

I rise today not to add commentary to the unfortunate accident, but rather to recognize the goodwill and altruism that is very much a part of America in a post-September 11 world.

Mr. Speaker, the fire, police and ambulance services, along with the local hospitals, all reacted swiftly to the accident. There were bystanders who rushed to the scene to offer aid and comfort to those who were hurt. One of those bystanders, a convenience store owner, rushed to the scene with cases of bottled water. Another grabbed a first aid kit from her car and rushed to help. Employees from a local telephone company brought dozens of cell phones to the emergency center so people could call their loved ones.

Despite the tragedy of the situation, average Americans rose to the occasion to help strangers and friends alike.

Mr. Speaker, if there is anyone who wonders what makes an American an American, they need only look at the simple acts of kindness and charity that citizens everywhere engage in when something terrible happens. America is the same today as it was in the wake of September 11. It is strong and will remain so regardless of whatever hardships are thrown our way.

GROWTH IN THE ECONOMY

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, we heard about the Bush recession on this floor months ago, even though the recession in which we found ourselves had begun a matter of weeks after George Bush became President of the United States. So I am waiting, Mr. Speaker, to begin to hear about the Bush recovery on this floor from our friends on the other side of aisle.

The Department of Commerce announced the economy grew by 5.8 percent in the first quarter of 2002, and even The Washington Post credited tax cuts in part for fueling this recovery.

There is more that needs to be done. There is not yet good news in the area of unemployment, so we must practice fiscal discipline and additional tax relief to certify the Bush recovery. We must make last year's tax cuts permanent, Mr. Speaker, and we must not spend one penny more than the President's request in the upcoming defense supplemental.

Tax relief, fiscal discipline, the cornerstone of the Bush recovery.

□ 1015

BRING OUR CITIZENS HOME

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, well, here we are at the beginning of May 2002. Ludwig Koonz was taken to Italy

in 1994. Jeff Koonz, his father, won court cases prior to that giving him custody. Jeff continues to fight the fight to get his son returned, the U.S. citizen's son returned, to the United States of America.

The mother who took the child, Ilona Staller is still doing her pornography. She still has her Web site up. She is still doing exotic sex shows all over the world, raising her son in that environment. We have not heard from our State Department. We do not know exactly what they are doing about this to fight to bring every U.S. citizen who is outside of this country and who wants to be here in the United States home, where they belong.

All I can ask is that you consider, my colleagues, what you would do if it were your child. Would you sit by complacently, like we are doing; or would you be standing on the shores of our country demanding that every child taken out of our country be returned? Help us bring our children home.

STRENGTHEN WELFARE REFORM

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, I am honored to be part of the effort to strengthen the historic 1996 welfare reform law, TANF, or Temporary Assistance to Needy Families.

Since 1996, nearly 3 million children have been lifted from poverty. Nine million citizens have left the welfare rolls altogether. And the black child poverty rate is at its lowest point in history.

Mr. Speaker, over the past 6 years, we have found that a paycheck is the best path from poverty to self-sufficiency. The Republican plan and the President's plan will help even more low-income parents know the dignity that comes from a paycheck instead of a welfare check.

Through welfare reform, we can assist even more low-income Americans improve the quality of their lives for themselves and their children.

PRAYERS FOR MARTIN AND GRACIA BURNHAM

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today marks the 340th day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines.

Today is May Day, traditionally a festive day to celebrate spring time. This May Day will not be festive for Martin and Gracia. It will be a day of terror, as each of the past 339 days has been. Unfortunately, it will not be a joyous day for their children either, Jeff, Mindy, and Zach. It will another day these children are without their beloved parents.

America has the personnel, the necessary tools, the training, and the ability to rescue Martin and Gracia Burnham from the Islamic terrorists that hold them hostage. All we lack is the political will to do it.

I ask my colleagues: What would you want if you were held captive today by terrorists? I can answer that for you. You would want your government to do everything it possibly could as quickly as it could to get you free. That is exactly what we should encourage our administration to do.

As always, I ask you to join me in prayer for Martin and Gracia and for their loved ones that this nightmare may soon be over.

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 402 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 402

Resolved, That any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except

one motion to recommit with or without instructions.

SEC. 2. After passage of H.R. 2871, it shall be in order to take from the Speaker's table S. 1372 and to consider the Senate bill in the House. All points of order against the Senate bill and against its consideration are waived. It shall be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of H.R. 2871 as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendment to S. 1372 and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Yesterday, the Committee on Rules met and granted a structured rule providing for consideration of the bill H.R. 2871, the Export-Import Bank Reauthorization Act of 2001. The rule waives all points of order against consideration of the bill and provides for 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Financial Services.

The rule further provides the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. It waives all points of order against the bill as amended and makes in order only those amendments printed in the report of the Committee on Rules accompanying the resolution.

H. Res. 402 provides that the amendments printed in the report shall be considered only in the order printed in the report, may be offered by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to an amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule also waives all points of order against the amendments printed in the report and provides one motion to recommit with or without instructions.

Finally, it provides that after the passage of H.R. 2817, it shall be in order to take from the Speaker's table S. 1372, consider it in the House, and move to strike all after the enacting clause and insert the text of H.R. 2871 as passed by the House. It waives all points of order against consideration of the Senate bill and the motion to strike and insert.

If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments and request a conference.

H. Res. 402 is a bipartisan, fair rule; and it allows for four Democrat amendments.

Mr. Speaker, the Export-Import Bank Reauthorization Act of 2001 reauthorizes the bank for 4 years and has important provisions that encourage small business transactions; and it allows other key changes that will improve the operations of Ex-Im.

The mission of Ex-Im is to support export financing of U.S. goods and services. Ex-Im is designed to help U.S. exporters match competition from foreign export credit agencies in Japan, Germany, France, and other countries.

By law, Ex-Im is intended only to fill gaps in commercially available financing for U.S. exports by serving as a lender of last resort and not competing with private lenders. Ex-Im is also required by law to work towards securing international agreements to reduce government-subsidized export financing, thereby promoting free and fair trade.

I want to commend my colleague, the gentleman from Nebraska (Mr. BEREUTER), for responding to concerns about the dumping of steel products on the U.S. markets. He has included a provision that directs Ex-Im to reevaluate the adverse-impact test it performs. This bill now seeks to ensure the bank takes into account the interest of U.S. industries before approving a transaction.

H.R. 2871 is a strong piece of legislation that will help American manufacturers, American workers, and the American economy. This bill was crafted with substantial Democrat input and was reported out of the Committee on Financial Services on a bipartisan vote. I urge my colleagues to support this rule and to support the common-sense legislation that it underlies.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume. I would like to thank my good friend, the gentlewoman from Charlotte, North Carolina (Mrs. MYRICK), for yielding me this time.

Mr. Speaker, this bill reauthorizes the Export-Import Bank of the United States through fiscal year 2005. It mandates changes in bank programs and creates a new division in the Bank for Africa. And I would like to personally extend my thanks to my colleague and good friend, the gentleman from Nebraska (Mr. BEREUTER), for enhancing this bill through working with our colleagues to provide that provision.

The Export-Import Bank operates under a renewable charter, the Export-Import Bank Act of 1935, and was last fully authorized in 1997 through September 30, 2001. A short-term extension through April 30, 2002, was passed by voice vote on March 19. I supported

that measure in 1997 and likely will support the base bill today.

But, Mr. Speaker, although some amendments were permitted, five, and I think each of them highlights concerns that our Congress Members have, certainly I do, of the many amendments that were not accepted, one in particular, in my judgment, should have been. That amendment, authored by the gentlewoman from Illinois (Ms. SCHAKOWSKY), represented the creation of a Human Rights Impact Assessment Office within the bank. That office would have been tasked to ensure that the bank identify human rights' concerns when projects were considered for financing.

In addition, the amendment would have directed that the new office would report to the President and the Congress on the potential human rights impact of every proposed project of \$10 million or more.

Mr. Speaker, if the bank is using taxpayer dollars to fund projects, it should also have at its disposal the tools to ensure that those projects do not violate human rights. In my view, this should be a minimum expectation.

On the subject of human rights, one amendment has been permitted to be considered. It was also authored by the gentlewoman from Illinois (Ms. SCHAKOWSKY). It states the sense of the Congress that the bank should have available to them an assessment of each financed project's potential impact on human rights.

This is a good start, Mr. Speaker; but it does not direct the bank to report on the human rights impacts of its projects, nor does it identify where the bank will get this data.

□ 1030

Mr. Speaker, another important amendment accepted for consideration with this bill was introduced by the gentleman from Vermont (Mr. SANDERS). This incredibly thoughtful amendment would prohibit companies from receiving future Export-Import Bank assistance if they lay off a greater percentage of workers in the United States than they lay off in foreign countries.

Mr. Speaker, the original bill was introduced in 1935 to create jobs in the midst of the Great Depression. We need to make sure that the bank fulfills that mission, and does not simply finance large corporations with little or no thought to American workers.

An investigation in the other Chamber recently revealed that over \$650 million loans were given to Enron. We still do not know if those loans will be defaulted at the taxpayers' expense. Once again, a major corporation, Enron, had a party, and the American people may have a hangover.

Mr. Speaker, this bill does take some positive steps, but in my view it does not go nearly far enough. These two amendments that I just mentioned address human rights and American workers issues which are critical to the

original intent of the bill. I urge my colleagues to support these amendments, and give active attention to the debate as it progresses today.

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

Mrs. MYRICK. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska (Mr. BEREUTER), the chairman of the Subcommittee on International Monetary Policy and Trade.

Mr. BEREUTER. Mr. Speaker, I rise in strong support of H. Res. 402, which is a rule under which the Export-Import Bank Reauthorization Act of 2001 will be debated, and I thank the gentlewoman for yielding me this time, and for the effort of the gentleman from Florida (Mr. HASTINGS) as well. And the whole Rules Committee and especially the chairman and ranking member of the committee, the gentleman from California (Mr. DREIER) and the gentleman from Texas (Mr. FROST) and their staff are owed great credit and appreciation for their assistance in crafting the rule.

The gentleman from Florida (Mr. HASTINGS) is exactly right, as the gentlewoman from North Carolina (Mrs. MYRICK) also recognized, that the legislation covered by this Rule comes to the House through a bipartisan effort, with substantial input from numerous members. In fact, I think the very complete input from both sides of the aisle, and the democratic process certainly had its positive impact at both the subcommittee and the committee level.

The Export-Import Bank is an independent U.S. Government agency that creates and sustains American jobs by providing direct loans to buyers of U.S. exports, guarantees to commercial loans to buyers of U.S. products, and insurance products which greatly benefit short-term small business sales. The Export-Import Bank finances exports such as civilian aircraft, electronics, engineering services, vehicles, agricultural equipment, and so on. It is also important to note that the Export-Import Bank charges risk-based interest and fees on the users of its credit products. As a result, last year, the Export-Import Bank generated \$1 billion of net income to the U.S. Government.

To illustrate the importance of the bank, in fiscal year 2000, they supported \$15.5 billion in U.S. exports through an appropriation of \$759 million. Moreover, in the past 60 years, the Export-Import Bank has supported more than \$300 billion in U.S. exports. It also needs to be noted that the Ex-Im Bank is only intended to be the lender of last resort, and the Bank is not intended to compete with private lenders.

Mr. Speaker, this legislation is not simply a reauthorization. While the executive branch, regardless of who is in the White House, always seems simply to want a straightforward reauthorization of everything, this committee has taken the time and made the effort to give us some basic reforms.

For example, we provide in greater detail how the following subjects will be addressed, to enhance the role of small and medium-sized businesses in using the bank, to have a dramatic outreach program, and to increase the percentage of the total resources that go to small and medium-sized businesses. The gentleman from Florida (Mr. HASTINGS) has mentioned our special effort with respect to Africa, both the reauthorization of the advisory committee for Sub-Saharan Africa, and the creation of an Office of Africa within the bank, and the latter comes from one of our Member's initiatives.

The gentleman from Pennsylvania (Mr. TOOMEY) has taken the controversial Ex-Im Bank transaction for American exporters to Benxi Iron and Steel firm, and he has given us some very important reform legislation which is a part of the bill today. It relates to American exports to those businesses abroad that are parts of sectors for which a 201 case has been made under the International Trade Commission or where dumping is formally ruled to be taking place.

Finally, the gentleman from Florida (Mr. HASTINGS) made one point about the initiative of the gentlewoman from Illinois (Ms. SCHAKOWSKY), a distinguished member of the subcommittee and committee. The only disagreement this Member has had with her approach is that she would mandate a special human rights report to be made by the Export-Import Bank. In fact, the State Department issues such country human rights reports, and we have in this legislation recognized it the key agency to provide human rights information to all of the agencies of the Federal Government.

The gentlewoman's alternative amendment, which is made in order, certainly is one I can support. And, in fact, we can strengthen it by insisting that the State Department's human rights country report for the particular country that would be the destination for an American export be considered by the Export-Import Bank by report language during a House-Senate Conference.

Mr. Speaker, I urge support of the legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, to respond to the gentleman with reference to the amendment offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY), my feeling is that the human rights division of the State Department does cover many of these measures; but I do believe that they would have to rely upon the information that they receive from the Export-Import Bank. If the Export-Import Bank does like some agencies do, then they very well may not have a full report.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, maybe I was not clear. I expect to support and

urge support for the gentlewoman's amendment that has been made in order, and to strengthen provisions of her amendment by the report language.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Vermont (Mr. SANDERS), the former mayor of Burlington, Vermont, who has particularly keen insight into the matter the gentleman is about to discuss.

Mr. SANDERS. Mr. Speaker, I thank the Committee on Rules for making my amendment in order which we will be debating later today, and I especially thank the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER), who promised me that he would support getting that amendment on the floor, and he did.

Mr. Speaker, I rise as the ranking member of the relevant subcommittee, and I must say, unlike many others, and perhaps as one of two independents in the House of Representatives, I have some very, very strong concerns about the direction of the Export-Import Bank. It is my belief that unless we make fundamental changes in that bank and the way that it functions, that we should eliminate it because as presently constituted, it amounts to huge corporate welfare for some of the largest multinational corporations in America.

The truth of the matter is, and I think it is high time Congress woke up to it, and this goes well beyond the Export-Import Bank, the trade policy of the United States is a failure.

Mr. Speaker, we have a \$300-plus billion trade deficit. It is not just steel, it is not just textiles. All over America, in rural America, in my State, small manufacturing plants are going out of business because they cannot compete with imports that come into this country made in China where workers are being paid 20 cents an hour. The big untold story of trade policy is that corporate America has sold out American workers, sold out the American people, laid off millions of American workers in search of cheap labor all over the world. We have a \$360 billion trade deficit, tell me how our trade policy is successful. The mythology out there is we do not have to worry about old manufacturing jobs, steel, textiles, cars, those are not good jobs. All of our young people are going to have high tech, computer jobs, minimum \$50,000 a year, let the Mexicans and the Chinese have those other jobs. What a terrible thing to say to millions of workers.

The result is that high school graduates today who go into the job market are making 20 percent less than was the case 25 years because the factory jobs are not there, and what is there are McDonald's and Burger King, low wages, part-time, no benefits. We have to rebuild manufacturing in this country and create decent paying jobs for our working people.

