

division of the Bank, as appropriate, to specialize in transactions in support of exports by small business concerns, including receipt and all aspects of processing (including approval or disapproval, or staff recommendation of approval or disapproval, as appropriate) applications for loans, guarantees, and insurance. The staff so designated may approve applications for working capital loans and guarantees, and for insurance, in support of exports which have a value of less than \$10,000,000, subject to the policies and procedures established by the Board of Directors other than those which provide for a lower limit on the dollar amount of exports with respect to which such an approval may be granted.

“(B) COORDINATION.—The staff designated under subparagraph (A) of this paragraph shall carry out their duties in their respective operating divisions, under the coordination of the officer designated under paragraph (2) of this subsection.

“(4) RESOURCES.—

“(A) IN GENERAL.—The President of the Bank shall ensure that the division has sufficient qualified staff and budgetary resources to carry out subparagraphs (E) and (I) of section 2(b)(1), as determined annually by the President of the Bank, after consultation with—

“(i) the officer referred to in paragraph (2) of this subsection;

“(ii) the Director appointed under subsection (c)(8)(B) of this section;

“(iii) the Committee on Financial Services of the House of Representatives; and

“(iv) the Committee on Banking, Housing, and Urban Affairs of the Senate.

“(B) USES.—

“(i) IN GENERAL.—The President of the Bank shall ensure that the staff and budgetary resources of the division are devoted solely to carrying out the functions of the division.

“(ii) CERTAIN STAFF DUTIES.—The division shall include staff dedicated exclusively to providing outreach, training, and advice to, seeking feedback from, and advocating on behalf of small business concerns regarding Bank financing opportunities, products, and programs.

“(C) RULE OF INTERPRETATION.—Nothing in this Act shall be construed to prevent the delegation to the division of any authority necessary to carry out subparagraphs (E) and (I) of section 2(b)(1).

“(5) SMALL BUSINESS CONCERN DEFINED.—In this subsection and subsections (g), (h), and (i), the term ‘small business concern’ shall have the meaning established under section 3(a) of the Small Business Act.

“(g) HANDLING OF APPLICATIONS OF, AND PROCESSING OF TRANSACTIONS INVOLVING SMALL BUSINESS CONCERN.—Consistent with the requirement that the Bank obtain a reasonable assurance of repayment for each transaction the Bank supports, the Bank shall establish and maintain transaction standards tailored to the special circumstances of small business concerns and shall use the standards in evaluating applications by the concerns for Bank financing. The Bank shall ensure that each appropriate division of the Bank has staff dedicated to the processing of transactions involving small business concerns.

“(h) SMALL BUSINESS COMMITTEE.—

“(1) ESTABLISHMENT.—The Bank shall establish and maintain a committee to be known as the ‘Small Business Committee’.

“(2) PRINCIPAL PURPOSE.—The principal purpose of the Small Business Committee shall be to focus on small business concerns and coordinate the efforts of the Bank with respect to small business concerns, including the timely processing of transactions in support of exports by small business concerns

and the evolution of new or improved Bank products to better serve small business needs.

“(3) COMPOSITION.—

“(A) CHAIRMAN.—The chairman of the Small Business Committee shall be the Senior Vice President of the Bank who is responsible for management of the Small Business Division of the Bank.

“(B) OTHER MEMBERS.—The other members of the committee shall consist of the staff designated under subsection (f)(3)(A), and the President of the Bank shall ensure that the committee is comprised of officers and employees throughout the Bank that have responsibility for outreach and processing transactions involving small business concerns.

“(4) REPORTS.—The Small Business Committee shall report to the President of the Bank.

“(i) STAFF EVALUATIONS.—The evaluation of staff designated by the President of the Bank under subsection (f)(3)(A), including annual reviews of performance of duties related to transactions in support of exports by small business concerns, and any resulting recommendations for salary adjustments, promotions, and other personnel actions, shall be conducted jointly by the managers of the relevant operating division and the chairman of the Small Business Committee established under subsection (h), under the direction of the Director appointed under subsection (c)(8)(B).”.

(2) COORDINATION IN FINANCING OF SMALL BUSINESS EXPORTS.—Section 2(b)(1)(E)(vii)(I) of such Act (12 U.S.C. 635(b)(1)(E)(vii)(I)) is amended by adding at the end the following: “The Bank shall work in coordination with the entities described in the preceding sentence to streamline the processing of applications for Bank financing from small business concerns and to provide training and advice as required on the needs and benefits of export financing for small business concerns.”

(b) REPORT ON FEES CHARGED TO, AND TRANSACTIONS COSTS INCURRED BY, SMALL AND MEDIUM BUSINESS FOR BANK SERVICES.—Section 8 of such Act (12 U.S.C. 635g) is amended by adding at the end the following:

“(f) REPORT ON FEES CHARGED TO, AND TRANSACTIONS COSTS INCURRED BY, SMALL AND MEDIUM BUSINESS FOR BANK SERVICES.—The Bank shall submit to the Congress annually, and include in a separate section of the annual report to the Congress under subsection (a) of this section, a report on—

“(1) with respect to each type of transaction, the interest and fees charged by the Bank to exporters (including a description of fees and interest, if any, charged to small business concerns), buyers, and other applicants in connection with each financing program of the Bank, and the highest, lowest, and average fees charged by the Bank for short term insurance transactions;

“(2) the effects of the fees on the ability of the Bank to achieve the objectives of the Bank relating to small business; and

“(3) the fee structure of the Bank as compared with that of other foreign export credit agencies.”.

(c) REPORT ON FINANCING DIRECTED TOWARD SMALL BUSINESS.—Section 8 of such Act (12 U.S.C. 635g), as amended by subsection (b) of this section, is amended by adding at the end the following:

“(g) REPORT ON FINANCING DIRECTED TOWARD SMALL BUSINESS.—The Bank shall submit annually to the Committees on Financial Services and on Small Business of the House of Representatives—

“(1) a report on the extent to which the Bank has been able to use the authorities referred to in section 2(b)(1)(E)(iv), and, to the extent the Bank has been unable to fully do

so, a report on the obstacles to doing so and on what the Bank is doing to overcome the obstacles;

“(2) a report on the extent to which financing has been made available to small business concerns to enable them to participate in exports by major contractor, including through access to the supply chains of the contractors through direct or indirect funding; and

“(3) a strategic plan of action describing how, in the upcoming year, the Bank will take specific measures to achieve the small business objectives of the Bank, including expanded outreach, product improvements, and related actions.”.

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 2(b)(1)(E) of such Act (12 U.S.C. 635(b)(1)(E)), as amended by subsection (a)(2) of this section, is amended—

(i) in clause (i)(II), by striking “gives fair consideration to making loans and providing” and inserting “make loans and provide”;

(ii) by striking clause (iii);

(iii) in clause (iv), by striking “clauses (ii) and (iii) of this subparagraph” and inserting “clause (ii)”;

(iv) in clause (vi)—

(I) by striking “clause (v) of this subparagraph” and insert “clause (iv)”; and

(II) by striking “clause (vi)” and inserting “clause”;

(v) in clause (vii)—

(I) in subclause (I), by striking “(v)” and inserting “(iv)”; and

(II) in each of subclauses (II), (III), and (IV), by striking “clause (vii)” and inserting “clause”; and

(vi) by redesignating clauses (iv) through (x) as clauses (iii) through (ix), respectively.

(B) Section 8 of such Act (12 U.S.C. 635g) is amended—

(i) in subsection (b)(2)(B), by striking “2(b)(1)(E)(vii)” and inserting “2(b)(1)(E)(vi)”; and

(ii) in subsection (c), by striking “(E)(x)” and inserting “(E)(ix)”.

(2) UNIFORM MEANING OF SMALL BUSINESS.—Section 2(b)(1)(E) of such Act (12 U.S.C. 635(b)(1)(E)), as amended by subsection (a)(2) of this section and paragraph (1) of this subsection, is amended—

(A) in clause (i)(II), by striking “businesses” and inserting “business concerns”;

(B) in clause (iv), by striking “(as defined under section 3 of the Small Business Act)”;

(C) in each of clauses (v), (vi) and (vii), by striking “small business exports” each place it appears and inserting “exports by small business concerns”; and

(D) by adding at the end the following:

“(x) In this subparagraph, the term ‘small business concern’ shall have the meaning established under section 3(a) of the Small Business Act.”.

(e) ENHANCE DELEGATED LOAN AUTHORITY FOR MEDIUM TERM TRANSACTIONS.—

(1) IN GENERAL.—The Export-Import Bank of the United States shall seek to expand the exercise of authority under section 2(b)(1)(E)(vi) of the Export-Import Bank Act of 1945 (as so redesignated by subsection (d)(1)(A)(vi) of this section) with respect to medium term transactions for small business concerns (as defined under section 3(a) of the Small Business Act).

(2) CONFORMING AMENDMENT.—Section 2(b)(1)(B)(vi)(III) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)(vi)(III)), as so redesignated by subsection (d)(1)(A)(vi) of this section, is amended by striking “To the maximum extent practicable, the” and inserting “The”.

(3) DEADLINE.—Within 180 days after the date of the enactment of this Act, the Export-Import Bank of the United States shall

make available lines of credit and guarantees to carry out section 2(b)(1)(E)(vi) of the Export-Import Bank Act of 1945 (as so redesignated by subsection (d)(1)(A)(vi) of this section), pursuant to policies and procedures established by the Board of Directors of the Export-Import Bank of the United States.

