 “(3) To exclusively support the adoption of nu-
17 clear energy technologies that meet or exceed the
18 quality standards prevalent in the United States or
19 a country allied with the United States.

20 “(4) To strengthen the capacity of the inter-
21 national financial institution to assess, implement,
22 and evaluate nuclear energy projects.

23 “(c) USE OF TRUST FUND REVENUES.—The reve-
24 nues of such a trust fund shall be made available for ac-
25 tivities for the purposes described in subsection (b), or the

1 United States share of the revenues shall be remitted to
2 the general fund of the Treasury, as the Secretary finds
3 appropriate.

4 “(d) INCLUSION IN ANNUAL REPORT.—The Chair-
5 man of the National Advisory Council on International
6 Monetary and Financial Policies shall include in the an-
7 nual report required by section 1701 a description of any
8 progress made to establish a trust fund pursuant to this
9 section or, as the case may be, a summary of the activities
10 of any such trust fund.

11 “(e) RULE OF INTERPRETATION.—This section shall
12 not be interpreted to affect the ability of the United States
13 Governor of, or the United States Executive Director at,
14 an international financial institution (as so defined) to en-
15 courage the provision of financial or technical assistance
16 from non-trust fund resources of the institution to support
17 the generation or distribution of nuclear energy.

18 “(f) SUNSET.—Subsection (a) shall have no force or
19 effect beginning 10 years after the date of the enactment
20 of this section.”.

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.....
 (Original Signature of Member)

118TH CONGRESS
 2D SESSION

H. R. _____

To amend the Burma Unified through Rigorous Military Accountability Act of 2022 to extend the sunset, to require a determination with respect to the imposition of sanctions on certain persons of Burma, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. HUIZENG introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Burma Unified through Rigorous Military Accountability Act of 2022 to extend the sunset, to require a determination with respect to the imposition of sanctions on certain persons of Burma, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bringing Real Ac-
 5 countability Via Enforcement in Burma Act” or the
 6 “BRAVE Burma Act”

1 **SEC. 2. EXTENSION OF SUNSET.**

2 Section 5574 of the Burma Unified through Rigorous
 3 Military Accountability Act of 2022 (subtitle E of title LV
 4 of division E of the James M. Inhofe National Defense
 5 Authorization Act for Fiscal Year 2023; 22 U.S.C. 10225)
 6 is amended by striking “8 years” and inserting “10
 7 years”.

8 **SEC. 3. MODIFICATIONS TO REPORTING REQUIREMENT.**

9 Section 5571(e) of the James M. Inhofe National De-
 10 fense Authorization Act for Fiscal Year 2023 (22 U.S.C.
 11 10222(e)) is amended to read as follows:

12 “(e) ASSESSMENT AND REPORT ON SANCTIONS
 13 WITH RESPECT TO BURMESE PERSONS.—

14 “(1) IN GENERAL.—Not later than 180 days
 15 after the date of the enactment of this Act, and an-
 16 nually thereafter for 7 years, the President shall de-
 17 termine whether the following persons meet the cri-
 18 teria for sanctions described under subsection (a) or
 19 under Executive Order 14014 (86 Fed. Reg. 9429;
 20 relating to blocking property with respect to the sit-
 21 uation in Burma):

22 “(A) Any Burmese state-owned enterprise
 23 described in subsection (c)(1).

24 “(B) Myanma Economic Bank.

25 “(C) Any foreign person that the President
 26 determines operates in the jet fuel sector of the

1 Burmese economy, including through activities
2 such as the provision of financial services or the
3 importation, exportation, reexportation, sale,
4 supply, trade, storage, or transport, directly or
5 indirectly, of aviation fuel in Burma.

6 “(2) REPORT REQUIRED.—Upon making the
7 determination required by paragraph (1), the Presi-
8 dent shall submit to the appropriate congressional
9 committees a report on the assessment.

10 “(3) FORM OF REPORT.—The report required
11 by paragraph (2) shall be submitted in unclassified
12 form but may include a classified annex.”.

13 **SEC. 4. LIMITATION OF SHAREHOLDING BENEFITTING THE**
14 **STATE ADMINISTRATION COUNCIL OF**
15 **BURMA.**

16 (a) IN GENERAL.—The Secretary of the Treasury
17 shall instruct the United States Executive Director at the
18 International Monetary Fund to use the voice and vote
19 of the United States, when assessing potential changes to
20 any shareholding formula in connection with a governance
21 review of the Fund, to limit, as appropriate, an increase
22 to the shareholding of Burma if the country is subject to
23 the rule of the State Administration Council.