Export-Import Bank is part of the problem, not the cause. Check the record. Over 80 percent of the money

that comes from Export-Import Bank goes to large, Fortune 500 corporations. We give them the money, and General Electric and Motorola and Boeing say thanks, taxpayers. By the way, we are laying off American workers because we are off to China and Mexico; but give us some more money.

Some of us have a radical idea. We think before we give taxpayer money out to large, multinational corporations, maybe, just maybe, we might want to insist that they do something about creating jobs in the United States of America. I know that that is a very radical idea, that taxpayer money be used to create jobs in America. The bottom line is that if we are going to give these Fortune 500 companies money, let them sign on the line and work on ways to create jobs in America. The major companies that have received Ex-Im money are the major job cutters in America. I want somebody to explain that to the workers in America that have been laid off, that their tax dollars go to precisely the companies that are laying off more workers than anyone else. It is absurd on the surface.

Mr. Speaker, I have an amendment that will address it, and I hope we will get strong bipartisan support. It is time that we change the trade policy in America. This is a good way to start.

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

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mrs. MYRICK). Pursuant to House Resolution 402 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2871.

□ 1042

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, with Mr. GUTKNECHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to urge my colleagues to support H.R. 2871, the

Export-Import Bank Reauthorization Act of 2001. This is an extremely important piece of legislation for American manufacturers, American workers and the American economy. By reauthorizing the Export-Import Bank, we will demonstrate our commitment to promoting U.S. goods throughout the world. This legislation reauthorizes the Export-Import Bank for 4 years, and makes several important changes in how Ex-Im operates.

This is the first major piece of legislation relating to international trade to come out of the Committee on Financial Services. H.R. 2871 was reported by voice vote with strong bipartisan support on October 31 of last year. I am proud of all of the hard work by the committee on this bill, and I would like to take this opportunity to thank the chairman of the subcommittee on International Monetary Policy and Trade, the gentleman from Nebraska (Mr. BEREUTER), for his leadership and dedication in crafting this bill. The gentleman has invested a lot of time and energy ensuring that Export-Import Bank remains true to its mission of supporting U.S. exports and sustaining U.S. jobs.

Mr. Chairman, reducing the trade deficit is critical to aiding the economic recovery of the United States. Our manufacturers currently face stiff competition from foreign companies seeking to expand the sale of their goods overseas.

□ 1045

There is little argument that goods made in the U.S. are of the highest quality and are in great demand. At the same time, however, foreign companies are getting lots of assistance from their export credit agencies in finding markets and negotiating prices for their goods. Without Ex-Im, U.S. importers would be forced to compete in this international marketplace with one hand tied behind their backs. Ex-Im levels the playing field of international trade by allowing U.S. companies to compete on the quality of their product.

In a perfect world we would not need export credit agencies and the free market would operate without market distortions. However, because foreign governments are in the practice of aiding their manufacturers through export credit agencies, the United States must fight fire with fire. Ex-Im works to ensure that U.S. manufacturers receive equal treatment and serves to promote U.S. exports overseas. Currently some 70 governments around the world have export credit agencies like Ex-Im providing about \$500 billion a year in government-backed financing.

Mr. Chairman, as long as foreign governments are financing export credit agencies, we must support Ex-Im to ensure that our manufacturers and workers remain competitive in the global marketplace.

Increasingly, financing is a key to winning export sales. In many emerg-

ing markets, where the greatest export growth opportunities now exist, commercial banks are often unwilling to provide financing, even for credit-worthy customers. In those cases, government export credit agencies step in to finance the sales, either through direct loans to the customer or through guarantees and insurance that a commercial lender will be repaid by the customer. With guarantees and insurance, commercial banks are willing to provide financing. A key role that Ex-Im plays is to help open markets to U.S. exporters and promote follow-on sales. Ex-Im has led the way in several markets, resulting in a return of commercial financing for transactions.

A good example is the efforts Ex-Im undertook in Asia after the currency crisis that that region experienced in the 1990s. When commercial banks saw that Ex-Im was able to effectively transact business in this region, they reentered this market, which contributed to Asia's economic recovery.

Many critics of Ex-Im claim that it is a giveaway for large corporations. That is simply not accurate, for several reasons. First, approximately 90 percent of Ex-Im's transactions are with small businesses. Those businesses rely on Ex-Im to help them reach overseas markets that they would otherwise not be able to reach.

Secondly, while many of Ex-Im's higher dollar transactions go to larger companies, we should remember that those large companies utilize supplies from many small and medium-sized businesses in order to create their products.

Finally, Ex-Im serves as the lender of last resort for U.S. exporters when commercial financing is not available for export sales and when the U.S. exporter is confronted with foreign competitors with financing available from their own government.

Ex-Im charges interest on its direct loans and premiums for its guarantees and insurance costs that the U.S. exporter usually passes through to its overseas customer. Those charges usually range from 5 to 17 percent of the financing obtained, depending on the risk.

From the exporters' and customers' point of view, the bank does not subsidize the cost of financing an export transaction. Ex-Im is no less expensive to use than a commercial bank or other financial intermediary.

I will defer to my colleague, the gentleman from Nebraska (Chairman BEREUTER), to describe the details of this legislation. However, I would like to highlight some of the key provisions.

First, in this bill we seek to greatly expand the use of Ex-Im by small businesses. That is achieved by expanding the required volume of small business transactions from 10 percent to 18 percent, which will ensure that more Ex-Im-related funds are getting to more local businesses. The bill also authorizes more funds to be used to increase

small business outreach efforts and improve technology so that more people can effectively use Ex-Im.

Second, H.R. 2871 contains strong provisions relating to U.S. trade laws that will ensure Ex-Im adheres to U.S. policies and does not contribute to overcapacity or dumping of goods on U.S. markets.

Third, this measure modifies a Tied Aid Credit Program by renaming it the Export Competitiveness Program and Fund and outlining its operation. The Secretary of the Treasury is empowered to establish how this fund will operate and the Ex-Im Bank Board will have the final determination of when the fund is used, thus maintaining the co-equal roles of Treasury and Ex-Im.

The fund will be used to combat tied aid, untied aid and market windows, all of which are tools that have been commonly used by foreign governments to subvert export pricing agreements.

Finally, H.R. 2871 makes many important policy changes to Ex-Im's charter. The bill contains provisions encouraging renewable energy programs and efforts to combat corruption and terrorism, and requires the Universal Declaration of Human Rights, as adopted by the UN, to be the standard by which Ex-Im's transactions are reviewed.

The committee held its first hearing on the reauthorization of Ex-Im one year ago tomorrow. At that hearing the administration submitted its authorization request for a basic 4-year reauthorization. After an additional hearing and intensive investigation, the gentleman from Nebraska (Chairman BEREUTER) crafted H.R. 2871 to reauthorize Ex-Im and make important changes in how the bank operates.

This past fall the subcommittee and the full committee reported this bill by voice vote with strong bipartisan support. Since that time, the committee and the gentleman from Nebraska (Chairman BEREUTER) have been working diligently to remedy some concerns the administration had with the original text. The results of these discussions is the manager's amendment, which makes several technical changes requested by the administration.

Mr. Chairman, Ex-Im provides assistance to both large and small corporations across the United States. Without the guarantees, insurance and direct loans provided by Ex-Im, many of those businesses would not reach high risk or emerging markets with their products. As a result, production levels would be lowered, the U.S. trade deficit would be larger and fewer Americans would be employed in high paying manufacturing jobs.

Mr. Chairman, I strongly urge my colleagues to vote in favor of U.S. manufacturers, in favor of U.S. workers, and in favor of the U.S. economy by voting yes on H.R. 2871.

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

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

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

Mr. LAFALCE. Mr. Chairman, I am very pleased that the Committee on Financial Services, under the able leadership of my friends, the gentleman from Ohio (Mr. OXLEY) and, on this particular bill, the gentleman from Nebraska (Mr. BEREUTER) was able to complete its work on H.R. 2871 and bring it to the floor of the House, the Export-Import Bank Reauthorization Act. One difficulty with it is its title, of course, because it has nothing to do with imports, it only has to do with exports, and one of these days we ought to change the name of the bank to the Export Bank of the United States, or the United States Export-Other Countries Import Bank. It would avoid needless confusion.

The bill, very importantly, reauthorizes Ex-Im Bank for 4 years. We have to get over the 30 days, we have to get over the 1 year, 2 year. We need a multiyear reauthorization, and 4 years is a good time frame. But, most importantly, it also contains very important provisions that could better define and guide Ex-Im's policies and programs.

Before I go into that, I want to give credit to another individual, and that is the ranking Democrat on the relevant subcommittee, the gentleman from Vermont (Mr. SANDERS), who has attempted to even better define its mission, its policies and its programs so that it could work in the best interests of working Americans.

While we may agree or disagree on a specific prescription, we surely agree on his intent and motivations, and I am hoping that, to the maximum extent possible, Ex-Im Bank officials will work to implement the existing and future laws in a manner that will effectuate those shared goals.

Some individuals suggest that Ex-Im transactions are nothing more than corporate subsidies, no better than some of the worst corporate handouts contained in the Tax Code. That is not quite true.

First, Ex-Im operates in a very competitive international environment, an environment in which export credit agencies in other countries have become increasingly aggressive in supporting the exports of the companies from their countries, our competitors. So it is critical to have Ex-Im to counter those transactions, and, in doing so, to provide leverage for the United States to negotiate a gradual reduction in export subsidy activities amongst OECD Members. That must work hand in hand. The United States must become ever more aggressive in negotiating those reductions in subsidies, but, of course, this must be done on a multilateral basis.

In short, absent the United States Ex-Im Bank, U.S. exporters would find themselves competing at a significant disadvantage against foreign exporters, who do enjoy government subsidies. With the loss or diminution of key ex-

port markets would also come the loss of export-oriented jobs in the United States, jobs which pay 18 percent more on average than non-export jobs.

Ex-Im also has the charge of providing critical export financing in cases where there is a market failure in private lending. Frequently these failures relate to the nature of the exporter; very often, for example, small businesses who face difficulties obtaining private credit for export transactions. As a result, Ex-Im has been a very important source of support for small business exporters nationwide. With the advent of the Internet and Internet marketing, this becomes ever more important for the small business person.

Market failures also relate to the nature and vocation of export markets. Markets in Sub-Saharan Africa and elsewhere in the developing world are frequently overlooked by private export credit, and Ex-Im goes where private lenders are unwilling to go, to the ultimate benefit of not only our exporters, but to the ultimate benefit of these developing countries.

That Ex-Im is charged to go into underserved markets is particularly relevant today when economic engagement with other countries is an essential element of foreign policy and national security. In the months since last September we have had to move very quickly to determine how best to reach out to countries and people who were previously of too little interest to the United States and other wealthy industrialized countries. Certainly much has been achieved already in the war on terrorism by high level engagement between the Bush administration and foreign leaders, but top level diplomacy will ultimately fail if it is not supported by bottom-up engagement in the political, the social, and the economic spheres. It is here where institutions like the Ex-Im Bank have a critical role to play.

With each export transaction supported by the bank, we have made a new connection. We have developed a new familiarity with a market, a people, and a country that had been previously slightly more foreign to us. With thousands of these transactions, we can take 1,000 steps forward toward a world of interdependence and prosperity; in short, a world in which terrorism would find it much more difficult to exist.

Let me describe just a few of the key elements of H.R. 2871. I am particularly pleased that the reauthorization bill emphasizes the need to expand outreach to small businesses. We spent a great deal of time assessing the barriers to Ex-Im assistance for small business, and I became convinced that technology enhancements, as I mentioned earlier, would be critical to any meaningful effort to expand services for that sector.

For Ex-Im's large clients, user-friendliness is not a significant issue. Large corporations have adequate resources and knowledge in-house to

interact with Ex-Im rather smoothly. But for small businesses, working with Ex-Im could be a daunting prospect, so we drafted the legislation, convinced that Ex-Im could go even further toward bringing in new small businesses and serving them better by expanding the use of technology throughout the transaction process. As a result, the legislation expands the budget authority for technology upgrades, and provides guidance to Ex-Im on the implementation of new technologies.

But the bill creates important improvements on bank policies in a number of other areas, too. In drafting the legislation, we took very seriously concerns about the condition of the United States steel industry and Ex-Im activities that may have exacerbated problems in the industry.

So the bill establishes meaningful standards to ensure that Ex-Im does not support transactions that would contradict existing countervailing duty or anti-dumping orders. The bill also raises the bar of scrutiny for transactions that may have the effect of contributing to any material injury of a U.S. industry.

□ 1100

Finally, I would like to emphasize that the bill increases authorizations for the bank's administrative expenses and for the allotment ceiling on the total amount of lending and credit the bank is authorized to have outstanding. As we require the bank to expand its assistance and outreach to small businesses, we must, in turn, be providing more, not less, funding for the administrative expenses that necessarily come with this effort.

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

Mr. OXLEY. Mr. Chairman, it gives me great pleasure to yield 5 minutes to the gentleman from Nebraska (Mr. BEREUTER) who has undertaken a very difficult task and done it superbly.

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

Mr. BEREUTER. Mr. Chairman, I rise in strong support of the Export-Import Bank Reauthorization Act of 2001.

Mr. Chairman, I want to particularly thank the gentleman from Ohio (Mr. OXLEY), the chairman of the full committee, and the gentleman from New York (Mr. LAFALCE), the ranking minority member, for their assistance in bringing this legislation to the floor. It has not been easy, but we have, of course, attempted to do something that is not always done around here, and that is to make some basic reforms in the authorizing legislation. It is oftentimes resisted by the executive branch. But I think it is true that the members of the subcommittee and committee have worked together in trying to bring the necessary reforms to that agency in order to help our business sector and, particularly, to help the employees of our business sec-

tors that are involved in exports. We have done that with this bill.

Both Members, the chairman and ranking member, are quite familiar with this program. They have outlined very, very well and in excellent fashion the provisions of the bill, particularly those that are new or which are reform measures.

I would say, thinking back about the comments of the gentleman from New York about the title of the agency, that he is absolutely right. We would be better off to call it the Export Agency, because that is the only part of the trade subject for which they have authorization. It is easy to make the statutory change of the agency's name, but not so easy to make all the legal changes necessary to change the name. He and the gentleman from Massachusetts (Mr. FRANK), are probably the 2 Members that, along with me, have worked the longest on legislation on this bank over the years. But to the gentleman from Vermont (Mr. SANDERS), the ranking member of the subcommittee, I want to particularly thank him for his role in crafting this legislation, as we have worked together from the beginning on it. I am also appreciative of all of the members of the subcommittee, and the committee as well, who have offered their ideas about how to make this legislation better.

I would reiterate that the Export-Import Bank is an independent U.S. Government agency that creates and sustains American jobs by providing direct loans to buyers of U.S. exports, guarantees to commercial loans to buyers of U.S. products, and insurance products which greatly benefit short-term small business sales. For example, with respect to small business, already 86 percent of the transactions of the Ex-Im Bank in FY 2000 are with small or medium-sized American export firms. This bill pushes the envelope even farther for even more assistance to small business exporters through the efforts of the gentleman from Vermont (Mr. SANDERS), this Member, the chairman, and ranking minority member of the committee, and others.