SEC. 5. OFFICE OF FINANCING FOR SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN AND SMALL BUSINESS CONCERN OWNED BY WOMEN.

(a) IN GENERAL.—Section 3(f) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(f)), as added by section 4(a) of this Act, is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following:

“(5) OFFICE OF FINANCING FOR SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN AND SMALL BUSINESS CONCERN OWNED BY WOMEN.—

“(A) ESTABLISHMENT.—The President of the Bank shall establish in the division an office whose sole functions shall be to continue and enhance the outreach activities of the Bank with respect to, and increase the total amount of loans, guarantees, and insurance provided by the Bank to support exports by, socially and economically disadvantaged small business concerns (as defined in section 8(a)(4) of the Small Business Act) and small business concerns owned by women.

“(B) MANAGEMENT.—The office shall be managed by a Bank officer of appropriate rank who shall report to the Bank officer designated under section 3(f)(2).

“(C) STAFFING.—To the maximum extent practicable, the President of the Bank shall ensure that qualified minority and women applicants are considered when filling any position in the office.”.

(b) FINANCING DIRECTED TOWARD SMALL BUSINESSES OWNED BY MINORITIES OR WOMEN.—Section 2(b)(1)(E)(iv) of such Act (12 U.S.C. 635(b)(1)(E)(iv)), as so redesignated by section 4(d)(1)(A)(vi) of this Act, is amended by adding at the end the following: “From the amount made available under the preceding sentence, it shall be a goal of the Bank to make available not less than 15 percent of the amount to finance exports directly by small business concerns referred to in section 3(f)(5)(A).”.

(c) REPORT ON FINANCING DIRECTED TOWARD SMALL BUSINESSES OWNED BY MINORITIES OR WOMEN.—Section 8(g)(1) of such Act (12 U.S.C. 635g(g)(1)), as added by section 4(c) of this Act, is amended by inserting “and to finance exports by small business concerns referred to in section 3(f)(5)(A),” before “and, to the extent”.

(d) REPORT ON BANK EFFORTS TO SUPPORT EXPORTS BY SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN AND SMALL BUSINESS CONCERN OWNED BY WOMEN.—Section 8 of such Act (12 U.S.C. 635g), as amended by section 4 of this Act, is amended by adding at the end the following:

“(h) REPORT ON EFFORTS TO SUPPORT EXPORTS BY SMALL- AND MEDIUM-SIZED BUSINESSES OWNED BY WOMEN OR MINORITIES.—Not later than March 1 of each year, the Director appointed under section 3(c)(8)(B) of this Act shall prepare and submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Bank shall include in a separate section of the annual report submitted pursuant to subsection (a) of this section, a written report that describes the progress made by the Bank in supporting exports by socially and economically disadvantaged small business concerns (as defined in section 8(a)(4) of the Small Business Act) and small business concerns owned by women.”.

SEC. 6. SUB-SAHARAN AFRICA.

(a) EXTENSION OF ADVISORY COMMITTEE.—Section 2(b)(9)(B)(iii) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)(B)(iii)) is amended by striking “2006” and inserting “2011”.

(b) IMPROVED LIAISON WITH AFRICAN REGIONAL FINANCIAL INSTITUTIONS.—

(1) MASTER GUARANTEE AGREEMENTS.—Within 1 year after the date of the enactment of this Act, the Export-Import Bank of the United States shall seek to ensure that there is in effect a contract between each approved lender in Africa and the Bank, which sets forth the Bank’s guarantee undertakings and related obligations between the Bank and the lender.

(2) REPORT ON WORKING RELATIONSHIPS WITH THE AFRICAN DEVELOPMENT BANK, THE AFRICA EXPORT-IMPORT BANK, AND OTHER INSTITUTIONS.—Section 2(b)(9) of such Act (12 U.S.C. 635(b)(9)) is amended by adding at the end the following:

“(C) The Bank shall include in the annual report to the Congress submitted under section 8(a) a separate section that contains a report on the efforts of the Bank to improve working relationships with the African Development Bank, the Africa Export-Import Bank, and other institutions in the region that are relevant to the purposes of subparagraph (A) of this paragraph.”.

(c) CLOSER COOPERATION WITH OTHER UNITED STATES AGENCIES WORKING IN AFRICA.—Section 2(b)(9) of such Act (12 U.S.C. 635(b)(9)) is further amended by adding at the end the following:

“(D) The Bank shall closely coordinate with the United States Foreign Commercial Service and with the overall strategy of the United States Government, for economic engagement with Africa pursuant to the African Growth and Opportunity Act.

“(E) The Bank shall develop initiatives to train Foreign Service and Commercial Service officers serving at United States embassies in Africa, in the use of Bank programs, so the officers can encourage African buyers to take part in transactions supported by the Bank.”.

(d) ADJUSTMENTS TO PROCEDURES TO PROMOTE QUALIFICATION OF AFRICAN ENTITIES.—Section 2(b)(9) of such Act (12 U.S.C. 635(b)(9)) is further amended by adding at the end the following:

“(F) Consistent with the requirement that the Bank obtain a reasonable assurance of repayment in connection with each transaction the Bank supports, the Bank shall, in consultation with the entities described in subparagraph (C), seek greater flexibility in the due-diligence procedures of the Bank for the purpose of qualifying a greater number of appropriate African entities for participation in programs of the Bank.”.

(e) LOCAL CURRENCY FINANCING.—Section 2(b)(9) of such Act (12 U.S.C. 635(b)(9)) is further amended by adding at the end the following:

“(G) The Bank shall develop procedures under which the Bank is capable of financing certain African programs in local currencies.”.

SEC. 7. EXTENSION OF AUTHORITY.

Section 1(c) of Public Law 103-428 (12 U.S.C. 635 note) is amended by striking “2001” and inserting “2011”.

SEC. 8. TRANSPARENCY INITIATIVES.

(a) FREQUENCY OF MEETINGS.—Section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is amended by adding at the end the following:

“(9) The Board of Directors shall meet not less frequently than biweekly.

“(10) At the request of any 2 members of the Board of Directors, the Chairman shall place an item on the agenda for consider-

ation by the Board. Within 30 days after the date such a request is made, the Chairman shall hold a meeting of the Board at which the item will be considered.”.

(b) VOTING REQUIRED IN CASES INVOLVING ECONOMIC IMPACT ANALYSIS.—Section 2(e) of such Act (12 U.S.C. 635(e)) is amended by adding at the end the following:

“(5) BOARD VOTE REQUIRED.—Within 60 days after completing a review, pursuant to this subsection, of a proposed loan or guarantee (including any applicable comment period), the Board of Directors shall hold a vote to determine whether or not to proceed with the proposed loan or guarantee, unless the applicant has withdrawn the application for the loan or guarantee.”.

(c) PROCESS FOR NOTIFYING APPLICANTS OF APPLICATION STATUS.—Section 2 of such Act (12 U.S.C. 635) is amended by adding at the end the following:

“(g) PROCESS FOR NOTIFYING APPLICANTS OF APPLICATION STATUS.—The Bank shall establish and adhere to a clearly defined process for—

“(1) acknowledging receipt of applications;

“(2) informing applicants that their applications are complete or, if incomplete or containing a minor defect, of the additional material or changes that, if supplied or made, would make the application eligible for consideration; and

“(3) keeping applicants informed of the status of their applications, including a clear and timely notification of approval or disapproval, and, in the case of disapproval, the reason for disapproval, as appropriate.”.

(d) RESPONSE TO APPLICATION FOR FINANCING; IMPLEMENTATION OF ONLINE LOAN REQUEST AND TRACKING PROCESS.—Section 2 of such Act (12 U.S.C. 635) is further amended by adding at the end the following:

“(h) RESPONSE TO APPLICATION FOR FINANCING; IMPLEMENTATION OF ONLINE LOAN REQUEST AND TRACKING PROCESS.—Within 5 days after receipt of an application for financing from the Bank, the Bank shall notify the applicant that the application has been received, and shall include in the notice a request for such additional information as may be necessary to make the application complete, the name of a Bank employee who may be contacted with questions relating to the application, and a unique identification number which may be used to review the status of the application at a website established as provided in the next sentence. Not later than September 1, 2006, the Bank shall use the authorities provided by subparagraphs (E)(ix) and (J) of subsection (b)(1) of this section to establish, and thereafter to maintain, a website through which any Bank product may be applied for, information may be obtained about the status of any such application, about the small business division of the Bank, or about incentives, preferences, targets, and goals relating to small business concerns referred to in section 3(f)(5)(A) or small business concerns exporting to Africa.”.

(e) REPORTS RELATING TO TECHNOLOGY TO ASSIST SMALL BUSINESSES.—

(1) REPORTS BY THE BANK.—

(A) INITIAL REPORT.—Within 60 days after the date of the enactment of this Act, the President of the Export-Import Bank of the United States shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on—

(i) the efforts made by the Bank to carry out subparagraphs (E)(ix) and (J) of section 2(b)(1) of the Export-Import Bank Act of 1945, including the total amount expended by the Bank to do so; and

(ii) if the Bank has been unable to comply with such subparagraphs—

(I) an analysis of the reasons therefor;

(II) what the Bank is doing to achieve, and the date by which the Banks expects to have achieved, such compliance; and

(III) the name of each Bank officer who is responsible for ensuring that the Bank achieves, and the name of the person to whom the Bank officer reports on progress in achieving, such compliance.