24 (b) WAIVER.—The President of the United States
25 may waive the application of subsection (a) upon certifying

1 to the Committee on Financial Services of the House of
2 Representatives and the Committee on Foreign Relations
3 of the Senate that the waiver is important to the national
4 interest of the United States, with a detailed explanation
5 of the reasons therefor.

6 **SEC. 5. UNITED STATES SPECIAL COORDINATOR FOR BUR-**
7 **MESE DEMOCRACY.**

8 (a) IN GENERAL.—There is within the office of the
9 Secretary of State a United States Special Coordinator for
10 Burmese Democracy (in this section referred to as the
11 “Special Coordinator”) who shall be appointed by the
12 President, by and with the advice and consent of the Sen-
13 ate.

14 (b) CENTRAL OBJECTIVE.—The Special Coordinator
15 should develop a comprehensive strategy for the implemen-
16 tation of the full range of United States diplomatic capa-
17 bilities to promote human rights and the restoration of
18 civilian government in Burma.

19 (c) DUTIES AND RESPONSIBILITIES.—The Special
20 Coordinator should, as appropriate, assist in—

21 (1) coordinating the sanctions policies of the
22 United States under the Burma Unified through
23 Rigorous Military Accountability Act of 2022 (22
24 U.S.C. 10201 et seq.) with relevant bureaus and of-

1 fices within the Department of State and other rel-
2 evant United States Government agencies;

3 (2) promoting a comprehensive international ef-
4 fort to impose and enforce multilateral sanctions
5 with respect to Burma;

6 (3) coordinating with and supporting inter-
7 agency United States Government efforts, including
8 efforts of the United States Ambassador to Burma,
9 the United States Ambassador to ASEAN, and the
10 United States Permanent Representative to the
11 United Nations, relating to—

12 (A) identifying opportunities to coordinate
13 with and exert pressure on the governments of
14 the People's Republic of China and the Russian
15 Federation to support multilateral action
16 against the Burmese military;

17 (B) working with like-minded partners to
18 impose a coordinated arms embargo on the
19 Burmese military and targeted sanctions on the
20 economic interests of the Burmese military, in-
21 cluding through the introduction and adoption
22 of a United Nations Security Council resolu-
23 tion;

24 (C) engaging in direct dialogue with Bur-
25 mese civil society, democracy advocates, ethnic

1 minority representative groups, and organiza-
 2 tions or groups representing the protest move-
 3 ment and the officials elected in 2020, such as
 4 the Committee Representing the Pyidaungsu
 5 Hluttaw, the National Unity Government, the
 6 National Unity Consultative Council, the Ethnic
 7 Resistance Revolutionary Organizations, and
 8 their designated representatives;

9 (D) encouraging the United Nations Inde-
 10 pendent Investigative Mechanism for Myanmar
 11 to incorporate accountability mechanisms in re-
 12 lation to the atrocities against Rohingya and
 13 other ethnic groups, to take further steps to
 14 make its leadership and membership ethnically
 15 diverse, and to incorporate measures to enhance
 16 ethnic reconciliation and national unity into its
 17 policy agenda;

18 (E) assisting efforts by the relevant United
 19 Nations Special Envoys and Special
 20 Rapporteurs to secure the release of all political
 21 prisoners in Burma, promote respect for human
 22 rights, and encourage dialogue; and

23 (F) supporting nongovernmental organiza-
 24 tions operating in Burma and neighboring
 25 countries working to restore civilian democratic

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1 rule to Burma and to address the urgent hu-
2 manitarian needs of the people of Burma;
3 (4) providing timely input for reporting on the
4 impacts of the implementation of the Burma Unified
5 through Rigorous Military Accountability Act of
6 2022 on the Burmese military and the people of
7 Burma; and
8 (5) reporting to and coordinating with Con-
9 gress.

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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To extend, and repeal the waiver authority under, the Protecting Europe's
Energy Security Act of 2019.

IN THE HOUSE OF REPRESENTATIVES

Mr. BARR introduced the following bill; which was referred to the Committee
on _____

A BILL

To extend, and repeal the waiver authority under, the
Protecting Europe's Energy Security Act of 2019.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Securing Europe's En-
5 ergy Security Act of 2024".

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1 **SEC. 2. EXTENSION OF, AND REPEAL OF WAIVER UNDER,**
2 **PROTECTING EUROPE'S ENERGY SECURITY**
3 **ACT OF 2019.**

4 Section 7503 of the Protecting Europe's Energy Se-
5 curity Act of 2019 (title LXXV of Public Law 116–92;
6 22 U.S.C. 9526 note) is amended—

- 7 (1) by striking subsection (f); and
8 (2) in subsection (h)(2), by striking “the date
9 that is” and all that follows and inserting “January
10 1, 2031.”.