The bill has been well explained already, particularly the new parts of it, but I would just briefly summarize six provisions of this legislation. First, of course, it reauthorizes the program and administrative budgets and it moves them along towards implementing greater information and office technology in the Export Import Bank, and that would be a particular benefit to small businesses as they do not always have the capability to take advantage of the programs of the Export Import Bank without improved information access.

Secondly, it reauthorizes the Sub-Saharan Africa Advisory Committee and provides additional emphasis on our businesses' interest in exporting to Africa.

Third, it provides for small business increases, pushing them to require at

least 20 percent of the financial resources to go to small and medium-sized businesses.

Fourth, it increases the Ex-Im Bank's statutory ceiling for loans, grants and insurance assistance.

Fifth, it addresses the Tied Aid War Chest, and this is, of course, the most contentious part of the bill as far as the administration was concerned. In this bill we have made necessary changes so that ideologues in Treasury, Ex-Im or OMB, regardless of what administration is in office, do not misuse the fund, but to instead focus it on really helping our exporters and consistently doing that.

Sixth, it addresses the Ex-Im Bank transaction with Benxi Iron and Steel Company in China. American exporters provided exports to that company which undoubtedly increased that Chinese firm's efficiency in making steel. The gentleman from Pennsylvania (Mr. TOOMEY) has given us an amendment for part of the bill that is a very important advance.

This bill, of course, reauthorizes the bank through September 30 of 2005. As a result of this provision, the program budget which supports loans, guarantees and insurance products of Ex-Im Bank, is effectively authorized for such sums as are appropriated through fiscal year 2005.

During the subcommittee's first hearing on the subject, the Ex-Im Bank personnel testified that they were in desperate need of technology upgrades which would particularly benefit small business users of the Ex-Im Bank. As a result, this legislation authorizes \$80 million for the administrative budget, which includes funding for information technology for fiscal year 2002, and indexes this authorization level for inflation between fiscal year 2003 through fiscal year 2005. Also, as I mentioned, among other changes, we make important changes to focus the Ex-Im Bank even more on exports to Africa. More detail on that will come out in the ensuing debate on this legislation.

Mr. Chairman, I urge my colleagues to support this legislation. It is reform legislation. It moves us in the right direction.

Mr. OXLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska (Mr. BEREUTER) be permitted to control the time for general debate on our side.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for yielding me this time.

Mr. Chairman, let me congratulate the committee and its chairman and

subcommittee chair and full committee chair and full committee ranking member, and certainly the gentleman from New York (Mr. LAFALCE), the full committee ranking member, and also as well, the ranking subcommittee member, whose leadership we appreciate greatly. Let me add my support to this legislation today. I think in coming to Congress, coming from Houston, Texas that has one of the largest numbers of consular offices, it has an enormously international community and, as well, it is a community that believes in the opportunities for creating vehicles to create American jobs and, as well, to insist and to help American businesses. That is what Ex-Im Bank, I think, is most successful at. Supporting U.S. jobs through exports is Ex-Im Bank's core mission.

I also want to congratulate the new chairman, Eduardo Aguirre from Houston who I believe will foster that mission and help small and minority businesses access Ex-Im Bank.

Ex-Im Bank is an independent Federal agency that helps to finance the export of American products and services that would otherwise not go forward, and I think that is an important statement, because there is great concern when we begin to talk internationally, it is important for the Nation to understand that this is an advocate for jobs going to Americans, but products and services going internationally. And in its 68-year history, Ex-Im Bank has supported over \$400 billion of U.S. exports, sustaining and creating millions of jobs.

One of the other important points is that it sustains and creates thousands and tens upon thousands of jobs, so jobs that are here, it helps to hold them.

It is a great supporter of small businesses, and that is one of the reasons I rise today, because my community, the 18th congressional district, is a community that thrives with small businesses and it is also a community in which I encourage small business to utilize services such as OPIC and Ex-Im Bank.

Ex-Im Bank authorized more than \$1.6 billion in support of small business exports, nearly 18 percent of total dollar value of its authorization, and they supported \$4 billion in exports during this same time. Ex-Im Bank's dedication to small businesses becomes even more dramatic when we look at the Ex-Im Bank's finance transactions for the year. Ex-Im Bank approved 2,124 small business transactions in fiscal year 2001, 90 percent of their total number of transactions.

That is why I would like to support and agree with the gentleman from New York (Mr. LAFALCE) on the expanded help that this new legislation gives to small businesses, by giving them access to technology resources, giving more funding for technology resources to help small businesses. Then again, I appreciate the fact that there is language that prevents the dumping of foreign products in conflict to our

laws, particularly with respect to the steel industry.

Let me just simply say, Mr. Chairman, that this is a bill that helps the continent of sub-Saharan Africa, also with greater investment for those countries. This is a bill that I believe will help create more jobs.

Might I just conclude by saying that I do believe the amendments by the gentleman from Oregon (Mr. DEFAZIO), the gentleman from Ohio (Mr. KUCINICH), the gentleman from Vermont (Mr. SANDERS) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) will be helpful in the debate and I will be rising to support those amendments as well.

Corporations that benefit from the Ex-Im Bank should not engage in corruption.

Mr. Chairman, I ask my colleagues to support this legislation.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentlewoman from New York (Mrs. KELLY), a small businesswoman herself.

Mrs. KELLY. Mr. Chairman, I thank the gentleman from Nebraska for yielding me this time.

Mr. Chairman, I rise in strong support for H.R. 2871, the Export Import Bank Reauthorization Act. This legislation needs to be passed for one simple reason: saving U.S. jobs.

The core mission of the Ex-Im Bank is support for U.S. jobs. The bank does this by providing credit guarantees for U.S. exports deemed too risky by private lenders. In addition, Ex-Im will make loans, offer financing, and offer insurance on U.S.-made products.

In our global economy, companies must constantly be seeking new markets for our products, and our government must support these efforts, because it supports U.S. jobs. Unfortunately, we do not live in a world in which our trading partners play fair with U.S. businesses and our U.S. businesses must compete with nations which directly subsidize their competitors. In order to add some level of fairness, we created the Ex-Im Bank.

Last year, Ex-Im supported \$12.5 billion of U.S. exports. In my area of New York, this translated to over \$70 million, which benefited a total of 12 large and small businesses involving thousands of jobs in my district alone, and tens of thousands of jobs in New York State.

As we have heard today, 90 percent of the total number of Ex-Im Bank's transactions were in support of small businesses. This is good, but we must also work to increase the amount of funds which are used by small businesses. In this committee's review of the Ex-Im's performance, we determined that a greater effort must be made to increase the amount of funds which go to these small businesses. Hence, this legislation requires a 10 percent increase in the volume of funds going to small businesses, and that is good for our small businesses in the United States. Ex-Im Bank cannot stop

there, however. We have challenged them to go even further.

I strongly support the committee's work to improve the operation of the Tied Aid Credit Program. I believe the changes the committee has made to this program in this bill will permit the program to operate more efficiently and effectively, while maintaining the coequal role of Ex-Im and the Treasury Department.

Ex-Im provides an invaluable service to U.S. workers. Many U.S. products and services would never have been able to find new buyers in the global marketplace without the assistance of the Ex-Im. The international market presents many new problems for the U.S. businesses that are seeking new opportunities, and we have to work to alleviate these problems for U.S. employers, or the incentives to move jobs overseas will only grow and the pressure will be strong. One way we ensure that more products bear the "made in the USA" label abroad is by supporting this legislation. I urge my colleagues on both sides of the aisle to support this legislation.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I thank the gentleman from New York (Mr. LAFALCE) for yielding me this time.

I rise in support of H.R. 2871, the Export Import Bank Reauthorization Act. As a businessman from the United States-Mexico border region, I know how important exports are to our economy and to businesses, both large and small and medium. The Export Import Bank has been an important partner in helping companies find foreign markets and to export their goods.

In the 15th congressional district of Texas that I represent, the Export-Import Bank has provided over \$145 million of assistance in the form of loan guarantees, insurance, and working capital. Access to capital means expansion of business firms who create many jobs in neglected regions like mine where the unemployment rate was in double digits for over 3 decades.

The Export-Import Bank is partially responsible for helping reduce the rate from 20 percent to only 10.5 percent in Hidalgo County in south Texas. One company, for example, Hermes Trading Company in Pharr, Texas, is a small company that sells musical instruments. The assistance from the Ex-Im Bank has allowed them to expand their business into new markets, and they have doubled their sales. I agree with the gentleman from New York (Mr. LAFALCE), the ranking member, in his efforts to raise the level of awareness and importance of this important bank.

Mr. Chairman, I urge my colleagues to support this bill and reauthorize the Export Import Bank.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. HINOJOSA. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, the gentleman mentioned his community that the Export-Import Bank has impacted. I represent a district that has a large percentage of minority businesses and I have seen the impact there.

Does the gentleman believe that this legislation will help generate more opportunities for minority businesses?

Mr. HINOJOSA. Yes, Mr. Chairman, I agree with the gentleman. I can tell my colleague that in south Texas, three out of every four businesses are owned by minority businesses and they are benefitting a great deal from this bank.

□ 1115

My region is one of the areas that has grown 48 percent from 1990 to 2000, and has created, with the help of the bank and the Small Business Administration, the Women's Development Center, hundreds of new small businesses, creating four and five jobs in each one, and that is what is helping drive down the unemployment rate to my region.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I know the work the gentleman has done, and I think this new emphasis on small businesses will be very helpful to encourage our minority businesses to utilize this.

I do want to note that the President selected Eduardo Aguirre from my congressional community to be the chairperson, who has a sensitivity to expanding the outreach to small businesses.

I hope that, with the passage of this legislation, we will be able to do more outreach to small businesses and minority businesses to take advantage of helping to create this income trail, if you will, internationally. I thank the gentleman.

Mr. HINOJOSA. I thank the gentleman for helping us crystallize the importance of this bank in areas like ours, Houston, and, of course, San Antonio, and the Rio Grande valley of south Texas.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 2 minutes to the gentleman from Washington (Ms. DUNN), a member of the Subcommittee on Trade of the Committee on Ways and Means and a person very much involved in exports.

Ms. DUNN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 2871, the Export-Import Bank Reauthorization Act. It is a vital program that helps United States exporters compete overseas.

For most United States companies, access to foreign markets is no longer an optional business practice, but it is a necessity in order to survive. To compete and succeed in a global market, U.S. companies must have access to financing resources.

This is exactly why the Export-Import Bank is very important to us. By providing guarantees, loans, and insur-

ance to American companies, the Export-Import Bank helps to reduce the risks involved in exporting and ensure that our exporters have access to credits that may not be available in the private sector.

The Export-Import Bank helps both small and large businesses, as we have already heard in this debate. In 2001, 90 percent of the tax credits, representing 18 percent of the Ex-Im Bank's dollar volume, directly benefited small business; and in my State of Washington, Ex-Im Bank helped 56 small companies export \$16.8 million in goods and services over the past 5 years.

Large exporters, like the Boeing Company in Washington State, also benefit from Export-Import Bank. Over the past 5 years, Boeing and its workers have benefited from \$19.5 billion of loans for the sales of our aircraft overseas. Traditionally, half of the Boeing aircraft sales are for overseas customers, and this is a trend that will continue, if not increase, in the future.

Of the planes that are sold to foreign airlines, over 20 percent are financed by the Export-Import Bank. This program not only benefits Boeing, but it also benefits thousands of other United States companies that provide supplies and parts needed to manufacture commercial aircraft.

In a State like mine, where one out of three jobs are related to trade, the Ex-Im Bank is critical in keeping Puget Sound businesses competitive overseas while helping to create jobs, those jobs that are so dearly needed to stimulate our economic recovery.

I ask my colleagues to support this fine legislation to reauthorize the Ex-Im Bank.

Mr. LAFALCE. Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the distinguished gentleman from Illinois (Mr. MANZULLO), chairman of the Committee on Small Business and a member of the Committee on Financial Services, very much committed and interested in trade issues.

Mr. MANZULLO. Mr. Chairman, our Nation's small manufacturer exporters are hurting across the Nation. The main city in the district I represent, Rockford, Illinois, has an economy based on 35 percent manufacturing, double the average of most U.S. cities. They already experience thin profit margins from stiff foreign competition, both here at home and in markets abroad.

They have a problem with the strong American dollar; and in addition, those who use steel in their production now have to pay up to 30 percent more for the price of this raw material.

There are very few banks that extend international finance; and for those that do, credit standards have tightened over the past year. This is on top of the huge regulatory and tax burden that they already face.

Ex-Im Bank was one of the few government programs that actually serve

small businesses. The number of small business exporters increased by more than three-fold between 1987 and 1999, going from 66,000 to 224,000. I am proud the Committee on Financial Services has greatly enhanced more of these loans that will be going to small businesses.

This is not just about money going directly to Boeing to help that company; but when money goes for Boeing aircraft, it goes to 60 subcontractors in the district that I represent that provide \$232 million worth of goods and services. That is good news for the employees at Dip Seal Plastics; Wells Manufacturing; Eclipse, Incorporated; and Ipsen International.

There are also some new aspects of Ex-Im financing. United Parcel Service, which has the Midwest hub in Rockford, Illinois, owns a bank, and they are one of the largest volume dealers of export-import financing. UPS helps make the match between the foreign manufacturer and the American company. They do the documentation for financing, if necessary. They will do domestic financing and then factor in the international agreement. If international financing is necessary, they will provide the Ex-Im Bank. They do the collection, and then they do the transportation.

So the Ex-Im Bank provides a very useful tool by which small businesses across the Nation, especially those involved in manufacturing, really have the opportunity in this tremendous economy that we have. With regard to the challenges that face small business people, Ex-Im provides that opportunity to get involved in more exports.

I would respectfully request that the Members will take a look at what is going on with Ex-Im in their home districts and then vote to reauthorize the bill.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), who has taken an issue, a controversial issue, addressed it by amendment, and dramatically improved this bill.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. TOOMEY).

The CHAIRMAN. The gentleman from Pennsylvania (Mr. TOOMEY) is recognized for 4 minutes.

Mr. TOOMEY. Mr. Chairman, I thank the distinguished gentlemen for yielding time to me. I also thank the full committee chairman and the full committee ranking member for their important work on this bill.

I really want to commend the gentleman from Nebraska (Mr. BEREUTER) for crafting a very good bill, making Export-Import Bank more accountable to taxpayers.

Specifically, I thank the gentleman from Nebraska for working with me to be sure Export-Import Bank does not reward foreign industries and companies that are in violation with U.S. trade law with money from the pockets of U.S. taxpayers.

As most of us appreciate, the domestic steel industry has simply been devastated by a global steel overcapacity. Since 1997, at least, perhaps further back, the domestic steel industry has been overwhelmed by a flood of imports. Foreign governments subsidize their steel production. That creates overcapacity, which in turn leads to a glut of steel on the international markets. That, of course, depresses prices; and the result has been devastating.

Nobody disputes that this has happened. Our own Commerce Department and the ITC have confirmed this, and the result has been that over 33 American steel companies have been forced into bankruptcy since 1997. Bethlehem Steel, headquartered in my district, filed Chapter 11 last year and joined that long list of companies devastated by this phenomenon.