(B) SUBSEQUENT ANNUAL REPORTS.—Section 8(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635g(c)), as amended by section 4(d)(1)(B)(ii) of this Act, is amended to read as follows:

“(c) TECHNOLOGY TO ASSIST SMALL BUSINESSES.—The Bank shall include in its annual report to the Congress under subsection (a) of this section for each of fiscal years 2007 through 2011 a separate section that contains—

“(1) a report on the efforts made by the Bank to carry out subparagraphs (E)(ix) and (J) of section 2(b)(1) of this Act, the total amount expended in the fiscal year to do so, and how the efforts are assisting small business concerns (as defined under section 3(a) of the Small Business Act); and

“(2) if the Bank has been unable to comply fully with such subparagraphs—

“(A) an analysis of the reasons therefor;

“(B) a description of what the Bank is doing to achieve, and the date by which the Banks expects to have achieved, such full compliance; and

“(C) the name of each Bank officer who is responsible for ensuring that the Bank achieves, and the name of the person to whom the Bank officer reports on progress in achieving, such full compliance.”.

(2) REPORT BY THE INSPECTOR GENERAL OF THE BANK.—Within 120 days after the date of the enactment of this Act or, if later, within 30 days after the date the vacancy in the position of the Inspector General of the Export-Import Bank of the United States is filled, the Inspector General of the Export-Import Bank of the United States shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate—

(A) a report on the efforts made by the Bank to carry out subparagraphs (E)(ix) and (J) of section 2(b)(1) of the Export-Import Bank Act of 1945, the total amount expended to do so, and how the efforts are assisting small business concerns (as defined under section 3(a) of the Small Business Act); and

(B) if the Bank has been unable to comply with such subparagraphs—

“(i) an analysis of the reasons therefor;

“(ii) a description of what the Bank is doing to achieve, and the date by which the Banks expects to have achieved, such compliance; and

“(iii) the name of each Bank officer who is responsible for ensuring that the Bank achieves, and the name of the person to whom the Bank officer reports on progress in achieving, such compliance.

(f) PUBLIC DISCLOSURE OF CERTAIN DOCUMENTS.—Section 11(a)(1) of the Export-Import Bank of 1945 (12 U.S.C. 635i-5(a)(1)) is amended by inserting after the first sentence the following: “Such procedures shall provide for the public disclosure of environmental assessments and supplemental environmental reports required to be submitted to the Bank, including remediation or mitigation plans and procedures, and related monitoring reports. The preceding sentence shall not be interpreted to require the public disclosure of any information described in section 1905 of title 18, United States Code.”.

SEC. 9. EFFECT OF THE BANK ON THE BUDGET OF THE UNITED STATES.

Within 90 days after the date of the enactment of this Act, the Export-Import Bank of

the United States shall submit to the appropriate committees of the Congress a report on the revenues, expenditures, and resulting annual net income or expense to the United States for each of the 10 years most recently completed before the date of the report.

SEC. 10. COMPETITIVENESS INITIATIVES.

(a) EXPANSION OF SCOPE OF ANNUAL COMPETITIVENESS REPORT.—

(1) CONSOLIDATION AND REORGANIZATION OF PROVISIONS.—The Export-Import Bank Act of 1945 (12 U.S.C. 635-635i-9) is amended by inserting after section 8 the following:

“SEC. 8A. ANNUAL COMPETITIVENESS REPORT.

“(a) IN GENERAL.—Not later than June 30 of each year, the Bank shall submit to the appropriate committees of the Congress a report that includes the following:

“(1) ACTIONS OF BANK IN PROVIDING FINANCING ON A COMPETITIVE BASIS, AND TO MINIMIZE COMPETITION IN GOVERNMENT-SUPPORTED EXPORT FINANCING.—A description of the actions of the Bank in complying with the 2nd and 3rd sentences of section 2(b)(1)(A). In this part of the report, the Bank shall include a survey of all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with United States exporters (including through use of market windows (as defined in section 10(h)(7)) and indicate in specific terms the ways in which the Bank's rates, terms, and other conditions compare with those offered from such other governments directly or indirectly. With respect to the preceding sentence, the Bank shall use all available information to estimate the annual amount of export financing available from each such government and government-related agency. In this part of the report, the Bank shall include a survey of a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine the experience of the exporters and institutions in meeting financial competition from other countries whose exporters compete with United States exporters.

“(2) ROLE OF BANK IN IMPLEMENTING STRATEGIC PLAN PREPARED BY THE TRADE PROMOTION COORDINATING COMMITTEE.—A description of the role of the Bank in implementing the strategic plan prepared by the Trade Promotion Coordinating Committee in accordance with section 2312 of the Export Enhancement Act of 1988.

“(3) TIED AID CREDIT PROGRAM AND FUND.—The report required by section 10(g).

“(4) PURPOSE OF ALL BANK TRANSACTIONS.—A description of all Bank transactions which shall be classified according to their principal purpose, such as to correct a market failure or to provide matching support.

“(5) EFFORTS OF BANK TO PROMOTE EXPORT OF GOODS AND SERVICES RELATED TO RENEWABLE ENERGY SOURCES.—A description of the efforts undertaken under section 2(b)(1)(K).

“(6) SIZE OF BANK PROGRAM ACCOUNT.—A separate section which—

“(A) compares the size of the Bank program account with the size of the program accounts of the other major export-financing facilities referred to in paragraph (1); and

“(B) makes recommendations with respect to the relative size of the Bank program account, based on factors including whether the size differences are in the best interests of the United States taxpayer.

“(7) CO-FINANCING PROGRAMS OF THE BANK AND OF OTHER EXPORT CREDIT AGENCIES.—A separate section which describes the co-financing programs of the Bank and of the other major export-financing facilities referred to in paragraph (1), which shall include a list of which countries with which the United States has in effect a memo-

randum of understanding relating to export credit agency co-financing and an explanation of why such a memorandum is not in effect with the countries with which such a memorandum is not in effect.

“(8) AFTER-MARKET SERVICES SUPPORT BY THE BANK AND BY OTHER EXPORT CREDIT AGENCIES.—A separate section which describes the participation of the Bank in providing funding, guarantees, or insurance for after-market services, which shall include appropriate information on the involvement of the other major export-financing facilities referred to in paragraph (1) in providing such support for after-market services, and an explanation of any differences among the facilities in providing the support.

“(9) EXPORT FINANCE CASES NOT IN COMPLIANCE WITH THE ARRANGEMENT.—Detailed information on cases of export finance that are not in compliance with the Arrangement (as defined in section 10(h)(3)) or that exploit loopholes in the Arrangement for the purpose of obtaining a commercial competitive advantage.

“(10) FOREIGN EXPORT CREDIT AGENCY ACTIVITIES NOT CONSISTENT WITH THE WTO AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES.—A description of the extent to which the activities of foreign export credit agencies and other entities sponsored by a foreign government, particularly those that are not members of the Arrangement (as defined in section 10(h)(3)), are not in compliance with the Arrangement and may not be consistent with the terms of the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(12)), and a description of the actions taken by the United States Government to address the activities.

“(b) BOARD VOTE ON REPORT REQUIRED.—The Board of Directors shall vote to approve and shall sign each report required by subsection (a).

“(c) INCLUSION OF DISSENTING VIEWS, ETC.—Each report required by subsection (a) shall include such dissenting views and additional comments as any member of the Board of Directors may submit to the Board for inclusion in the report.”.

(2) CONFORMING AMENDMENT.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended by striking all that follows the 3rd sentence.

(b) REPORT ON INVOLVEMENT OF THE BANK AND OF OTHER EXPORT CREDIT AGENCIES IN REGIONAL MULTI-BUYER INSURANCE PROGRAMS AND WORKING-CAPITAL GUARANTEE PROGRAMS.—Section 8 of such Act (12 U.S.C. 635g), as amended by sections 4 and 5 of this Act, is amended by adding at the end the following:

“(i) REPORT ON INVOLVEMENT OF THE BANK AND OF OTHER EXPORT CREDIT AGENCIES IN REGIONAL MULTI-BUYER INSURANCE PROGRAMS AND WORKING-CAPITAL GUARANTEE PROGRAMS.—The Bank shall include in its annual report to the Congress under subsection (a) of this section a separate section that contains a report on—

“(1) regional multi-buyer insurance programs and working capital guarantee programs operated by, through, or in conjunction with the Bank, which shall include an analysis of the effectiveness of the programs and of how effective the programs would be in increasing export-related jobs in the United States if the programs were larger;

“(2) the size of similar programs of all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with United States exporters (including through use of market windows (as defined in section 10(h)(7)); and

“(3) as a detailed explanation, with respect to the programs, of the working relationship between the Bank and the Small Business Administration, the Department of Commerce, and other United States Government agencies concerned with increasing the number of export-related jobs in the United States.”

(c) CLARIFICATION OF USE OF TIED AID CREDIT FUND TO MATCH.—Section 10 of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3) is amended—

(1) in subsection (a)—

(A) in paragraph (5)—

(i) in the matter preceding subparagraph (A), by striking “two” and inserting “3”;

(ii) in subparagraph (A)(iv), by striking “and”; and

(iii) by adding at the end the following:

“(C) third, the Bank should support United States exporters when the exporters face foreign competition that is supported by foreign export credit agencies or other entities sponsored by a foreign government that are not party to the Arrangement; and”;

(B) in paragraph (6)—

(i) in the matter preceding subparagraph (A), by inserting “including those that are not a party to the Arrangement” after “countries”;

(ii) in subparagraph (B), by adding “and” at the end; and

(iii) by inserting after subparagraph (B) the following:

“(C) promoting compliance with Arrangement rules among foreign export credit agencies that are not a party to the Arrangement.”;

(2) in subsection (b)—

(A) in paragraph (2)(A), by striking “in consultation with the Secretary and”; and

(B) in paragraph (5)—

(i) in subparagraph (A), by striking “Secretary and the Bank jointly” and inserting “Bank”;

(ii) in subparagraph (B)—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking “Secretary and the”; and

(bb) in subclause (I), by inserting “, and to bring into the Arrangement those countries that are not a party to the Arrangement” before the period; and

(cc) in subclause (III), by adding at the end the following “In cases where information about a specific offer of foreign tied aid (or untied aid used to promote exports as if it were tied aid) is not available in a timely manner, or is unavailable because the foreign export credit agency involved is not subject to the reporting requirements under the Arrangement, then the Bank may decide to use the Tied Aid Credit Fund based on credible evidence of a history of such offers under similar circumstances or other forms of credible evidence.”;

(II) in clause (ii), by adding at the end the following: “The President of the United States shall notify the Congress of such a determination within 30 days, including an explanation for the determination.”;

(iii) in subparagraph (C), by striking “the Secretary and”; and

(iv) in subparagraph (E), by striking “Secretary and the Bank jointly” and inserting “Bank”.

(d) EXPANSION OF COUNTRIES IN COMPETITION WITH WHOM THE BANK IS TO PROVIDE EXPORT FINANCING.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended in the 2nd sentence by inserting “, including countries the governments of which are not members of the Arrangement (as defined in section 10(h)(3))” before the period.

(e) AUTHORITY TO SEEK USE OF MIXED FORMS OF CONCESSIONAL FINANCING.—Section 10 of such Act (12 U.S.C. 635i-3) is amended by adding at the end the following:

“(i) AUTHORITY TO SEEK USE OF MIXED FORMS OF CONCESSIONAL FINANCING.—For purposes of improving the effects of Bank financing on development in tied aid eligible markets (as defined under the Arrangement) and of improving the competitiveness of the Bank in the markets, the Bank shall, in consultation with United States government aid agencies and, as appropriate, multilateral aid institutions, seek to establish, consistent with the Arrangement, a mixed credit program consisting of longer term financing and other forms of more flexible repayment terms, financing of transactions in local currencies, and other forms of concessional financing that meets the needs of the product sector and foreign market involved.”.

(f) INSTRUCTIONS REGARDING NEGOTIATION OF THE OECD ARRANGEMENT.—The Secretary of the Treasury shall instruct the designee of the Secretary to the negotiation of the Arrangement (as defined in section 10(h)(3) of the Export-Import Bank Act of 1945) to inform the other participants in the negotiation that the goals of the United States include the following:

(1) Seeking compliance with the Arrangement among countries with significant export credit programs who are not members of the Arrangement.

(2) Seeking to identify within the World Trade Organization the extent to which countries that are not a party to the Arrangement are not in compliance with the terms of the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(12)) in regards to export finance, and seeking appropriate action within the World Trade Organization if such a country is not in such compliance.

(3) Implementing new disciplines on the use of untied aid, market windows, and other forms of export finance that seek to exploit loopholes in the Arrangement for purposes of obtaining a commercial competitive advantage.

SEC. 11. CONSIDERATION OF ENVIRONMENTAL MATTERS BY THE ADVISORY COMMITTEE.

Section 3(d) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “15” and inserting “17”; and

(B) in subparagraph (B), by inserting “environment,” before “production”; and

(2) in paragraph (2), by adding at the end the following:

“(C) Not less than 2 members appointed to the Advisory Committee shall be representative of the environmental nongovernmental organization community, except that no 2 of the members shall be from the same environmental organization. Environmental organizations represented shall have demonstrated experience with environmental issues associated with the Bank, the Export Credit Group of the Organization for Economic Cooperation and Development, or both.”.

SEC. 12. STUDY OF HOW EXPORT-IMPORT BANK COULD ASSIST UNITED STATES EXPORTERS TO MEET IMPORT NEEDS OF NEW OR IMPOVERISHED DEMOCRACIES; REPORTS.

(a) STUDY.—The Export-Import Bank of the United States shall conduct a study designed to assess the needs of new or impoverished democracies such as Liberia and Haiti, for imports from the United States, and shall determine what role the Bank can play a role in helping United States exporters seize the opportunities presented by the need for such imports.

(b) REPORTS TO THE CONGRESS.—

(1) INTERIM REPORT.—Within 6 months after the date of the enactment of this Act, the Bank shall submit to the Committee on Fi-

nancial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, in writing, an interim report that contains the results of the study required by subsection (a).

(2) FINAL REPORT.—Within 12 months after the date of the enactment of this Act, the Bank shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, in writing, a final report that contains the results of the study required by subsection (a).

SEC. 13. REVIEW OF ENVIRONMENTAL SCREENING REQUIREMENT.

(a) IN GENERAL.—Within 6 months after the position of Inspector General of the Export-Import Bank of the United States is filled, the Inspector General of the Export-Import Bank of the United States shall submit to the Committee on Resources and the Committee on Financial Services of the House of Representatives, and to the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the implications of limiting the requirement to conduct environmental screenings of projects proposed to be financed by the Bank to only those involving at least \$10,000,000.

(b) CONTENTS OF REPORT.—The report shall—

(1) determine whether the \$10,000,000 limitation prevents the identification of any project that may have an adverse effect on the environment; and

(2) propose guidelines for how project applications may be screened more effectively to determine whether a project may have such an effect.

SEC. 14. OFFICE OF RENEWABLE ENERGY PROMOTION.

Section 3 of the Export-Import Bank Act of 1945 (12 U.S.C. 635a), as amended by section 4(a)(1) of this Act, is amended by adding at the end the following:

“(j) OFFICE OF RENEWABLE ENERGY PROMOTION.

“(1) ESTABLISHMENT.—Within 1 year after the date of the enactment of this subsection, the President of the Bank shall establish and maintain in the Bank an office which shall be known as the ‘Office of Renewable Energy Promotion’ (in this subsection referred to as the ‘Office’).

“(2) FUNCTIONS.—The Office shall be responsible for proactively identifying new opportunities for renewable energy financing and carrying out section 2(b)(1)(K). In carrying out its function of promoting renewable energy technologies, the Office should, among other things, consider the recommendations made by the Renewable Energy Export Advisory Committee.

“(3) STAFF.—The President of the Bank shall ensure that the Office has staff with appropriate expertise in renewable energy technologies.

“(4) ANNUAL REPORTS.—The Bank shall submit annually to the Committee on Resources and the Committee on Financial Services of the House of Representatives, and to the Committee on Banking, Housing, and Urban Affairs of the Senate, a report that contains, for the fiscal year covered by the report—

“(A) a detailed description of the activities of the Office; and

“(B) an analysis comparing the level of credit extended by the Bank for renewable energy projects with the level of credit so extended for the preceding fiscal year.

“(5) RENEWABLE ENERGY TECHNOLOGIES DEFINED.—In this subsection, the term ‘renewable energy technologies’ means technologies for producing power through the use of solar energy, wind energy, and energy from biomass, fuel cells, or geothermal

sources, and technologies for producing less than 10 megawatts in hydropower.”.

SEC. 15. TRANSPARENCY.

(a) IN GENERAL.—Section 2(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)), as amended by section 8(b) of this Act, is amended by adding at the end the following:

“(6) PROCEDURES TO REDUCE ADVERSE EFFECTS OF LOANS AND GUARANTEES ON INDUSTRIES AND EMPLOYMENT IN UNITED STATES.—

“(A) CONSIDERATION OF ECONOMIC EFFECTS OF PROPOSED TRANSACTIONS.—If, in making a determination under this paragraph with respect to a loan or guarantee, the Bank conducts a detailed economic impact analysis or similar study, the analysis or study, as the case may be, shall include consideration of—

“(i) the factors set forth in subparagraphs (A) and (B) of paragraph (1); and

“(ii) the views of the public and interested parties.

(B) NOTICE AND COMMENT REQUIREMENTS.—

“(i) IN GENERAL.—If, in making a determination under this subsection with respect to a loan or guarantee, the Bank intends to conduct a detailed economic impact analysis or similar study, the Bank shall cause to be published in the Federal Register a notice of the intent, and provide a period of not less than 14 days (which, on request by any affected party, shall be extended to a period of not more than 30 days) for the submission to the Bank of comments on the economic effects of the provision of the loan or guarantee. In addition, the Bank shall seek comments on the effects from the Department of Commerce, the International Trade Commission, the Office of Management and Budget, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

“(ii) CONTENT OF NOTICE.—The notice shall include appropriate, nonproprietary information about—

“(I) the name of the applicant;

“(II) the country to which the goods involved in the transaction will be shipped;

“(III) the type of goods being exported;

“(IV) the amount of the loan or guarantee involved;

“(V) the goods that would be produced as a result of the provision of the loan or guarantee;

“(VI) the amount of increased production that will result from the transaction;

“(VII) the potential sales market for the resulting goods;

“(VIII) the value of the transaction; and

“(IX) any other relevant information.