Of course, the result of all these bankruptcies is an uncertain future, at best, for over 72,000 steelworkers, their communities, and their families. But it has also jeopardized the retirement security of hundreds of thousands of steel retirees, who are also dependent on the continued success of American steel companies for their health care benefits, for their pension. There are tens of thousands of such steel retirees in my district about whom I am very concerned.

Well, despite the recognized problem, widely acknowledged problem of global overcapacity, in early 2000, in the midst of this entire crisis Export-Import Bank granted a loan to a Chinese steel producer, which further increased by 1.5 million metric tons the world's excess steel capacity.

In taking this action, the Export-Import Bank ignored on-the-record objections from the Secretary of the Treasury, the Secretary of Commerce, the Steel Caucus, the entire steel industry. What this tax credit really amounted to was the Ex-Im Bank using American taxpayer dollars to subsidize a foreign company, making a serious American economic problem worse.

That is why I offered my amendment in the Committee on Financial Services, and I am delighted the committee adopted my amendment. The language is in this bill.

What the amendment is is a bipartisan, long-term solution to prevent a similar situation to that loan guarantee that went to the Benxi Iron and Steel Company from ever recurring in steel or any other industry. Specifically, it would prohibit the Export-Import Bank from extending loans to foreign companies that are in violation of U.S. trade law. It would do that by prohibiting the extension of financial assistance to an entity for the production of a product that is subject to a countervailing duty or antidumping order, and it would also prohibit the extension of a loan or guarantee to any entity subject to a definitive conclusion by the ITC under section 201 of our trade laws.

In other words, we would not grant loans to companies that are already

proven to be violating U.S. laws and harming American industries.

I think this is a very balanced approach. We worked this out in the committee, discussed various ways of addressing the difficult and challenging issue. We have set a significant hurdle that has to be overcome before this prohibition would be invoked, and I think we have reached a very reasonable conclusion on this.

I appreciate the cooperation on both sides of the aisle, especially from the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER). I would also like to thank the American Iron and Steel Institute, the United Steelworkers of America, and the Congressional Steel Caucus for their support of this provision.

Mr. Chairman, I include for the RECORD their letters of support, and I urge my colleagues to support this bill, because this does not merely extend authorization for the Export-Import Bank, but it makes substantive, positive reforms in that authorization.

I would like to commend my colleagues for a job well done.

The material referred to is as follows:

UNITED STEELWORKERS OF AMERICA,
Washington, DC, October 30, 2001.
HOUSE FINANCIAL SERVICES COMMITTEE,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE: The United Steelworkers of America wishes to express its support for an amendment to the Export-Import Bank Reauthorization Bill which will be marked up in the Financial Services Committee tomorrow.

This amendment addresses a very serious issue which affects the economic recovery and viability of the America steel industry. First, the amendment would prohibit Ex-Im Bank loans and guarantees to companies found to be in violation of U.S. trade laws. Second, the amendment would prohibit any transaction which adds to the production of a product in oversupply where the U.S. government has determined that there is a glut of imports causing serious domestic injury.

In December, 2000, the Ex-Im Bank approved a loan guarantee for a project which will increase China's hot-rolled steel capacity at the Benxi Iron and Steel Company by 1.5 million metric tons. This action was taken by the Bank at a time when the Organization for Economic Co-Operation and Development (OECD) has found over 300 million tons of excess steelmaking capacity worldwide. China is already the largest steel producer in the world.

The American steel industry and our steelworkers are reeling from a collapse in domestic steel prices directly attributable to the flood of foreign steel being imported to the U.S., including foreign steel which has been "dumped" into the U.S. market in violation of our trade laws. Since 1998, 23 American steel companies have filed for bankruptcy. Six of these have ceased operations. Some 27,000 steelworkers have lost their jobs.

The Ex-Im Bank's loan to China is an example of gross insensitivity to the plight of American steel companies and steelworkers. We urge you to vote for the amendment when it comes up for a vote.

Sincerely,

WILLIAM J. KLINEFELTER,
Assistant to the President, Legislative and
Political Director.

AMERICAN IRON AND STEEL INSTITUTE,

Washington, DC, September 19, 2001.

PLEASE SUPPORT THE TOOMEY AMENDMENT TO H.R. 2871, THE EXPORT-IMPORT REAUTHORIZATION BILL.

TO: MEMBERS OF THE SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE.

Background: In December 2000, the Export-Import Bank (EXIM) approved a loan guarantee for a project that will increase by 1.5 million tons the hot-rolled steel capacity of China. At a time of massive world steel overcapacity and crisis in the U.S. and world steel industry, EXIM made their decision—over the strong objection of the Commerce Department, many Members of Congress and the U.S. steel industry—to provide \$18 million in official financing support. While ill-advised, misguided and almost certainly harmful to U.S. industry, the decision was technically permissible under the Bank's authorizing law and its rules of practice.

Situation: On Friday, September 21, the House Subcommittee on International Monetary Policy and Trade will be marking up H.R. 2871, the Export-Import Reauthorization Bill. Representative Pat Toomey (R-PA) will offer an amendment to establish reasonable and adequate safeguards to ensure that the EXIM take into account any serious adverse effect its loans and guarantees would have on U.S. industry and employment.

Argument: While the AISI position on steel project EXIM requests has been shaped by the crisis in the steel sector and by the role of world steel overcapacity in helping to cause the crisis, it is important to understand that AISI is not anti-EXIM. To the contrary, we have always supported—and we continue to support—the authorization and appropriation of adequate EXIM resources to help U.S. manufacturers compete worldwide. We do however have a recognized, persistent problem, which is massive world steel overcapacity, perpetuated and exacerbated by governments assistance for additional, unneeded steel capacity buildups. AISI cannot support taxpayer dollars being used to harm U.S. industry and employment.

Action Requested: Please support Rep. Toomey's amendment to be offered this Friday (September 21) at the Subcommittee markup of H.R. 2871, the Export-Import Reauthorization Bill. Please contact Gregg Richard in Rep. Toomey's Office (x5-6411) for more detailed information.

Thank you for your continued support on behalf of the American steel industry.

ANDREW G. SHARKEY III,
President and CEO.

Mr. BEREUTER. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, just one clarification or point for emphasis. The credit instruments of the Export-Import Bank can only go to American exporters in any case; but in the case of the Benxi Steel, the kind of assistance that went to an American exporter ended up helping Benxi Steel. That is something the gentleman's amendment has stopped for all time.

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), a distinguished member of the House who may have a different view on this.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROHRABACHER).

The CHAIRMAN. The gentleman from California (Mr. ROHRABACHER) is recognized for 3 minutes.

Mr. ROHRABACHER. Yes, I do, Mr. Chairman, have a different view. I rise in strong opposition to reauthorizing the Export-Import Bank.

We in Congress have had little hesitation to get ordinary American citizens off of welfare after 5 years, but we cannot seem to get our biggest corporations off of welfare after 5 years. We authorize the Export-Import Bank.

We just heard an example a moment ago of how our tax dollars were going to destroy American jobs. The last time we reauthorized the Export-Import Bank, we were told that was impossible, that is not what is going on; we are actually subsidizing exports of American goods, and we were not putting people out of work.

Surprise, surprise. After all these years, we find out right here in the debate an example of how Export-Import money has eliminated U.S. jobs. Let me contend that that will still go on and go on.

We keep hearing that the money is going to be going to small businesses, and that never changes. Apparently only 18 percent of the Export-Import Bank loans go to small businesses, or their funds go to small businesses.

Time Magazine suggests that the top five recipients of the Export-Import Bank subsidies receive 60 percent of all funds. Just to let Members know, of those five major recipients, they, in total, have reduced their workforce by 38 percent over the last decade.

Now, why is that? That is because much of the money that we are being told is creating jobs here, that is not creating jobs here. What we are doing is subsidizing and guaranteeing loans for American businesses to set up factories in other countries. That is what is going on.

Many of these loans about so-called selling our own products end up with little clauses in them. They say, yes, we will buy your product, and the Export-Import Bank will actually subsidize it or guarantee the loan, but you are going to have to, in order to sell us the product, build a factory in our country. This is common practice.

So what do we have here? We have a situation where, in the name of selling vacuum cleaners or whatever it is to a country like China, we end up subsidizing the creation of a vacuum factory in China.

□ 1130

And then what do they do? They do not sell those vacuums, by the way, just in China. They end up exporting them to the United States and putting our people out of work. And we just heard an example of how that was happening just a few moments ago by a proponent of this legislation. But that has all been cleared up now. That has not been cleared up. You can mark my words that has not been cleared up. Five years from now we will find lots of other examples of just that very same thing, maybe not the steel industry but other industries.

Come on. It is time to realize that when the government starts giving away money in terms of subsidies and loan guarantees, you are going to have very wealthy and powerful interests manipulating that for their own benefit. And that is what is happening with the Export-Import Bank. Yes, there are a few little guys who get help but the vast majority of funds, not the vast majority of loans, goes to the very wealthiest corporations to create jobs overseas. I am against the Export-Import Bank. Let us not reauthorize it.

Mr. LAFALCE. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has 13½ minutes remaining.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this bill.

Mr. Chairman, I take modest exception with my colleague from California. Over time the majority of the loans have gone to small business, but at issue for me is not small business, large business, it is whether or not we are going to be able to help American companies penetrate difficult markets around the world. I have had an example in my own community.

We have a company, a freight liner, that is the largest manufacturer of heavy trucks in the country. It employs all union employees, primarily machinists. They are paid family wages in order to do their work. But they are undergoing tough times in Oregon. They have been involved with significant layoffs. They have benefitted from a loan from the Ex-Im Bank to be able to transact a shipment of 10 trucks to Chile, it would not have happened without that loan. It would have gone to somebody else. It kept people in my community working and it helped us penetrate the market.

There are lots of subsidies that we know around the world. In fact, that is one of the problems that American companies face as they attempt to compete internationally, that other countries have subtle ways of subsidizing activities for other companies. This is a way for us to be able to give access to capital for American companies going into tough markets to be able to secure their place in the market place. I would rather, frankly, have the Chinese dealing with Boeing than Airbus. I understand that there is some difficult issues that are going on there.

I listen to some of my friends from the other side of this issue, but it is pretty stark. We are going to be a lot worse off if we are not able to penetrate those markets around the world. I strongly urge that we reauthorize the Ex-Im Bank.

I hope that each year as we come up with issues here that raise questions, there are areas of refinements. I think we ought to increase their sensitivity

in terms of the application of those loans to the environment, to worker rights, to be able to make sure that we are targeting where we want it the most. But the Ex-Im Bank, OPIC, these are tools that have made a difference in my community. I have seen it for small and medium size businesses, I have seen it for large businesses that are struggling, when we are trying to compete around the world when we are facing some difficult economic times at home. This is not the time to turn our back on it. I strongly urge support for the legislation.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PAUL), a member of the committee.

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

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, we are here today to reauthorize the Export-Import Bank, but it has nothing to do with a bank, do not mislead anybody. This has to do with an agency of the government that allocates credit to special interests and to the benefit of foreign entities. So it is not a bank in that sense. To me it is immoral in the fact that it takes from some who cannot defend themselves to give to the rich who get the benefits. And I just do not see that as being a very good function and a very good program for the U.S. Congress. Besides, I would like to see where somebody gives me the constitutional authority for doing what we do here and we have been doing, of course, for a long time.

But I do not want to talk about the immorality of this so-called bank or the unconstitutionality of it. I want to talk just a second or two about the economics of it. It is really bad economics. It is pointed that it helps a company here or there, but what it has never talked about what you do not see. This is credit allocation.

In order to take billions of dollars and give it to one single company, it is taken out of the pool of funds available. And nobody talks about that. There is an expense. Why would not a bank loan when it is guaranteed by the government? Because it is guaranteed. So if you are a smaller investor or a marginal investor, there is no way that you are going to get the loan. For that investor to get the loan, the interest rates have to be higher.

So it is a form of credit allocation, and it is also a form of protectionism. We do a lot of talk around here about free trade. Of course, there is a lot of tariff activity going on as well, but this is a form of protectionism. Because some argue, well, this company has to compete and another government subsidizes their company so, therefore, we have to compete. So it is competitive subsidization of special interest corporations in order to do this.

Now, it seems strange that we here in the Congress are willing to give the beneficiary China the most number of

dollars. They qualify for nearly \$6 billion worth of credits. And that just does not seem like the reasonable thing for us to do. So I strongly urge a no vote on this bill.

Mr. Chairman, Congress should reject H.R. 2871, the Export-Import Reauthorization Act, for economic, constitutional, and moral reasons. The Export-Import Bank (Eximbank) takes money from American taxpayers to subsidize exports by American companies. Of course, it is not just any company that receives Eximbank support; the majority of Eximbank funding benefit large, politically powerful corporations.

Enron provides a perfect example of how Eximbank provides politically-powerful corporations competitive advantages they could not obtain in the free market. According to journalist Robert Novak, Enron has received over \$640 million in taxpayer-funded "assistance" from Eximbank. This taxpayer-provided largesse no doubt helped postpone Enron's inevitable day of reckoning.

Eximbank's use of taxpayer funds to support Enron is outrageous, but hardly surprising. The vast majority of Eximbank 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 exports without relying on the American taxpayer.

It is not only bad economics to force working Americans, small business, and entrepreneurs to subsidize the export of the large corporations: it is also immoral. In fact, this 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 Eximbank is strengthened when one considers that the government which benefits most from Eximbank funds is communist China. In fact, Eximbank actually underwrites joint ventures with firms owned by the Chinese government! Whatever one's position 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 brutal regime. Unfortunately, China is not an isolated case: Colombia and Sudan benefit from taxpayer-subsidized trade, courtesy of the Eximbank!

At a time when the Federal budget is going back into deficit and Congress is once again preparing to raid the Social Security and Medicare trust funds, does it really make sense to use taxpayer funds to benefit future Enrons, Fortune 500 companies, and communist China?

Proponents of continued American support for the Eximbank claim that the bank "creates jobs" and promotes economic growth. 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 store owner 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.

Some supporters of this bill equate supporting Eximbank with supporting "free trade," and claim that opponents are "protectionists" and "isolationists." Mr. Chairman, 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.

Expenditures on the Eximbank distort the market by diverting resources from the private sector, where they could be put to the use most highly valued by individual consumers, into the public sector, where their use will be determined by bureaucrats and politically powerful special interests. 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!

Finally, Mr. Chairman, 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. Chairman, 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. 2871, the Export-Import Bank Reauthorization Act.

Mr. LAFALCE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the ranking member from the great State of New York for giving me the time and for his leadership on this important bill.

Mr. Chairman, after a successfully passing two 30-day reauthorizations of the Ex-Im Bank in the last month, I am pleased to rise today to support the reauthorization of the Ex-Im Bank through 2005.

As my colleagues have stated, the Export-Import Bank is a successful

government entity that facilitates and supports American business and worker interest by making exports possible to areas of the world that would otherwise be closed to U.S. companies. Through its loan guarantee, insurance and direct lending programs, the Ex-Im Bank supported over \$15.5 billion in U.S. exports on a subsidy of \$759 million in fiscal year 2000.