(iii) PROCEDURE REGARDING MATERIALLY CHANGED APPLICATIONS.—

(I) IN GENERAL.—If a material change is made to an application for a loan or guarantee from the Bank after a notice with respect to the intent described in clause (i) is published under this subparagraph, the Bank shall cause to be published in the Federal Register a revised notice of the intent, and shall provide for a comment period, as provided in clauses (i) and (ii).

(II) MATERIAL CHANGE DEFINED.—In subclause (I), the term ‘material change’, with respect to an application, includes—

“(aa) a change of at least 25 percent in the amount of a loan or guarantee requested in the application; and

“(bb) a change in the principal product to be produced as a result of any transaction that would be facilitated by the provision of the loan or guarantee.

(C) REQUIREMENT TO CONSIDER AND ADDRESS VIEWS OF ADVERSELY AFFECTED PERSONS.—Before taking final action on an application for a loan or guarantee from the Bank to which this subsection applies, the

Bank shall consider and address in writing the views of any person who may be substantially adversely affected by the provision of the loan or guarantee.

(D) PUBLICATION OF CONCLUSIONS.—Within 30 days after a party affected by a final decision of the Board of Directors with respect to a loan or guarantee makes a written request therefor, the Bank shall provide to the affected party a non-confidential summary of the facts found and conclusions reached in any detailed economic impact analysis or similar study conducted pursuant to subparagraph (B) with respect to the loan or guarantee, that were submitted to the Board of Directors.

(E) RULE OF INTERPRETATION.—This paragraph shall not be construed to make subchapter II of chapter 5 of title 5, United States Code, applicable to the Bank.

(F) REGULATIONS.—The Bank shall implement such regulations and procedures as may be appropriate to carry out this paragraph.”

(b) CONFORMING AMENDMENT.—Section 2(e)(2)(C) of such Act (12 U.S.C. 635(e)(2)(C)) is amended by inserting “of not less than 14 days (which, on request of any affected party, shall be extended to a period of not more than 30 days)” after “comment period”.

SEC. 16. ANTI-CIRCUMVENTION.

Section 2(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)), as amended by sections 8(b) and 15(a) of this Act, is amended—

(1) in paragraph (1), by adding after and below the end the following: “In making the determination under subparagraph (B), the Bank shall determine whether the facility that would benefit from the extension of a credit or guarantee is reasonably likely to produce products in addition to or other than the products specified in the application and whether the production of the products may cause substantial injury to United States producers of the same, or a similar or competing, commodity.”;

(2) in paragraph (2), by adding at the end the following:

“(E) ANTI-CIRCUMVENTION.—The Bank shall not provide a loan or guarantee if the Bank determines that providing the loan or guarantee will facilitate circumvention of a trade law order or determination referred to in subparagraph (A).”; and

(3) by adding at the end the following:

“(7) FINANCIAL THRESHOLD DETERMINATIONS.—For purposes of determining whether a proposed transaction exceeds a financial threshold under this subsection or under the procedures or rules of the Bank, the Bank shall aggregate the dollar amount of the proposed transaction and the dollar amounts of all loans and guarantees, approved by the Bank in the preceding 24-month period, that involved the same foreign entity and substantially the same product to be produced.”.

SEC. 17. PERFORMANCE STANDARDS APPLICABLE TO BANK ASSISTANCE FOR SMALL BUSINESSES, ESPECIALLY THOSE OWNED BY SOCIAL AND ECONOMICALLY DISADVANTAGED INDIVIDUALS AND THOSE OWNED BY WOMEN.

(a) DEVELOPMENT OF PERFORMANCE STANDARDS.—Within 120 days after the date of the enactment of this Act, the Comptroller General of the United States shall develop and transmit to the Board of Directors of the Export-Import Bank of the United States—

(1) a set of standards which may be used to determine the extent to which the Bank has carried out successfully subparagraphs (E) and (I) of section 2(b)(1) of the Export-Import Bank Act of 1945, and the functions described in subsections (f)(1)(A), (f)(5)(A), and (h)(2) of section 3 of such Act; and

(2) a set of rules for measuring the performance of the Bank against the standards.

(b) REPORT ON PERFORMANCE.—Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635g), as amended by sections 4, 5, and 10(b) of this Act, is amended by adding at the end the following:

“(j) REPORT ON ACHIEVEMENT OF PERFORMANCE STANDARDS APPLICABLE TO SMALL BUSINESS CONCERNs, SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERNs, AND SMALL BUSINESS CONCERNs OWNED BY WOMEN.—The Bank shall submit annually to the Congress, and include in a separate section of the annual report to the Congress under subsection (a) of this section, a report on the extent to which the Bank has carried out successfully subparagraphs (E) and (I) of section 2(b)(1), and the functions described in subsections (f)(1)(A), (f)(5)(A), and (h)(2) of section 3, of this Act, using the performance standards and measuring rules developed pursuant to section 12(a) of the Export-Import Bank Reauthorization Act of 2006. ”.

SEC. 18. PROHIBITION ON ASSISTANCE TO DEVELOP OR PROMOTE ANY RAIL CONNECTIONS OR RAILWAY-RELATED CONNECTIONS THAT TRAVERSE OR CONNECT BAKU, AZERBALJAN, TBILISI, GEORGIA, AND KARS, TURKEY, AND THAT SPECIFICALLY EXCLUDE CITIES IN ARMENIA.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

“(13) The Bank shall not guarantee, insure, extend credit, or participate in an extension of credit in connection with the development or promotion of any rail connections or railway-related connections that do not traverse or connect with Armenia, and do not traverse or connect Baku, Azerbaijan, Tbilisi, Georgia, and Kars, Turkey.”.

SEC. 19. TECHNICAL CORRECTIONS.

Section 2(b)(2)(B)(ii) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(2)(B)(ii)) is amended by striking subclauses (I), (III), (VII), (VIII), and (IX), and redesignating subclauses (II), (IV), (V), and (VI) as subclauses (I) through (IV), respectively.

SEC. 20. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 2006.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Illinois (Mrs. BIGGERT) and the gentlewoman from New York (Mrs. Maloney) each will control 20 minutes.

The Chair recognizes the gentlewoman from Illinois.

Mrs. BIGGERT. Mr. Speaker, I yield myself 30 seconds.

I rise in support of H.R. 5068, the Export-Import Bank Reauthorization Act of 2006. I would like to thank the gentlewoman from Ohio, Chairman PRYCE, for her leadership on this bill. It has been a long process of meetings and negotiations, but I believe that we have crafted a solid product that focuses on the core mission of the Ex-Im Bank. This mission is to increase U.S. exports and, most importantly, U.S. jobs.

Mr. Speaker, I yield 3 minutes to my colleague from Illinois, the chairman of the Small Business Committee, Mr. MANZULLO.

Mr. MANZULLO. Mr. Speaker, I also want to join in praising Chairmen OXLEY and PRYCE for the tremendous work that they have done on reauthorizing the Ex-Im Bank.

Mr. Speaker, now more than ever we need the Ex-Im Bank. With the collapse of the Doha round of the WTO,

other nations will continue to vigorously use their government-sponsored export credit agencies to promote their exports. The unfortunate reality is that American companies often win export sales on quality and price only to later lose because their competitors were able to obtain faster, less expensive export credit funded by other countries. Supporting this bill will ensure that an attractive foreign financing package will not be the deciding factor in winning an export opportunity. Defeating the bill will amount to unilateral disarmament in global trade.

While Ex-Im Bank supports large business deals, this bill should actually be renamed the Small Business Exporters Acts of 2006. H.R. 5068 restores a viable small business division and creates a Small Business Committee within Ex-Im Bank to better serve the needs of America's small exporters. The legislation also enhances the bank's delegated loan authority with respect to medium-term transactions by private lenders for small businesses.

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This is one key tool to help Ex-Im reach and exceed its 20 percent statutory mandate for small businesses.

The manager's amendment contains further improvements to the bill to make small business truly the focus of the bank. This reform designates adequate staff at each of the bank's operating divisions to specialize in the needs of small business exporters. This staff will also be jointly supervised by the Small Business Division. Furthermore, these small business specialists will have the authority under appropriate guidelines to approve loan guarantee and insurance applications of up to \$10 million. This provision will help small business exporters overcome the obstacles of the slow internal approval process within Ex-Im Bank.

Finally, the manager's amendment automatically appoints these small business specialists to serve as members of the Small Business Committee at the bank. These small business specialists will be on the front line of assisting small business and will have firsthand knowledge of Ex-Im products at work and what needs to be changed.

I was pleased to work with many of the industry groups which support Ex-Im Bank, particularly the Small Business Exporters Association, in the development of the small business provisions in H.R. 5068.

Mr. Speaker, passage of this bill will send a powerful positive signal to small business exporters around the Nation that there will be internal advocates for them within the bank from the time they enter the door until the time they exit with a decision. With these new legislative enhancements to Ex-Im's charter, small business exporters will have strong shoulders to stand on to win trade deals overseas.

I urge the adoption of H.R. 5068.

Mrs. MALONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the ranking member of the Financial Services Subcommittee with jurisdiction over the Export-Import Bank, I am delighted to stand and speak in support of H.R. 5068, the Export-Import Bank Reauthorization Act of 2006, introduced by our Subcommittee Chair, DEBORAH PRYCE.

This bipartisan legislation was overwhelmingly supported in the Financial Services Committee and is also supported by the Small Business Committee on a bipartisan basis. The original cosponsors include not only Representative PRYCE and myself, but the majority and minority leadership of both committees. We have all worked together in this bill to fairly address the concerns of many viewpoints, and I want to thank those Members and their staffs for their hard work and effort to listen to many points of view and to produce a bill on which we can all agree.

I also want to take a moment to thank Chairman OXLEY for his leadership on this bill and on so many others throughout his tenure. The Financial Services Committee and this Congress will feel his absence. This bill is a good example of the bipartisan work of the committee that Chairman OXLEY helped to make possible. We don't always agree, but we can often work together to find points of agreement, as we have done on this bill.

This bill responds to concerns that the committees involved have had for some time and that we heard repeatedly from our constituents, both businesses and interest groups, as we began work on this very important piece of legislation.

First, the bill reaffirms Congress' strong intent that the bank support small businesses to a greater extent than at present, consistent with sound lending practices. To this end, the bill creates a Small Business Division within the bank run by a senior VP who reports directly to the chairman. The staff of this new division are dedicated exclusively to small business transactions, reflecting the fact that these deals and these clients need unique skills. Within this division, the bill creates an office charged with expanding outreach to women and minority-owned businesses. On these sections, the leadership of the Small Business Committee was especially valuable, and I want to thank my colleague Representative VELÁZQUEZ from New York.

Secondly, based on numerous comments, we also concluded that the bank could increase its activity in Sub-Saharan Africa consistent with sound lending principles by being more flexible in its financing and underwriting terms. And the bill contains a mandate to that effect.

Third, as a proud member of the Congressional Caucus on Armenian Issues and the representative of a large and vibrant Armenian-American community, I support the provisions which would prohibit the Export-Import Bank from funding railroad projects in South

Caucasus region that deliberately exclude Armenia.

Fourth, in listening to my constituents and others talk about their experiences with the bank, it became clear to me that businesses, large and small, were frustrated by the lack of transparency and unfriendliness in the bank process. Several of them said that their applications simply disappeared.

At my initiative, the bill contains several transparency reforms that respond to this concern. I expect these relatively low-cost changes will provide significant benefits to Ex-Im clients. They include notification requirements, so that applicants know what is happening to their application.

Ex-Im has recently put up an improved Web site, and the bill requires that applicants be able to access their application on that site and see where it is in the process. Most colleges manage student applications in a similar manner, and it is time for Ex-Im to implement simple steps like this to help the American public.

In the same vein, the bill contains a requirement for board action on applications that have been subject to economic impact analysis. These applications tended to die a lingering death as Ex-Im sat on them. That is really not fair. The bank should tell applicants whether it can support them or not in a reasonable time frame.

Finally, and very important, the bill contains new provisions to make the bank more competitive with other countries' export credit agencies, or ECAs, so that the bank and U.S. companies are not fighting with one hand tied behind their backs. In particular, the bill gives the bank authority to use the Tied Aid Fund, a fund established several years ago by Congress to combat unfair export practices by other countries' ECAs. To date, Treasury has blocked the use of this fund as Congress intended, and this underlying bill will correct that.

This reform and reauthorization legislation is urgently needed. Today, more than ever, the future of the Export-Import Bank is of great interest and concern because it has significant potential to affect the national economy, job growth and our trade imbalance.

We are faced with the need to pass reauthorization legislation for our Nation's export credit agency at a time when the demands of the global marketplace seem increasingly pressing and difficult and the agenda of the Ex-Im Bank is more critical to our economy than ever before.

The Ex-Im Bank has long played a key role in the economy of many of the districts we each represent. As the independent U.S. Government agency that assists in financing the export of U.S. goods and services to markets around the world, through export credit insurance, loan guarantees and direct loans. But the bank's mission of creating and maintaining U.S. jobs through financing exports takes on a

new urgency and importance in the new global economy.

Tom Friedman's book, *The World is Flat*, brought home to many of us the fact that an economic tsunami is occurring under our feet. The convergence of events that have brought India, China and many other countries into the global supply chain for services and manufacturing has created an explosion of wealth in the middle classes of the world's two biggest nations, giving them a huge new stake in globalization.

As former Chairman Greenspan was fond of telling us when we asked him about the loss of jobs in this country, we need to recognize, he said, that all of a sudden a huge number of highly educated people from formally non-competitive countries have entered the global workforce. We cannot afford to be uncompetitive in the rapidly changing global market or complacent about our status in the global market.

As leadership on both sides of the House recognize, we must empower and support Ex-Im now more than ever. I think we have crafted a bill that Members from both sides can support and that is much needed. I urge my colleagues to support H.R. 5068.

Mr. Speaker, I reserve the balance of my time.

Mrs. BIGGERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bipartisan bill will strengthen the Ex-Im Bank's ability to help our exporters increase their businesses abroad. During a February roundtable meeting held in my district, many businesses said that they only learned about the bank's tremendous resources by accident. I am pleased that this and other suggestions made by these businesses were incorporated into the bill, including language that directs the bank to increase its outreach to small business.

I encourage Members of this body to spread the word about the bank's export financing opportunities, and I encourage Members to contact the bank to determine what businesses, large and small, directly and indirectly, are being supported by the bank's services.

For example, I learned that Ex-Im financing for one aircraft can translate into work for over 100 small businesses in my district alone. And I received a report issued by the bank last Friday that showed businesses in my district, ranging from a knee guard company to one that makes printing presses, have benefited from about \$4.6 million in Ex-Im products over the past decade.

On another note, I would like to take this opportunity to commend the bank's new chairman, Jim Lambright and his team for aggressively moving on several important fronts; helping our U.S. businesses to keep a competitive edge in the global marketplace, listening to businesses and implementing bank reforms.

For example, to help them beat foreign competitors, businesses in my district suggested that the bank enhance

application transparency and provide electronic on-line processing. The bank has done just that. A business can now register with the Ex-Im Bank online and easily track its application as it moves through the review process.

Mr. Speaker, in our increasingly competitive global environment, we must ensure that we provide every advantage, and remove every disadvantage, for U.S. businesses to "win the sale" over foreign competitors. Make no mistake about it: Ex-Im is one of the best tools we have to ensure that our businesses are allowed to beat the competition abroad. More importantly, it is jumper cables to the economy, helping U.S. businesses increase exports and create more and better U.S. jobs.

Mr. Speaker, I reserve the balance of my time.

Mrs. MALONEY. Mr. Speaker, I yield 3 minutes to the honorable gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member of the Small Business Committee. I thank her once again for her leadership on this legislation.

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, I would like to take this opportunity to thank the gentlelady from New York for yielding, and also for the great leadership that she exhibited in working in a bipartisan manner on this legislation.

Mr. Speaker, I rise in strong support of H.R. 5068, the Export-Import Bank Reauthorization Act of 2006. The legislation before us today will increase lending opportunities for all of our Nation's exporters and will improve the country's trade performance.

The Nation's rapidly and exponentially rising trade deficit indicates that our businesses are losing their competitive edge in the global economy. One sector of American industry, small businesses, has bucked this trend, demonstrating success exporting to markets across the world. Today, these businesses are the Nation's leading exporters, dominating many sectors, operating with a trade surplus, and are growing two times faster than their corporate counterparts. However, due to limited finances and production capacity, these firms face obstacles trading internationally.

The Export-Import Bank was established to increase the capacity for all United States businesses to competitively engage in international trade by providing access to affordable financing and insurance. Yet the bank has failed to fulfill its congressional mandate established in the previous reauthorization to ensure that small businesses are a priority in lending decisions.

To establish a culture that prioritizes these businesses, the bank's institutional structure on policies must be enhanced to focus on small exporter issues. I believe the new changes adopt-

ed in the legislation will significantly expand lending opportunities as it creates a new Small Business Division, an Office for Minority Exporters and a minority financing goal at the bank. These changes will ensure that the bank fulfills its mandate to support a successful component of the Nation's trade strategy.

The country will significantly benefit from challenging the bank to expand financing opportunities for all of our entrepreneurs. By approving this legislation, we have the opportunity to keep small and minority businesses on the path to success. By supporting a diverse and successful set of exporters, we will also ensure that the Nation improves its trade performance.

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I urge Members to support the bill to ensure that all of our promising businesses can succeed in the global economy.

Mrs. BIGGERT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, Congress should reject H.R. 5068, the Export-Import Reauthorization Act, for economic, constitutional, and moral reasons. The Export-Import Bank takes money from American taxpayers to subsidize exports by American companies. Of course it is not just any company that receives Ex-Im support.

The vast majority of Ex-Im Bank funds benefit Enron-like outfits that must rely on political connections and government subsidies to survive and/or multinational corporations who can afford to support their own efforts without relying on the American taxpayers.

In fact, according to journalist Robert Novak, Enron itself received over \$640 million in taxpayer-funded assistance from Ex-Im. The taxpayer-provided largess no doubt helped postpone Enron's inevitable day of reckoning. It is not only bad economics to force working American small businesses and entrepreneurs to subsidize the exports of large corporations; it is also immoral.

Redistribution from the poor and middle class to the wealthy is the most indefensible aspect of the welfare state, yet it is the most accepted form of welfare.

Mr. Speaker, it never ceases to amaze me how Members who criticize welfare for the poor on moral and constitutional grounds see no problem with the even more objectionable programs that provide welfare for the rich.