While a small fraction of U.S. exports, the bank acts very much as a lender of last resort supporting U.S. exports and U.S. jobs that otherwise would fail to, would go to foreign competitors. The Ex-Im allows U.S. exporters to match competition from foreign export credit agencies. Japan, Germany, France, Canada, and other countries. This support is especially critical in today's global economy which is increasingly dependent on trade.

While the bank is a proven success, the changes in the reauthorization will make a positive impacts on its future. The reauthorization contains new provisions ensuring that Ex-Im complies with U.S. anti-dumping and countervailing duty laws. It includes an amendment I offered in the Committee on Financial Services giving the bank explicit authority to turn down an application for Ex-Im bank support for companies that have a history of engaging and fraudulent business practices. The reauthorization also continues the banks commitment to small business and to working with African countries.

Across the country, Ex-Im Bank support goes to businesses both large and small. In my district, the bank has supported over 70 different businesses with exports valued at over \$1 billion since 1995. The work of the Ex-Im Bank is highly complex, and shepherding this reauthorization to the House floor has proven very challenging. I want to compliment the leaders of the Committee on Financial Services for moving the bill to this point today.

The ranking member, the gentleman from New York (Mr. LAFALCE) has been an extremely thoughtful and effective leader on the Democratic side. My good friend and subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER) and his staff likewise have worked tremendously hard to produce this bill today.

In the hearings we heard testimony from the bank, the business community, labor and environmental organizations. The final product that we are considering today benefitted from all of this input and puts the bank on solid footing for the next 4 years. I further appreciate the work in making sure is that we have a fair rule today, that the Republican party did allow important amendments from the ranking member, the gentleman from Vermont (Mr. SANDERS) and the gentleman from Ohio (Mr. KUCINICH). I believe that that is fair and I support the rule and I support the bill.

The CHAIRMAN. The Chair would announced that the gentleman from

Nebraska (Mr. BEREUTER) has 2¼ minutes remaining. The gentleman from New York (Mr. LAFALCE) has 7 minutes remaining.

Mr. BEREUTER. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. GARY G. MILLER) a distinguished member of the committee.

Mr. GARY G. MILLER of California. Mr. Chairman, I would like to acknowledge the gentleman from Nebraska (Mr. BEREUTER) for his efforts on H.R. 2871, the Export-Import Bank Reauthorization Act.

Mr. Chairman, in my opinion, many government programs do not work. However, that is not the case with the Export-Import Bank. Specifically, the Export-Import Bank benefits California. During the fiscal years 1996 to 2000, 722 California companies benefitted, 225 communities benefitted. The value of exports was \$8.5 billion from California and there were 120,403 jobs sustained.

Some try to make you believe this only benefits large businesses but that is not the fact. 72 percent of the transactions benefitted small businesses and those are nice figures but let us put a face on those figures.

ZMG Enterprises in Walnut, California owned by Mr. Joe Gomez is a longstanding user of the bank's short term multi-buyer insurance policy to cover to sale of nearly \$11 million in annual sales of canned vegetables, fruits and table sauces, primarily to Mexico. Mexico has benefitted on this and we have because our products are going there. Mexico has been a traditional COD country, and the insurance policy backed by the bank enables Mr. Gomez to offer short-term credit to Mexican supermarkets so the grocers can purchase more of his products in a single sale.

That benefits small businesses. And there is an old saying that I really believe in and it boils down to the simple fact that when you help small businesses, you help American.

Mr. LAFALCE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make about three points in reference to comments that have been made by members in opposition.

First of all, there is no credit assistance extended by the Ex-Im Bank to a foreign country. They are extended only to American exporters. It happens, in fact, that we have huge market potential in China, so a large number of our people want to export to China, and the kind of products that can be exported is controlled under the Export Administration Act.

Secondly, I would note that 86 percent of all transactions go to small and medium-sized businesses. That is about 18 percent of the total financial assistance from its Ex-Im Bank and we are pushing them to do more and they will.

Finally, I want to say, the gentleman from California (Mr. ROHRBACHER) has kind of turned the argument on the Ex-Im Bank purposes on its head either unintentionally or cleverly. American and other countries' corporations are really footloose today. What this legislation does is give an incentive to Americans to continue to produce the exports here. Instead of moving plants and jobs abroad, they will continue to have an opportunity, under the Export-Import Bank, to compete with foreign countries for those exports and that will keep American jobs here, not send them abroad. It will help keep them here.

We reduce the incentives for American firms to export part of their operations abroad by the passage of this legislation. I ask for my colleagues to give this bill a strong vote of support.

AEROSPACE INDUSTRIES ASSOCIATION, AMERICAN BUSINESS COUNCIL OF THE GULF COUNTRIES, AMT—THE ASSOCIATION FOR MANUFACTURING TECHNOLOGY, BANKERS ASSOCIATION FOR FINANCE AND TRADE, COALITION FOR EMPLOYMENT THROUGH EXPORTS, EMERGENCY COMMITTEE FOR AMERICAN TRADE, INTERNATIONAL ENERGY DEVELOPMENT COUNCIL, NATIONAL ASSOCIATION OF MANUFACTURERS, NATIONAL FOREIGN TRADE COUNCIL, SMALL BUSINESS EXPORTERS ASSOCIATION, U.S. CHAMBER OF COMMERCE, U.S.-CHINA BUSINESS COUNCIL, U.S. COUNCIL FOR INTERNATIONAL BUSINESS, U.S.-RUSSIA BUSINESS COUNCIL,

April 26, 2002.

Re: House action on H.R. 2871, Ex-Im Bank Reauthorization

Hon. DOUG BEREUTER,
2184 RHOB, Washington, DC.

DEAR REPRESENTATIVE BEREUTER: As the House prepares to consider H.R. 2871, to reauthorize the Export-Import Bank, we write to reiterate our strong support for the Bank. Our collective members include many of the U.S. exporters and financial institutions that rely on the Bank as the lender of last resort in meeting the fierce competition for export opportunities in world markets. In FY 2001 alone, the Bank financed some 2,300 export transactions, 90 percent of which were for small and medium-sized firms.

Ex-Im Bank plays a crucial role in supporting the export of American-made goods and American-provided services in markets where commercial financing is difficult to obtain and when foreign competitors have the active support of their governments' export credit agencies. In 2000 alone, the most active export credit agencies worldwide financed more than \$500 billion in exports. Ex-Im Bank financed \$15.5 billion in U.S. exports that year.

To deal with this increasingly aggressive foreign competition, H.R. 2871 would authorize the Bank to respond to new export financing programs offered by foreign governments, including so-called "market windows". The bill also provides the Bank with clear authority to use the tied-aid war chest to respond aggressively to foreign governments' use of foreign assistance to supplement their export credit activities (so-called "tied-aid").

It is important to note that Ex-Im charges risk-based interest, premiums and other fees for its loans, loan guarantees and insurance. These fees are paid by exporters, banks and

overseas customers. Last year, the Bank's revenues generated a \$1 billion net income for the U.S. government. Moreover, the Bank maintains some \$10 billion in reserves to protect against the risk of loss. The Bank's conservative lending policies and aggressive loss-recovery efforts have resulted in a very low 1.9 percent historical loss rate.

Amendments of concern

Two amendments may be offered which, in our judgement, would impede the ability of U.S. exporters to effectively utilize the Bank, thus weakening the Bank's programs and causing a loss of U.S. exports and the jobs of American workers. We urge you to oppose these amendments if offered during House floor action:

(1) Rep. Sanders may offer an amendment to deny Ex-Im Bank financing for U.S. companies that are growing internationally. It would make the Bank completely unusable for any U.S. exporter that is succeeding in world markets. The proposal runs contrary to U.S. trade policy and market-based economic growth. It would make no sense for the Congress to seek open world markets, but then deny U.S. firms access to one of the key tools to take advantage of these new opportunities. Since Ex-Im Bank only finances U.S.-origin goods and services, shutting off the Bank would only result in making the Bank less effective in creating and keeping U.S. jobs here at home.

(2) Rep. Schakowsky may offer an amendment to require a human rights assessment of about 600 export transactions supported by the Bank annually. This proposal is unnecessary because the Export-Import Bank Act already includes a procedure under which the Bank relies on the U.S. State Department for human rights analysis. The amendment would require the Bank to establish an unnecessary new bureaucracy that would duplicate the long-established State Department human rights office. The amendment would require U.S. exporters to submit any proposed transaction over \$10 million to a costly and time-consuming notice and comment period, which inevitably would lead to the loss of export sales to our foreign competitors. The current, long-established, process works well to ensure that human rights issues are analyzed by the State Department's experts and included in the Bank's consideration of export transactions.

We urge the House to approve H.R. 2871 and to oppose amendments that would weaken the Bank and impede U.S. exports.

Sincerely,

Don Carlson, President, AMT—The Association for Manufacturing Technology.

Calman J. Cohen, President, Emergency Committee for American Trade.

Timothy E. Deal, Senior Vice President, U.S. Council for International Business.

John W. Douglass, President and CEO, Aerospace Industries Association.

John Hardy, Chairman, Standing Committee, International Energy Development Council.

Robert Kapp, President, U.S.-China Business Council.

Eugene Lawson, President, U.S.-Russia Business Council.

James Morrison, President, Small Business Exporters Association.

John Pratt, Chairman, American Business Council of the Gulf Countries.

William Reinsch, President, National Foreign Trade Council.

Edmund B. Rice, President, Coalition for Employment Through Exports.

Consider W. Ross, Executive Director, Bankers Association for Finance and Trade.

Franklin J. Vargo, Vice President, National Association of Manufacturers.

Willard A. Workman, Senior Vice President, U.S. Chamber of Commerce.

Date: April 30, 2002

To: Members of the United States House of Representatives

From: Donald G. Ogilvie, Executive Vice President, American Bankers Association Consider W. Ross, Executive Director, Bankers' Association for Finance and Trade

Re: Support H.R. 2871, Export-Import Bank Reauthorization Act

As the House prepares to consider H.R. 2871, the Export-Import Bank Reauthorization Act, we write to urge you to vote for the bill and oppose any amendments that would impede the Bank's ability to assist American exports. The Export-Import Bank is vitally important to our members that finance the sale of U.S. products and services for their exporter customers.

The Export-Import Bank supports only American-made goods and American-supplied services. It is one of the few tools available to help sustain export-related jobs in the United States. Without the Export-Import Bank, the ability of U.S. companies to compete for export sales would be reduced.

Our exporter customers need the Export-Import Bank because overseas companies and banks are aggressively using their export credit agencies to take sales from the United States. Every major trading nation has a government export credit agency. Those agencies together issue more than \$500 billion a year in export financing. By contrast, the U.S. Export-Import Bank is small, supporting only \$12-15 billion a year in U.S. exports.

The Export-Import Bank is a fee-for-service agency. Fees and interest are paid for the Export-Import Bank support. In the last two years, the Export-Import's revenues have generated a net \$1.3 billion surplus for the U.S. Treasury. The Bank has a very low 1.9 percent historical loss rate and has \$10 billion in reserves to protect the U.S. taxpayer.

Please support passage of H.R. 2871 so Congress can complete the reauthorization of the Export-Import Bank and help thousands of exporters compete on a more level playing field in world markets.

Mr. RANGEL. Mr. Chairman, H.R. 2871, the Export-Import Reauthorization Act, strengthens an important tool to promote U.S. exports and U.S. jobs. By law, the Export-Import Bank finances only exports made in the United States. In other words, the Bank supports American jobs. Last year, the Bank supported \$12.5 billion in U.S. exports, which in turn supported tens of thousands of American jobs. In the 67 years of its existence, the Bank has supported more than \$400 billion of U.S. exports and the hundreds of thousands of jobs that depend on those exports.

I would like to note my support for many of the important provisions in the reauthorization. First, I am pleased to see the substantial increase in the Bank's aggregate loan, guarantee, and insurance authority. Second, I am particularly happy to see the new provisions creating an Office of Africa within the Bank to promote exports to sub-Saharan Africa. The Export-Import Bank's role in recent years in strengthening the role and expanding the opportunities for U.S. business in sub-Saharan Africa, particularly in the wake of passage in 2000 of the African Growth and Opportunity Act, has been critical. Third, I am pleased to see the required increases in the Bank's lending to small businesses, which often have difficulty accessing foreign markets.

The Export-Import Bank is also important to help U.S. companies compete abroad. The export banks in many other countries—including

Canada, the European countries, and Japan—often provide much higher levels of assistance to exporters from those countries. If U.S. firms and their workers did not have the Export-Import Bank, they would be at a real disadvantage when competing in the international marketplace. Moreover, the Export-Import Bank does its job efficiently. It is a fee-for-service agency. In the last two years, the Bank's revenues have generated a net \$1.3 billion surplus for the U.S. Treasury.

In conclusion, the Export-Import Bank helps American exports and it helps American jobs. We can debate about whether or not there are some things wrong with U.S. trade policy, but the Export-Import Bank is not one of them. I support its activities and I urge my colleagues to do the same.

Mr. BLUMENAUER. Mr. Chairman, one of my priorities in Congress is strengthening the economies of my community and of nations around the world. By supporting HR 2897, I support an institution that provides assistance to businesses who often operate in riskier markets where financing is not available from private banks.

The Bank has a strong record of supporting U.S. businesses. In FY2001, Export-Import Bank (Ex-Im Bank) supported over \$12.5 billion in U.S. exports to markets worldwide. Some critics argue that these loans primarily benefited large multinational corporations, however, in reality the majority of the Bank's transactions—9 out of 10—benefited small businesses.

The fact is that each year more than 2,000 American companies—large, medium, and small—in almost every state utilize Ex-Im Bank services. One of these small businesses in my district is Oxix International, Inc.—a manufacturer of medical diagnostic equipment used to test levels of therapeutic drugs in the blood. Oxix used Ex-Im Bank's multibuyer short-term insurance policy for almost five years, and the company's exports grew from one-third to approximately one-half of sales. According to Jon Pitcher, chief financial officer of Oxix International, Inc. "As a result of using Ex-Im Bank's insurance policy, we have been able to increase our sales, and these exports are now the fastest-growing part of our business."

In another instance, Pacific/Hoe Saw and Knife Company of Portland, a manufacturer of saw blades, industrial saws, and wholesale sawmill equipment, has used Ex-Im Bank's multibuyer short-term (up to 180 days) insurance policy for 10 years to increase sales to South America, Africa, Asia, Australia, and New Zealand. Following this successful trend, last September Portland's Calbag Metal Company recently paid off their \$50 million loan to the Ex-Im bank on schedule. Finally Freightliner LLC—a heavy-duty truck manufacturer that employs 14,000 people—benefited from a guarantee that made it possible for Freightliner to transport ten trucks to Santiago, Chile where they were sold. The prices for these trucks would have likely been undercut, the trucks never shipped, and the jobs associated with building the trucks never allocated, if Ex-Im Bank did not assist Freightliner.

Overall, the past five years Ex-Im Bank has supported \$190 million in exports for companies like Freightliner, Oxix, Calbag Metals, Pacific/Hoe Saw and Knife Company that are based in Oregon. A closure of the bank would feasibly reduce these companies' exports,

jeopardize the jobs that are associated with those sales, and make them unable to counter export financing packages provided by foreign governments to their own exporters.