The moral case against Ex-Im is strengthened when one considers that one of the governments which benefits most from Ex-Im funds is Communist China. In fact, Ex-Im actually underwrites joint ventures with firms owned by the Chinese Government. Whatever

one's position is on trading with China, I would hope all of us would agree that it is wrong to force taxpayers to subsidize in any way this regime.

Unfortunately, China is not an isolated case. Colombia and Sudan benefit from taxpayer subsidized trade as well, courtesy of the Ex-Im Bank. At a time when the Federal Government is running huge deficits and Congress is once again preparing to raid Social Security and Medicare trust funds, does it really make sense to use taxpayers' funds to benefit future Enrons, Fortune 500 companies, and Communist China?

One project funded by Ex-Im in China is an \$18 million loan guarantee to expand steel manufacturing. This is not an isolated example of how Ex-Im helps foreign steel producers. According to the most recent figures available, the five countries with the greatest Ex-Im exposure are all among the top 10 exporters of steel and of steel-to-products to the United States.

In fact, Ex-Im provides almost \$20 billion of U.S. taxpayer support to these countries. Mr. Speaker, I find it hard to see how taxing American steel producers to benefit their foreign competitors strengthens the American economy.

Proponents of continued American support for the Ex-Im Bank claim that the bank creates jobs and promotes economic growth. However, this is a fallacy worth looking in to.

However, this claim rests on a version of what the great economist Henry Hazlitt called the "broken window" fallacy. When a hoodlum throws a rock through a store window, it can be said he has contributed to the economy, as the storeowner will have to spend money having the window fixed. The benefits to those who repaired the window are visible for all to see, therefore it is easy to see the broken window as economically beneficial. However, the "benefits" of the broken window are revealed as an illusion when one takes into account what is not seen: the businesses and workers who would have benefited had the store owner not spent money repairing a window, but rather had been free to spend his money as he chose.

Similarly, the beneficiaries of Eximbank are visible to all. What is not seen is the products that would have been built, the businesses that would have been started, and the jobs that would have been created had the funds used for the Eximbank been left in the hands of consumers. Leaving the resources in the private sector ensures the resources will be put to the use most highly valued by individual consumers. In contrast, when the government diverts resources into the public sector via programs such as the Eximbank, their use is determined by bureaucrats and politically powerful special interests, resulting in a distorted market and a misallocation of resources. By distorting the market and preventing resources from achieving their highest valued use, Eximbank actually costs Americans jobs and reduces America's standard of living!

Some supporters of this bill equate supporting Eximbank with supporting "free trade," and claim that opponents are "protectionists" and "isolationists." Mr. Speaker, this is nonsense, Eximbank has nothing to do with free

trade. True free trade involves the peaceful, voluntary exchange of goods across borders, not forcing taxpayers to subsidize the exports of politically powerful companies. Eximbank is not free trade, but rather managed trade, where winners and losers are determined by how well they please government bureaucrats instead of how well they please consumers.

Finally, Mr. Speaker, I would like to remind my colleagues that there is simply no constitutional justification for the expenditure of funds on programs such as Eximbank. In fact, the drafters of the Constitution would be horrified to think the Federal Government was taking hard-earned money from the American people in order to benefit the politically powerful.

In conclusion, Mr. Speaker, Eximbank distorts the market by allowing government bureaucrats to make economic decisions in place of individual consumers. Eximbank also violates basic principles of morality, by forcing working Americans to subsidize the trade of wealthy companies that could easily afford to subsidize their own trade, as well as subsidizing brutal governments like Red China and the Sudan. Eximbank also violates the limitations on congressional power to take the property of individual citizens and use it to benefit powerful special interests. It is for these reasons that I urge my colleagues to reject H.R. 5068, the Export-Import Bank Reauthorization Act.

Mrs. MALONEY. Mr. Speaker, may I inquire as to the remaining time.

The SPEAKER pro tempore. The gentlewoman from New York has 9½ minutes remaining, and the gentlewoman from Illinois has 11 minutes remaining.

Mrs. MALONEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WATERS), the ranking member of the housing subcommittee of the Financial Services Committee.

Ms. WATERS. Mr. Speaker, I rise in support of H.R. 5068, the Export-Import Bank reauthorization bill.

I would like to thank the Committee on Financial Services chairman, Mr. OXLEY, and Ranking Member FRANK for moving this important measure through our committee.

Ms. PRYCE, the chairwoman on the Subcommittee on Domestic and International Monetary Policy, Trade and Technology, and, of course, our ranking member, Mrs. MALONEY, who has provided leadership on this issue as well as many other issues, has done a fabulous job on making sure that the members of our committee understood very well the importance of the Ex-Im Bank and how it benefits our entire country and small businesses as well as some large businesses. I thank her for bringing this measure to the floor.

The reauthorization of the Export-Import Bank, H.R. 5068, is particularly important in light of our current trade deficit which stands at more than \$60 billion. Indeed, we must continue to be proactive in terms of programs that will encourage the expansion of our exports. The export sector of our economy is critical to job creation at the local level.

This bill makes the Ex-Im Bank more relevant in today's global economy, because it better supports U.S. exports.

Last year the bank was engaged in more than 3,000 transactions, with an export value of \$17.9 billion and returned over \$1.7 billion to the Treasury.

This bill should increase the overall level of exports. Of course, I am encouraged by the provisions of the bill related to small businesses. Under the bill, an Office of Small Business is established to be dedicated to small business issues.

Ex-Im needs to be viewed as a resource, not just for large exporters but for small exporters as well. The management of the office of our senior official sends a strong signal to the small business community that small businesses are an important part of the Export-Import equation. Equally important, the office should be required to interface with the U.S. Small Business Administration, which has built an excellent reputation as a repository of information for small exporters.

This reverses a trend that I believe developed as a result of the weakening of policies at the bank that have been in place to encourage the participation of small businesses in our export market, particularly minority-and women-owned business.

During markup of this bill, an amendment that I sponsored had been made part of the bill reported to the full House. It requires the bank to develop performance measures related to minority- and women-owned business programs. This will ensure that the management of Ex-Im Bank is directly involved in developing programs designed to increase participation of minority- and women-owned businesses in Ex-Im Bank programs.

The performance measures will be developed in concert with GAO and will enable Congress to determine how the small business programs for minorities and women that are put in place are performing. In addition, I am pleased that the bill contains a provision to promote increased trade with Africa.

I consider Mr. PAUL as a serious person. I take him seriously. I will look into some of that which he has said.

Mrs. BIGGERT. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. KELLY), the vice chair of the Financial Services Committee.

Mrs. KELLY. Mr. Speaker, I rise in strong support of today's H.R. 5068, to reauthorize the Export-Import Bank. I want to thank Chairwoman PRYCE, Chairman OXLEY, and Chairman MANZULLO. We have created a strong bill that will empower small businesses in America to export.

This legislation gives small businesses dedicated loan officers and creates a structure for dealing with small business concerns that ensures that they are dealt with at the highest level of the bank. America's competitiveness and economic growth depends on small business exporters.

American-made products are still the best in the world, and they deserve to

have the same support from our government in making sales that our foreign rivals do. Today's bill recognizes that fact and challenges Ex-Im to meet its commitment that 20 percent of all the lending goes to small business.

Passage of H.R. 5068 today will not end the strong oversight of Ex-Im that Chairmen MANZULLO and PRYCE have provided in the last few years. Our success will not be measured by passing this bill, but it will be measured by the number of small business jobs that we create through increased exports by supporting America's small businesses. I urge passage of H.R. 5068.

Mrs. MALONEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentlewoman from New York for yielding me time.

Mr. Speaker, I acknowledge the leadership of the Small Business Committee and your leadership, the leadership of the Financial Services Committee. I would like to say that this bill spells relief, r-e-l-i-e-f, I believe. The reason is because we have heard over and over again that Export-Import Bank gives gifts to large corporations, tax giveaways, if you will, using the American people's money simply to provide to those who already have.

I have repeatedly said that the backbone of America are small and medium-sized businesses. These are the businesses that are in our neighborhoods, in our cities, large and small, our counties, our rural hamlets.

The opportunity for small business to engage in Export-Import with the financial assistance and the collaboration with the Small Business Administration is long in coming. And this fix is long in coming.

I would argue that many of the regions that we are attempting to engage and break the barriers or break the concrete wall of a trade deficit has to do with small and medium-sized businesses, because the continent of Africa is filled with small and medium-sized businesses.

Their cultural traditions, their tribal traditions focus on the tribal hierarchy of women entrepreneurs in the marketplace. We find in south Asia, in India, Pakistan, Bangladesh there are opportunities for small and medium-size businesses to work with our small and medium-sized businesses, or for our small and medium-sized businesses to be able to engage internationally, if you will.

China, to break that very huge trade deficit, this now gives the financial anchor for small and medium-sized businesses to get the job done. I have always supported the Ex-Im Bank. I do think that any leg up or leverage that we can get, as we are on the international trade arena or development, is an important one; but now we have an opportunity to build on small and medium-sized businesses, and I hope as this legislation is passed, the word will

go quickly out and that the lines will form to the left and the right for small businesses to become engaged.

With that, again, let me thank the proponents of the legislation. I ask my colleagues to support it.

Mrs. BIGGERT. Mr. Speaker, I reserve the balance of my time.