I withhold my support of the Sanders Amendment. This provision naively assumes that firms produce only one product when in reality many corporations produce a variety of products that affect employment levels across product lines in different ways. Because Freightliner, for example, is a subsidiary of DaimlerChrysler, the amendment would make Freightliner ineligible for Bank funding if a greater percentage of their truck machinists are laid off in Portland than those who build Mercedes-Benz's in Brazil. Clearly the semi-truck market and the luxury automobile market are not related and should not be irrationally penalized.

I urge my colleagues to support the overall bill. It helps strengthen American businesses, create jobs, and improve critical trade relations with foreign markets.

Mr. WATTS of Oklahoma. Mr. Chairman, I rise in support of H.R. 2871 the Export-Import Bank Reauthorization Act. I would like to commend Mr. OXLEY, the Chairman of the Financial Services Committee, and Mr. LAFALCE, the Ranking Member, and also the sponsor, Mr. BEREUTER, for crafting a bill that reauthorizes the Export-Import Bank, with several significant improvements, and thereby enhances American competitiveness in the global marketplace.

It is our responsibility in the U.S. Congress to foster an environment where business, and therefore the nation's economy, can flourish. The importance of foreign trade to the U.S. economy and its impact on American jobs is clear. The Export-Import Bank plays a critical role in enabling our businesses to compete more effectively overseas. In fact, according to USA Exports, a Coalition for Employment through Exports, "Ex-Im Bank returns to the U.S. economy an average of \$18 of export value for every \$1 appropriated by the U.S. Congress—a true "bang for the buck."

One element of this bill that I strongly support is the emphasis on small business. Small business is the major job creator in America, and it is where minorities and women are making their greatest economic advances. In Oklahoma we call Small Business—Big Business. Enabling such companies to engage in foreign trade benefits the nation.

In addition, Mr. Chairman, I strongly support the provision to create an Office for Africa at the Export-Import Bank. Africa faces daunting challenges. But during my two trips to the region last year, with representatives of more than 30 U.S. companies, under the auspices of the Trade-Aid Coalition, we witnessed significant efforts in several countries to build an economic infrastructure. This foundation is essential to future growth, and is based on their evolving appreciation for the principles of open markets, free trade, and private enterprise. Fostering this appreciation is the goal of the Trade-Aid Coalition. And the efforts of U.S. business, supported by the Export-Import Bank, to trade with these nations reinforce these positive developments.

I do understand that there is not unanimous agreement on all aspects of this bill. It is my understanding that the current bill language would remove the Treasury Department's ability to direct how funds for the Tied Aid War Chest should be used. The Treasury Department has used the Tied Aid War Chest since

1986 to successfully reduce subsidies by other governments.

This has saved taxpayers hundreds of millions of dollars and has helped increase U.S. exports by an average of over \$1 billion dollars a year. It is my understanding that the Senate bill preserves the Treasury's role in using the Tied Aid War Chest. I would urge that in conference we find a satisfactory compromise that protects the interests of U.S. taxpayers and does not undermine the Treasury's ability to fight foreign subsidies or other trade distorting measures.

Mr. Chairman, as our nation adjusts to a changing world after September 11th, we face two inescapable facts: First, we must focus on economic security, by working to ensure a strong economy that creates jobs for the American people. Second, we must reach out to developing nations across the globe, often beset by forces of terror, and demonstrate how free markets, open trade, and private enterprise under the rule of law can lead to prosperity for their citizens. Our national security improves when global stability prevails.

Reauthorizing the Export-Import Bank helps accomplish both of these goals, and I encourage my colleagues to vote "yes."

Ms. VELAZQUEZ. Mr. Chairman, I rise in support of H.R. 2871, the Export-Import Bank Reauthorization act of 2001.

When people think of American exports, most think of the cars, computers, machinery and agricultural products made by major American corporations. But this perception is only part of the reality. Just as small businesses set the pace for the American economy, they also are pioneers in international trade.

In fact, 88 percent of American exporters are small businesses with fewer than 100 employees. That statistic, while impressive, does not tell the whole story. The Department of Commerce also estimates that only 2 percent of small manufacturers with export potential actually engage in trade. Clearly, a great potential for expanding trade opportunities exists with the many small businesses that may want to export but are intimidated by those prospects.

The Export-Import Bank is one of the most powerful tools that we have for growing the number of small business exporters. The export loans and insurance programs provided by the Ex-Im Bank help to reduce both anxiety and economic risk for potential small business exporters.

Since the Bank was established in 1945, it has supported billions of dollars in small business exports. Last year, the Bank supported \$1.6 billion in small business exports in 2,124 transactions. This represented almost 18 percent of the total export loan volume and over 90 percent of total trade transactions. More importantly, the Bank supported over \$32 million in exports by women-owned businesses and \$34 million in exports by minority-owned businesses.

While these are impressive achievements, more can—and should—be done. The bill that we are considering this afternoon is a step in the right direction. It would increase the target for small business loan volume from 10 percent to 20 percent and create an office within the Bank that is dedicated to making small business loans. Lastly, H.R. 2871 would authorize an additional \$1 million to increase its small business marketing activities.

Ex-Im Bank has had great success marketing its programs to small businesses. This bill will go even further by recognizing those gains while providing the Bank with a renewed small business emphasis and additional resources to expand this mission.

While this bill will go a long way to increasing the Bank's focus on small business exporters, it is only one step in the right direction. We need to work with the Bank to improve service on small business transactions.

Small businesses are particularly sensitive to delays in closing deals. A three-week delay in obtaining transaction financing can be the difference between a successful sale and a missed opportunity. Through the creation of a small business office in the Bank, we will need to continue to monitor how well small business needs are met.

To this end, we will need to harmonize the Capital Guarantee programs of both the Ex-Im Bank and the Small Business Administration. There is no reason that these programs, which can operate as one, should be crushed by the weight of different rules, applications, uses, and lenders. Two similar but competing programs only will confuse the small business exporter. In the coming year, I hope to resolve the twin problems of expedited service and harmonization of the capital guarantee programs.

I appreciate the opportunity to speak in favor of this important legislation. It is hard to underestimate the impact that small businesses have in both the domestic and international marketplace, and this bill is a huge leap in the right direction toward supporting further small business participation in the global marketplace.

Mr. BENTSEN. Mr. Chairman, I rise today in strong support of H.R. 2871, the Export-Import (Ex-Im) Bank Reauthorization Act. As a senior member of the House Financial Services Committees, I believe we need to act to ensure that Ex-Im bank can continue to operate to ensure the U.S. companies can export their products and services to foreign countries. I believe that this legislation is necessary to ensure the American companies enjoy the same export financing that other nations provide for their companies.

In 2000, the Ex-Im bank helped to provide \$12.6 billion in loans, guarantees, and insurance for the export of the U.S.-made goods and services which is equal to approximately 2 percent of U.S. exports annually. In my congressional district, the Ex-Im bank has helped to finance more than \$130 million in projects during the past five years. I am particularly pleased that this financing has helped many small businesses in my district to sell their products and services to foreign nations. For example, Hickham Industries in LaPorte, Texas is using an Ex-Im bank loan and guarantees to sell \$226,000 worth of their products to other nations. I also believe it is important to highlight that none of these financial mechanisms are available through our capital markets. By law, the Ex-Im bank is the leader of last resort, when no other commercial entity will help with a project.

I also want to highlight several reforms included in this legislation to improve the Ex-Im Bank. For instance, this legislation would establish an Office of Small Business Exporters so small businesses could go directly to one location within the Ex-Im bank to explore financing options. This Office would be required

to conduct outreach to small businesses. In addition, this bill requires the Ex-Im bank to provide at least 8 percent of their financing to small businesses with less than 100 employees and encourages the Ex-Im bank to increase its percentage of small business transactions from 10 percent to 20 percent. In addition, this legislation direct the Ex-Im bank to make certain technology improvements so small businesses can better access information about the Ex-Im bank using the Internet and other technologies.

This measure also included critically important provisions to ensure that Ex-Im bank financing is not used in industries which are subject to a countervailing duty or anti-dumping duty under U.S. trade laws. We must ensure that the taxpayers funds are not used to supersede our trade laws. This bill also encourages the Ex-Im bank to evaluate whether a nation has been helpful in our efforts to eradicate terrorism. I believe that all of these reforms will enhance the Ex-Im bank.

By targeting financing gaps and officially supported competition, the Ex-Im Bank supports export sales that otherwise could not move forward. These export sales expand employment in sectors where jobs are among the highest paid in the country, and has an important effect on the overall strength of our economy. I urge my colleagues to support this legislation which helps to create jobs and expands the markets for U.S.-made products.

Mr. ROUKENA. Mr. Chairman, I have been a strong supporter of the Ex-Im Bank since coming to Congress in 1981. The Bank plays a very significant role in US trade policy. It ensures that US businesses will not be denied access to overseas markets because of market imperfections that prevent them from obtaining financing from the private sector or because of unfair competition from foreign export agencies. Ex-Im has initiated thousands of transactions in foreign markets that commercial banks deem too risky to enter. Because of the Ex-Im, U.S. businesses export more goods and develop new and stronger trading relationships abroad. More intense need now in our global income and with Trade Promotion Authority currently ready for authorization.

The world of finance and the international trading system are changing fast. Other countries are finding more sophisticated ways of assisting their exporters and new financing mechanisms are being developed. Instead of placing restrictions on the Ex-Im and cutting its funding, we should be working to enhance the banks capabilities to assist business abroad by making sure they have the tools necessary to assist US exporters in this changing global economy.

In fiscal year 2001 Ex-Im Bank financed nearly \$12.5 billion of US exports world wide which supported millions of US jobs. Nearly 90 percent of Ex-Im Bank's transaction in fiscal year 2001 was on behalf of small businesses.

In New Jersey alone, the Ex-Im Bank has supported over 214 companies and 138 communities. It is estimated that over 44,974 jobs are sustained by Ex-Im efforts. For example, JB Williams Company located in Glen Rock, New Jersey, is a small, 45-employee manufacturer of specialty soaps and bath products that has been using Ex-Im Bank's short-term export credit insurance since 1998 to expand its exports to Saudi Arabia, Poland, Korea, Colombia, and other countries.

H.R. 2871, the Export-Import Bank Reauthorization Act of 2001, extends the charter of

the U.S. Export-Import Bank for 4 years and creates offices on Small Business Exporters and on Africa within the Bank. The legislation also increases the value of transactions that the Bank can hold in its portfolio at any time, raises the percentage of small business transactions the Bank should pursue, and improves the operation of the Tied Aid Credit Program. This measure further mandates that the Bank take into consideration U.S. trade laws when considering a transaction, examine whether a recipient company has been involved in any corrupt practices prior to a transaction's approval, and assess whether a country has been helpful or unhelpful in U.S. efforts to combat terrorism.

The Financial Services Committee authorized an increase in the administrative expenses of Ex-Im to \$80 million adjusted annually for inflation. This budgetary increase was deemed necessary for Ex-Im to retain qualified staff, to improve its technology infrastructure and increase outreach to small businesses. The mandate for small business activity will be raised from 10 percent to 20 percent of the total value of Ex-Im transactions, with 8 percent of the total going to businesses with less than 100 employees. H.R. 2871 also raises the level of total Ex-Im portfolio (loans guarantees, and insurance) outstanding at any one time from the current level of \$75 billion to \$130 billion by FY 2005.

Consistent with and supplemental to the trade bills we have "Fast Track" better known as Trade Promotion Authority.

The Ex-Im Bank improves America's competitiveness overseas promotes small business and creates and sustains U.S. jobs. I urge my colleagues to support HR 2871, the Export Import Bank Reauthorization Act.

Mr. SHAYS. Mr. Chairman, I rise in support of reauthorizing the Export-Import Bank.

Exports are an extremely vital part of our nation's economic well-being. The Export-Import Bank is a relatively modest investment that promotes U.S. businesses abroad and creates jobs back home.

With financing moving across borders faster and faster and more frequently than at any time in history, and with every corner of the world touched by globalization, Ex-Im helps U.S. businesses stay connected to emerging markets they would otherwise have difficulty reaching.

For a variety of reasons, from currency devaluation to political instability, U.S. firms find it difficult to secure financing for these markets. Private-sector lenders, perceiving a risk, are oftentimes reluctant to provide long-term financing to emerging markets and to support small business exports. This is unfortunate because nearly 90 percent of the world's population is in these countries, and this is where the greatest increase in economic growth will occur.

That's where the Ex-Im Bank steps in. The agency acts as a "lender of last resort," allowing U.S. goods to access hard-to-reach markets. It places an emphasis on small business exports, and today's legislation raises the statutory requirement for small business financing from a minimum of 10 percent of Ex-Im's activities to 20 percent.

Mr. Chairman, last year, Ex-Im Bank authorized \$9.2 billion in loans, guarantees and export credit insurance, supporting \$12.5 billion of U.S. exports. I urge my colleagues to support this reauthorization bill, so we can con-

tinue to expand U.S. exports and promote economic growth.

Mr. BEREUTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2871

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Export-Import Bank Reauthorization Act of 2001".

(b) *TABLE OF CONTENTS.*—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Clarification that purposes include United States employment.
- Sec. 3. Extension of authority.
- Sec. 4. Administrative expenses.
- Sec. 5. Increase in aggregate loan, guarantee, and insurance authority.
- Sec. 6. Activities relating to Africa.
- Sec. 7. Small business.
- Sec. 8. Technology.
- Sec. 9. Tied Aid Credit Fund.
- Sec. 10. Expansion of authority to use Tied Aid Credit Fund.
- Sec. 11. Renaming of Tied Aid Credit Program and Fund as Export Competitive-ness Program and Fund.
- Sec. 12. Annual competitiveness report.
- Sec. 13. Renewable energy sources.
- Sec. 14. GAO reports.
- Sec. 15. Human rights.
- Sec. 16. Steel.
- Sec. 17. Correction of references.
- Sec. 18. Authority to deny application for assistance based on fraud or corruption by the applicant.
- Sec. 19. Consideration of foreign country helpfulness in efforts to eradicate terrorism.
- Sec. 20. Outstanding orders and preliminary injury determinations.
- Sec. 21. Sense of the Congress relating to renewable energy targets.

SEC. 2. CLARIFICATION THAT PURPOSES INCLUDE UNITED STATES EMPLOYMENT.

Section 2(a)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(a)(1)) is amended by striking the 2nd sentence and inserting the following: "The objects and purposes of the Bank shall be to aid in financing and to facilitate exports of goods and services, imports, and the exchange of commodities and services between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals of any such country, and in so doing to contribute to the employment of United States workers. To further meet the objective set forth in the preceding sentence, the Bank shall ensure that its loans, guarantees, insurance, and credits are contributing to maintaining or increasing employment of United States workers."

SEC. 3. EXTENSION OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of Public Law 103-428 (12 U.S.C. 635 note; 108 Stat. 4376) are each amended by striking "2001" and inserting "2005".

SEC. 4. ADMINISTRATIVE EXPENSES.