Mrs. MALONEY. Mr. Speaker, at this point we do not have any further speakers. I urge a strong vote on this bill. It is supported by the Financial Services Committee, the Chair and the ranking member, the Chair and the ranking member of the subcommittee, and the Chair and ranking member of the Small Business Committee.

It has a very special focus on enabling small businesses to compete in the global market, and it will help America's competitiveness and economic growth.

I urge a "yes" vote on this bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. BIGGERT. Mr. Speaker, I would just like to say that looking at my district, and seeing the value of exports, \$4.6 million that our companies have found for export value, and that works down to \$295 million for small businesses.

I think that the Ex-Im Bank is one that is, the mission is so important that we increase U.S. exports and more importantly U.S. jobs. I think that is exactly what this bill is set up to improve and to make sure that that happens.

We are in a global economy. We are in competition with countries from all over the world. If we are to maintain our high standards, we have got to compete in the export market. I think this bill will help to do that. I would urge all Members to support the bill.

Mr. Speaker, I would be remiss not to thank Chairman OXLEY for all the work that he has done on this bill, again Chairman PRYCE and Ranking Member MALONEY for all of the work that they have put into this.

Mr. Speaker, I would urge an "aye" vote.

Mr. CROWLEY. Mr. Speaker, I rise in support of the Export-Import Bank Reauthorization under suspension vote today.

This is a sound, bipartisan bill.

So often, people see the acrimonious side of this House rife with partisanship and member distrust.

We do not have that on the Financial Services Committee, and that is due in large part to the leadership of Chairman MIKE OXLEY and our Ranking Member, BARNEY FRANK.

While I am working hard to see BARNEY become our chairman in the 110th Congress, I just want to salute our outgoing Chair, MIKE OXLEY.

He is a hard working member who is not afraid to roll up his sleeves and work with people across the aisle to get the important work done. He is results oriented.

Legislatively, he has a long list of accomplishments to be proud of, including this bill, but it is his spirit of bipartisanship, friendship and class for which we should all look to him for.

But he can also be a formidable foe, from the committee room to the baseball diamond.

He will be missed next year.

Stating that I do support this bipartisan bill—it is a real jobs bill.

This bill will strengthen the Export-Import Bank's abilities to allow American companies to compete in the global market as we try to increase our exports, increase our global competitiveness and create more and better paying jobs in the U.S.A.

This is a bill about exporting products not jobs.

Additionally, besides the overall nature of this bill, I was able to add important language to this reauthorization pertaining to the nation of Armenia—a strong U.S. ally in the Caucasus.

My amendment, done with Congressmen ED ROYCE and BRAD SHERMAN, prohibits the Export-Import Bank from funding any railway projects from Azerbaijan, through Georgia and Turkey, which specifically bypass Armenia. I am very pleased that this language was included in the final version of this legislation being debated on the House floor today.

This language will assist in promoting stability in the Caucasus region, help in ending long standing conflicts, and save U.S. taxpayers the responsibility of funding a project that goes against U.S. interests.

For over 10 years, Armenia has fought an illegal blockade, imposed on them by the countries of Turkey and Azerbaijan. These two countries continually exclude Armenia from regional development.

Just recently, Turkey, Azerbaijan, and Georgia finished construction on the Baku-Tblisi-Ceyhan pipeline. This pipeline does not pass through Armenia, even though the fastest and most economically sound route is through the country.

Now Turkey, Azerbaijan, and Georgia plan on constructing a railway that will completely bypass Armenia once again; once again excluding Armenia from regional development.

Exclusion of one country in regional projects only fosters instability. Having Export-Import Bank support a railway project which excludes Armenia is not the way to include all countries in regional development. I am pleased that the Bank is now prohibited from doing so in this bill.

Besides possibly creating a regional crisis, this project, if funded by the Export-Import Bank could cost taxpayers millions. I do not believe that U.S. taxpayers should be funding a project that goes against U.S. interests.

I am pleased this good language was added to an already good bill—a jobs bill for America

Therefore, I urge my colleagues to support the Export-Import Reauthorization.

Mr. KNOLLENBERG. Mr. Speaker, today the House is considering H.R. 5068, legislation that will reauthorize the Export-Import Bank for the next 5 years. I support this legislation.

Since it was created over 60 years ago, the Export-Import Bank has provided crucial support for American exporting businesses—especially small businesses. Because small businesses provide the majority of jobs here in the U.S., the work of the Bank translates into real jobs for American workers.

I am particularly pleased this bill includes a provision that prohibits assistance from the Export-Import Bank for a proposed new railroad that would connect Turkey, Georgia, and

Azerbaijan, but would intentionally circumvent Armenia. This provision is extremely similar to H.R. 3361, the South Caucasus Integration and Open Railroads Act, legislation I introduced to ensure U.S. taxpayer funds are not used to promote a proposal or program that directly undermines the United States goal of fostering integration and cooperation among the countries in the South Caucasus.

Open and integrated transportation routes among Armenia, Azerbaijan, Georgia, and Turkey are necessary to promote cooperation, support economic growth, and help resolve regional conflicts. Unfortunately, this policy is being undermined in an effort to push Armenia further into isolation.

The design for the new rail line defies logistical and geographical logic, and intends to prevent future economic development from reaching Armenia. The proposed rail link would cost between \$400 million and \$800 million and would take years to construct, even though a perfectly workable rail link that goes through the city of Gyumri, Armenia already exists and would be fully operational with a few minor repairs.

Mr. Speaker, I commend my colleagues on the House Financial Services Committee that included this provision into this bill and I urge support for passage of H.R. 5068.

Mrs. BIGGERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Illinois (Mrs. BIGGERT) that the House suspend the rules and pass the bill, H.R. 5068, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. PAUL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

□ 1430

PROMOTING TRANSPARENCY IN FINANCIAL REPORTING ACT OF 2006

Mr. DAVIS of Kentucky. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5024) to require annual oral testimony before the Financial Services Committee of the Chairperson or a designee of the Chairperson of the Securities and Exchange Com-

mission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board, relating to their efforts to promote transparency in financial reporting, as amended.

The Clerk read as follows:

H.R. 5024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Promoting Transparency in Financial Reporting Act of 2006".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Transparent and clear financial reporting is integral to the continued growth and strength of our capital markets and the confidence of investors.

(2) The increasing detail and volume of accounting, auditing, and reporting guidance pose a major challenge [to the quality and transparency of financial reporting].

(3) The complexity of accounting and auditing standards in the United States has added to the costs and effort involved in financial reporting.

SEC. 3. ANNUAL TESTIMONY ON REDUCING COMPLEXITY IN FINANCIAL REPORTING.

The Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board shall annually provide oral testimony by their respective Chairpersons or a designee of the Chairperson, beginning in 2007, and for 5 years thereafter, to the Committee on Financial Services of the House of Representatives on their efforts to reduce the complexity in financial reporting to provide more accurate and clear financial information to investors, including—

(1) reassessing complex and outdated accounting standards;

(2) improving the understandability, consistency, and overall usability of the existing accounting and auditing literature;

(3) developing principles-based accounting standards;

(4) encouraging the use and acceptance of interactive data; and

(5) promoting disclosures in "plain English".

The SPEAKER pro tempore (Mr. HAYES). Pursuant to the rule, the gentleman from Kentucky (Mr. DAVIS) and the gentleman from New York (Mr. ISRAEL) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. DAVIS of Kentucky. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. DAVIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

I want to recognize this bill as a result of a true bipartisan effort. I want to thank Chairman OXLEY and Ranking Member FRANK for their support, and particularly our original cosponsors Congressman ISRAEL from New York and Congressman SCOTT from Georgia.

This has been an effort that has come together across the aisle to provide a bill which would improve financial reporting, simplify our regulatory system over time to ultimately help our country compete in a global economy.

In the post-Enron financial era, transparent reporting has become an increasingly important component promoting a healthy corporate environment. Financially stable, accountable corporations are essential for expanding the U.S. business sector, promoting investor confidence, and for strengthening the economy. However, it is important to examine ways in which such accountability and reporting standards can become more efficient and more transparent. A cumbersome, costly system will only reduce our competitiveness in a connected world economy and ultimately will cost us jobs.

I regularly hear complaints from business owners and executives in Kentucky about the cost and the complexity of financial reporting requirements mandated by the Federal Government. As a former business consultant, I know firsthand the difficulties faced during the time-consuming and costly process of accounting and financial disclosure. We must update our methods of accountability to reflect 21st century technology in a global marketplace.

Unfortunately, financial reporting remains an arduous task with too many opportunities for error and for manipulation. Reassessing outdated accounting standards and improving the ability of the average investor to understand and utilize financial literature is essential to the livelihood of American business and the protection of American investors.

Requiring annual congressional testimony by the Securities and Exchange Commission, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board stresses that simplification, cost reduction, and transparency in accounting standards and financial reporting are public priorities. We must assure continuity in our markets and continuity in the process.

This bill will provide the Federal Government the opportunity to apply a philosophy of continuous improvement, looking for ways to improve the regulatory structure and to reduce costs.

As stated in the bill, we would like to direct attention to several areas of particular concern. First, I would like to point out that H.R. 5024 will give Congress a way to measure progress on the efforts of these organizations over the next 5 years, and ensure that they are working to streamline and modernize the process of financial reporting.

First, we need to reassess complex and outdated accounting standards. We need to improve understandability, consistency, and the overall usability