(a) *LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.*—Section 3 of the Export-Import

Bank Act of 1945 (12 U.S.C. 635a) is amended by adding at the end the following:

"(f) *LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.*—

"(1) *IN GENERAL.*—For administrative expenses incurred by the Bank, including technology-related expenses to carry out section 2(b)(1)(E)(x), there are authorized to be appropriated to the Bank not more than—

"(A) for fiscal year 2002, \$80,000,000; and

"(B) for each of fiscal years 2003 through 2005, the amount authorized by this paragraph to be appropriated for the then preceding fiscal year, increased by the inflation percentage (as defined in section 6(a)(2)(B)) applicable to the then current fiscal year.

"(2) *OUTREACH TO SMALL BUSINESSES WITH FEWER THAN 100 EMPLOYEES.*—Of the amount appropriated pursuant to paragraph (1), there shall be available for outreach to small business concerns (as defined under section 3 of the Small Business Act) employing fewer than 100 employees, not more than—

"(A) \$2,000,000 for fiscal year 2002; and

"(B) for each of fiscal years 2003 through 2005, the amount required by this paragraph to be made available for the then preceding fiscal year, increased by the inflation percentage (as defined in section 6(a)(2)(B)) applicable to the then current fiscal year."

(b) *REQUIRED BUDGET SUBCATEGORIES.*—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following:

"(34) with respect to the amount of appropriations requested for use by the Export-Import Bank of the United States, a separate statement of the amount requested for its program budget, the amount requested for its administrative expenses, and of the amount requested for its administrative expenses, the amount requested for technology expenses and the amount requested for expenses for outreach to small business concerns (as defined under section 3 of the Small Business Act) employing fewer than 100 employees."

(c) *SENSE OF THE CONGRESS ON THE IMPORTANCE OF TECHNOLOGY IMPROVEMENTS.*—

(1) *FINDINGS.*—The Congress finds that—

(A) the Export-Import Bank of the United States is in great need of technology improvements;

(B) part of the amount budgeted for administrative expenses of the Export-Import Bank is used for technology initiatives and systems upgrades for computer hardware and software purchases;

(C) the Export-Import Bank is falling behind its foreign competitor export credit agencies' proactive technology improvements;

(D) small businesses disproportionately benefit from improvements in technology;

(E) small businesses need Export-Import Bank technology improvements in order to export transactions quickly, with as great paper ease as possible, and with a quick Bank turn-around time that does not overstrain the tight resources of such businesses;

(F) the Export-Import Bank intends to develop a number of e-commerce initiatives aimed at improving customer service, including web-based application and claim filing procedures which would reduce processing time, speed payment of claims, and increase staff efficiency;

(G) the Export-Import Bank is beginning the process of moving insurance applications from an outdated mainframe system to a modern, web-enabled database, with new functionality including credit scoring, portfolio management, work flow and e-commerce features to be added; and

(H) the Export-Import Bank wants to continue its e-commerce strategy, including web site development, expanding online applications and establishing a public/private sector technology partnership.

(2) *SENSE OF THE CONGRESS.*—The Congress emphasizes the importance of technology improvements for the Export-Import Bank of the

United States, which are of particular importance for small businesses.

SEC. 5. INCREASE IN AGGREGATE LOAN, GUARANTEE, AND INSURANCE AUTHORITY.

Section 6(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)) is amended to read as follows:

“(a) **LIMITATION ON OUTSTANDING AMOUNTS.**—

“(1) **IN GENERAL.**—The Export-Import Bank of the United States shall not have outstanding at any one time loans, guarantees, and insurance in an aggregate amount in excess of the applicable amount.

“(2) **APPLICABLE AMOUNT.**—

“(A) **IN GENERAL.**—In paragraph (1), the term ‘applicable amount’ means—

“(i) during fiscal year 2002, \$100,000,000,000, increased by the inflation percentage applicable to fiscal year 2002;

“(ii) during fiscal year 2003, \$110,000,000,000, increased by the inflation percentage applicable to fiscal year 2003;

“(iii) during fiscal year 2004, \$120,000,000,000, increased by the inflation percentage applicable to fiscal year 2004; and

“(iv) during fiscal year 2005, \$130,000,000,000, increased by the inflation percentage applicable to fiscal year 2005.

“(B) **INFLATION PERCENTAGE.**—For purposes of subparagraph (A) of this paragraph, the inflation percentage applicable to any fiscal year is the percentage (if any) by which—

“(i) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on December 31 of the immediately preceding fiscal year; exceeds

“(ii) the average of the Consumer Price Index (as so defined) for the 12-month period ending on December 31 of the 2nd preceding fiscal year.

“(3) **SUBJECT TO APPROPRIATIONS.**—All spending and credit authority provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.”

SEC. 6. ACTIVITIES RELATING TO AFRICA.

(a) **EXTENSION OF ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.**—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 “4 years after the date of enactment of this subparagraph” and inserting “on September 30, 2005”.

(b) **COORDINATION OF AFRICA ACTIVITIES.**—Section 2(b)(9)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)(A)) is amended by inserting “, in consultation with the Department of Commerce and the Trade Promotion Coordinating Council,” after “shall”.

(c) **CONTINUED REPORTS TO THE CONGRESS.**—Section 7(b) of the Export-Import Bank Reauthorization Act of 1997 (12 U.S.C. 635 note) is amended by striking “4” and inserting “8”.

(d) **CREATION OF OFFICE ON AFRICA.**—Section 3 of the Export-Import Bank Act of 1945 (12 U.S.C. 635a) is further amended by adding at the end the following:

“(g) **OFFICE ON AFRICA.**—

“(1) **ESTABLISHMENT.**—There is established in the Bank an Office on Africa.

“(2) **FUNCTION.**—The Office on Africa shall focus on increasing Bank activities in Africa and increasing visibility among United States companies of African markets for exports.

“(3) **REPORTS.**—The Office on Africa shall, from time to time not less than annually, report to the Board on the matters described in paragraph (2).”

SEC. 7. SMALL BUSINESS.

(a) **IN GENERAL.**—Section 2(b)(1)(E)(v) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)(v)) is amended—

(1) by striking “10” and inserting “20”; and

(2) by inserting “, and from such amount, not less than 8 percent of such authority shall be made available for small business concerns employing fewer than 100 employees” before the period.

(b) **OUTREACH TO BUSINESSES OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS OR WOMEN.**—Section 2(b)(1)(E)(iii)(II) of such Act (12 U.S.C. 635(b)(1)(E)(iii)(II)) is amended by inserting after “Bank” the following: “, with particular emphasis on conducting outreach and increasing loans to businesses not less than 51 percent of which are directly and unconditionally owned by 1 or more socially disadvantaged individuals (as defined in section 8(a)(5) of the Small Business Act) or women.”

(c) **OFFICE FOR SMALL BUSINESS EXPORTERS.**—Section 3 of such Act (12 U.S.C. 635a) is further amended by adding at the end the following:

“(h) **OFFICE FOR SMALL BUSINESS EXPORTERS.**—

“(1) **ESTABLISHMENT.**—There is established in the Bank an Office for Small Business Exporters.

“(2) **FUNCTION.**—The Office for Small Business Exporters shall focus on increasing Bank activities to enhance small business exports and to meet the unique trade finance needs of small business exporters.

“(3) **REPORTS.**—The Office for Small Business Exporters shall, from time to time not less than annually, report to the Board on the how the Office for Small Business Exporters is achieving the goals as described in paragraph (2).

“(4) **SENSE OF CONGRESS.**—It is the sense of the Congress that the Bank should redirect and prioritize existing resources and personnel to establish the Office for Small Business Exporters.”

SEC. 8. TECHNOLOGY.

(a) **SMALL BUSINESS.**—Section 2(b)(1)(E) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)) is amended by adding at the end the following:

“(x) The Bank shall implement technology improvements which are designed to improve small business outreach, including allowing customers to use the Internet to apply for all Bank programs.”

(b) **ELECTRONIC TRACKING OF PENDING TRANSACTIONS.**—Section 2(b)(1) of such Act (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

“(J) The Bank shall implement an electronic system designed to track all pending transactions of the Bank.”

(c) **REPORTS.**—

(1) **IN GENERAL.**—During each of fiscal years 2002 through 2005, the Export-Import Bank of the United States shall submit to the Committees on Financial Services and on Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and on Appropriations of the Senate an interim report and a final report on the efforts made by the Bank to carry out subsections (E)(x) and (J) of section 2(b)(1) of the Export-Import Bank Act of 1945, and on how the efforts are assisting small businesses.

(2) **TIMING.**—The interim report required by paragraph (1) for a fiscal year shall be submitted April 30 of the fiscal year, and the final report so required for a fiscal year shall be submitted on November 1 of the succeeding fiscal year.

SEC. 9. TIED AID CREDIT FUND.

(a) **PROCESS AND STANDARDS.**—Section 10(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(b)) is amended—

(1) in paragraph (2)(A), by striking “Secretary’s recommendations” and all that follows and inserting “process and standards developed pursuant to paragraph (5);” and

(2) by adding at the end the following:

“(5) **PROCESS AND STANDARDS GOVERNING USE OF THE FUND.**—

“(A) **IN GENERAL.**—The Secretary shall develop a process for, and the standards to be used in, determining how the amounts in the Tied Aid Credit Fund could be used most effectively and efficiently to carry out the purposes of subsection (a)(6).

“(B) **CONTENT OF PROCESS AND STANDARDS.**—

“(i) **CONSIDERATION OF CERTAIN STANDARDS.**—In developing the standards referred to in subparagraph (A), the Secretary shall consider administering the Tied Aid Credit Fund in accordance with the following standards:

“(I) The Tied Aid Credit Fund will be used to counter a foreign tied aid credit confronted by a United States exporter when bidding for a capital project.

“(II) Credible information about an offer of foreign tied aid will be required before the Tied Aid Credit Fund is used to offer specific terms to match such an offer.

“(III) The Tied Aid Credit Fund will be used to enable a competitive United States exporter to pursue further market opportunities made possible by the use of the Fund.

“(IV) Each use of the Tied Aid Credit Fund will be in accordance with the Arrangement unless a breach of the Arrangement has been committed by a foreign export credit agency.

“(V) The Tied Aid Credit Fund will be used to defend potential sales by United States companies to a project that is environmentally sound.

“(VI) The Tied Aid Credit Fund will be used to preemptively counter potential foreign tied aid offers without triggering foreign tied aid use.

“(ii) **LIMITATION.**—The process and standards referred to in subparagraph (A) shall not result in the Secretary having the authority to veto a specific deal.

“(C) **INITIAL REPORT.**—As soon as is practicable but not later than 6 months after the date of the enactment of this paragraph, the Secretary 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 the process and standards developed pursuant to subparagraph (A).

“(D) **TRANSITIONAL STANDARDS.**—The standards set forth in subparagraph (B)(i) shall govern the use of the Tied Aid Credit Fund until the report required by subparagraph (C) is submitted.

“(E) **UPDATE AND REVISION; REPORTS.**—The Secretary should update and revise, as needed, the process and standards developed pursuant to subparagraph (A), and, on doing so, 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 the process and standards so updated and revised.”

(b) **RECONSIDERATION OF BOARD DECISIONS ON USE OF FUND.**—Section 10(b) of such Act (12 U.S.C. 635i-3(b)) is further amended by adding at the end the following:

“(6) **RECONSIDERATION OF DECISIONS.**—

“(A) **IN GENERAL.**—Taking into consideration the time sensitivity of transactions, the Board of Directors of the Bank shall expeditiously reconsider a decision of the Board to deny an application of the use of the Tied Aid Credit Fund if the applicant submits the request for reconsideration within 3 months of the denial.

“(B) **PROCEDURAL RULES.**—In any such reconsideration, the applicant may, but shall not be required to, provide new information on the application.”

SEC. 10. EXPANSION OF AUTHORITY TO USE TIED AID CREDIT FUND.

(a) **UNTIED AID.**—

(1) **NEGOTIATIONS.**—The Secretary of the Treasury shall seek to negotiate an OECD Arrangement on Untied Aid. In the negotiations, the Secretary shall seek agreement on subjecting untied aid to the rules governing the Arrangement, including the rules governing disclosure.

(2) **REPORT TO THE CONGRESS.**—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury 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 the successes, failures, and obstacles in

reaching the agreement described in paragraph (1).

(b) MARKET WINDOWS.—

(1) NEGOTIATIONS.—The Secretary of the Treasury shall seek to negotiate an OECD Arrangement on Market Windows. In the negotiations, the Secretary shall seek agreement on subjecting market windows to the rules governing the Arrangement, including the rules governing disclosure.

(2) REPORT TO THE CONGRESS.—Within 2 years after the date of the enactment of this Act, the Secretary of the Treasury 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 the successes, failures, and obstacles in reaching the agreement described in paragraph (1).

(c) USE OF TIED AID CREDIT FUND TO COMBAT UNTIED AID AND MARKET WINDOWS.—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 (1), by inserting “, and market windows used by” before “other countries”;
(B) in paragraph (4), by striking “and” at the end;

(C) in paragraph (5), by inserting “, or market windows,” before “for commercial” the 1st and 3rd places it appears; and

(D) by redesignating paragraph (5) as paragraph (6) as inserting after paragraph (4) the following:

“(5) the Bank has, at a minimum, the following two tasks:

“(A)(i) First, the Bank should match, and even overmatch, foreign export credit agencies when they engage in tied aid outside the confines of the Arrangement and when they exploit loopholes, such as market windows and untied aid;

“(ii) such matching and overmatching is needed to provide the United States with leverage in efforts at the OECD to reduce the overall level of export subsidies;

“(iii) only through matching or bettering foreign export credit offers can the Bank buttress United States negotiators in their efforts to bring these loopholes within the disciplines of the Arrangement; and

“(iv) in order to bring market windows within the discipline of the Arrangement, the Bank should sometimes initiate highly competitive financial support when the Bank learns that foreign market window support may be part of a transaction; and

“(B) Second, the Bank should support United States exporters when the exporters face foreign competition that is consistent with the letter and spirit of the Arrangement and the Subsidies Code of the World Trade Organization, but which nonetheless is more generous than the terms available from the private financial market; and”;

(2) in subsection (b)(1)—

(A) in subparagraph (A), by inserting “and market windows used” after “extended”; and

(B) in subparagraph (B)(i), by inserting “or market windows” after “untied aid credits”.

(d) DEFINITION OF MARKET WINDOW.—Section 10(h) of such Act (12 U.S.C. 635i-3(h)) is amended by adding at the end the following:

“(7) MARKET WINDOW.—The term ‘market window’ means the provision of export financing through an institution (or a part of an institution) that claims to operate on a commercial basis while benefiting directly or indirectly from some level of government support.”.

SEC. 11. RENAMING OF TIED AID CREDIT PROGRAM AND FUND AS EXPORT COMPETITIVENESS PROGRAM AND FUND.

Section 10 of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3) is further amended—

(1) by striking all that precedes paragraph (1) of subsection (a) and inserting the following:

“SEC. 10. EXPORT COMPETITIVENESS FUND.

“(a) FINDINGS.—The Congress finds that—”;

(2) in subsection (a)(6) (as so redesignated by section 9(c)(1)(D) of this Act), by striking “tied aid program” and inserting “export competitiveness program”;

(3) in the heading of subsection (b), by striking “TIED AID CREDIT” and inserting “EXPORT COMPETITIVENESS”;

(4) in subsection (b)(1)—

(A) by striking “tied aid credit program” and inserting “export competitiveness program”; and
(B) by striking “Tied Aid Credit fund” and inserting “Export Competitiveness Fund”;

(5) in subsection (b)(2), by striking “tied aid credit program” and inserting “export competitiveness program”;

(6) in subsection (b)(3)—

(A) by striking “tied aid credit program” and inserting “export competitiveness program”; and
(B) by striking “Tied Aid Credit Fund” and inserting “Export Competitiveness Fund”;

(7) in subsection (b)(5) (as added by section 9(a)(2) of this Act), by striking “Tied Aid Credit Fund” each place it appears and inserting “Export Competitiveness Fund”;

(8) in subsection (b)(6) (as added by section 9(b) of this Act), by striking “Tied Aid Credit Fund” and inserting “Export Competitiveness Fund”;

(9) in subsection (c)—

(A) in the subsection heading, by striking “TIED AID CREDIT” and inserting “EXPORT COMPETITIVENESS”; and

(B) in paragraph (1), by striking “Tied Aid Credit” and inserting “Export Competitiveness”;

(10) in subsection (d), by striking “tied aid credit” and inserting “export competitiveness”; and

(11) in subsection (g)(2)(C), by striking “Tied Aid Credit” and inserting “Export Competitiveness”.

SEC. 12. ANNUAL COMPETITIVENESS REPORT.

(a) TIMING.—

(1) IN GENERAL.—Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended in the 4th sentence by striking “on an annual basis” and inserting “on June 30 of each year”.

(2) APPLICABILITY.—The amendment made by paragraph (1) shall apply to reports for calendar years after calendar year 2000.

(b) ADDITIONAL MATTERS TO BE ADDRESSED.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended by adding at the end the following: “The Bank shall include in the annual report a description of the volume of financing provided by each foreign export credit agency, and 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.”.

(c) NUMBER OF SMALL BUSINESS SUPPLIERS OF BANK USERS.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: “The Bank shall estimate on the basis of an annual survey or tabulation the number of entities that are suppliers of users of the Bank and that are small business concerns (as defined under section 3 of the Small Business Act) located in the United States, and shall include the estimate in the annual report.”.

(d) OUTREACH TO BUSINESSES OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS OR BY WOMEN.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: “The Bank shall include in the annual report a description of outreach efforts made by the Bank to any business not less than 51 percent of which is directly and unconditionally owned by 1 or more socially disadvantaged individuals (as defined in section 8(a)(5) of the Small Business Act) or women, and any data on the results of such efforts.”.

SEC. 13. RENEWABLE ENERGY SOURCES.

(a) PROMOTION.—Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C.

635(b)(1)), as amended by section 8(b) of this Act, is amended by adding at the end the following:

“(K) The Bank shall promote the export of goods and services related to renewable energy sources.”.

(b) DESCRIPTION OF EFFORTS TO BE INCLUDED IN ANNUAL COMPETITIVENESS REPORT.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: “The Bank shall include in the annual report a description of the efforts undertaken under subparagraph (K).”.

SEC. 14. GAO REPORTS.

(a) POTENTIAL OF WTO TO REMEDY UNTIED AID AND MARKET WINDOWS.—Within 1 year after the date of the enactment of this Act, the Comptroller General 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 that examines—

(1) whether a case could be brought by the United States in the World Trade Organization seeking relief against untied aid and market windows, and if so, the kinds of relief that would be available if the United States were to prevail in such a case; and

(2) the scope of penalty tariffs that the United States could impose against imports from a country that uses untied aid or market windows.

(b) COMPARATIVE RESERVE PRACTICES OF EXPORT CREDIT AGENCIES AND PRIVATE BANKS.—Within 1 year after the date of the enactment of this Act, the Comptroller General 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 that examines the reserve ratios of the Export-Import Bank of the United States as compared with the reserve practices of private banks and foreign export credit agencies.

SEC. 15. HUMAN RIGHTS.

Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended by inserting “(as provided in the Universal Declaration of Human Rights adopted by the United Nations General Assembly on December 10, 1948)” after “human rights”.

SEC. 16. STEEL.

(a) REEVALUATION.—The Export-Import Bank of the United States shall re-assess the effects of the approval by the Bank of an \$18,000,000 medium-term guarantee to support the sale of computer software, control systems, and main drive power supplies to Benxi Iron & Steel Company, in Benxi, Liaoning, China, for the purpose of evaluating whether the adverse impact test of the Bank sufficiently takes account of the interests of United States industries.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, 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 the re-assessment required by subsection (a).

SEC. 17. CORRECTION OF REFERENCES.

(a) Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended by striking “Banking and”.

(b) Each of the following provisions of the Export-Import Bank Act of 1945 is amended by striking “Banking, Finance and Urban Affairs” and inserting “Financial Services”:

(1) Section 2(b)(6)(D)(i)(III) (12 U.S.C. 635(b)(6)(D)(i)(III)).

(2) Section 2(b)(6)(H) (12 U.S.C. 635(b)(6)(H)).

(3) Section 2(b)(6)(I)(i)(II) (12 U.S.C. 635(b)(6)(I)(i)(II)).

(4) Section 2(b)(6)(I)(iii) (12 U.S.C. 635(b)(6)(I)(iii)).

(5) Section 10(g)(1) (12 U.S.C. 635i-3(g)(1)).

SEC. 18. AUTHORITY TO DENY APPLICATION FOR ASSISTANCE BASED ON FRAUD OR CORRUPTION BY THE APPLICANT.

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

“(f) **AUTHORITY TO DENY APPLICATION FOR ASSISTANCE BASED ON FRAUD OR CORRUPTION BY PARTY TO THE TRANSACTION.**—In addition to any other authority of the Bank, the Bank may deny an application for assistance with respect to a transaction if the Bank has substantial credible evidence that any party to the transaction has committed an act of fraud or corruption in connection with a transaction involving a good or service that is the same as, or substantially similar to, a good or service the export of which is the subject of the application.”.

SEC. 19. CONSIDERATION OF FOREIGN COUNTRY HELPFULNESS IN EFFORTS TO ERADICATE TERRORISM.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is further amended by adding at the end the following:

“(L) It is further the policy of the United States that, in considering whether to guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data, or information by a national or agency of any nation, the Bank shall take into account the extent to which the nation has been helpful or unhelpful in efforts to eradicate terrorism. The Bank shall consult with the Department of State to determine the degree to which each relevant nation has been helpful or unhelpful in efforts to eradicate terrorism.”.

SEC. 20. OUTSTANDING ORDERS AND PRELIMINARY INJURY DETERMINATIONS.

Section 2(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)) is amended—

(1) in paragraph (2), by striking “Paragraph (1)” and inserting “Paragraphs (1) and (2)”;

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4) and by inserting after paragraph (1) the following:

“(2) **OUTSTANDING ORDERS AND PRELIMINARY INJURY DETERMINATIONS.**—

“(A) **ORDERS.**—The Bank shall not provide any loan or guarantee to an entity for the resulting production of substantially the same product that is the subject of—

“(i) a countervailing duty or antidumping order under title VII of the Tariff Act of 1930; or

“(ii) a determination under title II of the Trade Act of 1974.

“(B) **AFFIRMATIVE DETERMINATION.**—Within 60 days after the date of the enactment of this Act, the Bank shall establish procedures regarding loans or guarantees provided to any entity that is subject to a preliminary determination of a reasonable indication of material injury to an industry under title VII of the Tariff Act of 1930. The procedures shall help to ensure that these loans and guarantees are likely to not result in a significant increase in imports of substantially the same product covered by the preliminary determination and are likely to not have a significant adverse impact on the domestic industry. The Bank shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the implementation of these procedures.

“(C) **COMMENT PERIOD.**—The Bank shall establish procedures under which the Bank shall notify interested parties and provide a comment period with regard to loans or guarantees reviewed pursuant to subparagraph (B).”.

SEC. 21. SENSE OF THE CONGRESS RELATING TO RENEWABLE ENERGY TARGETS.

(a) **ALLOCATION OF ASSISTANCE AMONG ENERGY PROJECTS.**—It is the sense of the Congress that, of the total amount available to the Export-Import Bank of the United States for the extension of credit for transactions related to energy projects, the Bank should, not later than the beginning of fiscal year 2006, use—

(1) not more than 95 percent for transactions related to fossil fuel projects; and

(2) not less than 5 percent for transactions related to renewable energy and energy efficiency projects.

(b) **DEFINITION OF RENEWABLE ENERGY.**—In this section, the term “renewable energy” means projects related to solar, wind, biomass, fuel cell, landfill gas, or geothermal energy sources.

The CHAIRMAN. No amendment to that amendment is in order except those printed in House Report 107-423. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider Amendment No. 1 printed in House Report 107-423.

□ 1145

AMENDMENT NO. 1 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BEREUTER:

Page 12, line 19, strike “PROCESS AND” and insert “PRINCIPLES, PROCESS, AND”.

Page 12, strike lines 22 through 25 and insert the following:

(1) in paragraph (2), by striking subparagraph (A) and inserting the following:

“(A) in consultation with the Secretary and in accordance with the principles, process, and standards developed pursuant to paragraph (5) of this subsection and the purposes described in subsection (a)(5);” and

Page 13, line 2, strike “PROCESS AND” and insert “PRINCIPLES, PROCESS, AND”.

Page 13, line 4, after “Secretary” insert “and the Bank jointly”.

Page 13, line 5, insert “principles and” before “standards”.

Page 13, line 10, strike “PROCESS AND” and insert “PRINCIPLES, PROCESS, AND”.

Page 13, strike line 13 and insert “PRINCIPLES AND STANDARDS.—In developing the principles and standards”.

Page 13, line 15, after “retary” insert “and the Bank”.

Page 13, line 17, insert “principles and” before “standards”.

Page 13, after line 17, insert the following: “(I) The Tied Aid Credit Fund should be used to leverage multilateral negotiations to restrict the scope for aid-financed trade distortions through new multilateral rules, and to police existing rules.”.

Page 13, line 18, strike “(I)” and insert “(II)”.

Page 13, line 23, strike “(II)” and insert “(III)”.

Page 14, line 3, strike “(III)” and insert “(IV)”.

Page 14, line 6, insert “on commercial terms” after “opportunities”.

Page 14, line 8, strike “(IV)” and insert “(V)”.

Page 14, line 13, strike “(V)” and insert “(VI)”.

Page 14, line 14, strike “will” and insert “may only”.

Page 14, line 17, strike “(VI)” and insert “(VII)”.

Page 14, line 18, strike “will” and insert “may”.

Page 14, line 21, insert “principles,” before “process”.

Page 15, line 1, strike “REPORT” and insert “PRINCIPLES, PROCESS, AND STANDARDS”.

Page 15, line 3, after “Secretary” insert “and the Bank”.

Page 15, line 7, strike “report on the process” and insert “copy of the principles, process,”.

Page 15, line 10, insert “PRINCIPLES AND” before “STANDARDS”.

Page 15, line 11, insert “principles and” before “standards”.

Page 15, line 13, strike “report” and insert “principles, process, and standards”.

Page 15, line 13, strike “is” and insert “are”.

Page 15, line 15, strike “; REPORTS”.

Page 15, line 16, after “Secretary” insert “and the bank jointly”.

Page 15, line 17, strike “process and” and insert “principles, process, and”.

Page 15, line 22, strike “report on the process” and insert “copy of the principles, process,”.

Page 16, line 8, after “tiously” insert “pursuant to paragraph (2)”.

Page 16, line 14, strike “, but shall not”.

Page 16, line 22, strike “shall” and insert “should”.

Page 17, line 7, after “in” insert “initiating negotiations, and if negotiations were initiated, in”.

Page 17, line 13, strike “shall” and insert “should”.

Page 17, line 22, after “in” insert “initiating negotiations, and if negotiations were initiated, in”.

Page 17, line 25, strike “AND MARKET WINDOWS”.

Page 18, strike lines 2 through 6 and insert “amended in subsection (a)—”.

Page 18, line 7, strike “(B)” and insert “(A)”.

Page 18, line 9, strike “(C)” and insert “(B)”.

Page 18, line 10, strike “market windows” and insert “untied aid”.

Page 18, line 12, strike “(D)” and insert “(C)”.

Page 18, line 13, strike “as” and insert “and”.

Page 18, line 18, insert “and aid agencies” after “agencies”.

Page 18, line 21, strike “market windows and”.

Page 19, line 6, strike “market windows” and insert “untied aid”.

Page 19, beginning on line 10, strike “market window support may be part of a transaction” and insert “untied aid offers will be made”.

Page 19, line 19, strike “; and” and insert a period.

Page 19, strike lines 20 through 24.

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Nebraska (Mr. BEREUTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume to explain the manager’s amendment.

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

Mr. BEREUTER. Mr. Chairman, the changes in the manager’s amendment are to the Tied Aid War Chest section of the legislation and are the result of negotiations with the administration.

As a way of background, this legislation would make important clarifications in the administration of the Tied Aid War Chest which finances tied aid transactions. The Tied Aid War Chest was intended to be used by the Ex-Im Bank to protect American exporters by matching the concessionary financing of foreign export credit agencies. The Tied Aid War Chest has been grossly underutilized, which is due in part to the disagreements between the Ex-Im Bank and the Department of Treasury over the years on how to use the funds.

These past problems would be addressed in this legislation by the creation of a new definitive step-by-step process to be followed by the Ex-Im Bank and the Treasury Department regarding how the Tied Aid War Chest is to be administered. The manager's amendment would make the following changes to how the Tied Aid War Chest is administered.

Number 1, under the bill as reported, the Secretary of the Treasury would set the process and standards on how the amounts in the Tied Aid War Chest can be effectively used and efficiently used, and it would do this in consultation with the Ex-Im Bank. In the manager's amendment, the word "principles" is inserted before the word "process." This change is made throughout the manager's amendment where applicable.

Number 2, the Ex-Im Bank would be allowed to jointly set the principles, process and standards which govern the use of the Tied Aid War Chest with the Secretary of the Treasury.

Three, the Tied Aid War Chest also must be used in accordance with the purposes described in section 10(a)(5) of the Ex-Im Bank charter. This reference to section 10(a)(5) is in current law.

Number 4, adds a new standard which will govern the use of the Tied Aid War Chest in the interim period before the Secretary of the Treasurer and the Ex-Im Bank submit their principles, process and standards to Congress. This new standard states that the Tied Aid War Chest should be used to leverage multilateral negotiations in such places as the OECD in Paris to restrict the scope of aid-financed trade distortions and to police existing rules. This new standard is added to the six existing standards in the bill as reported.

Number 5, under H.R. 2871, as reported, an applicant for the Tied Aid War Chest is given an opportunity for an expeditious reconsideration by the Ex-Im Bank board within 3 months of the denial of an application for assistance. Under this legislation, as reported, the applicant may, but shall not be required to provide any information for the application to be reconsidered. That is at the suggestion of the administration. The manager's amendment states that the applicant may be required to provide new information in order for the application to be reconsidered.

Number 6, under the bill, as reported, the Tied Aid War Chest can be used to

combat untied aid and market windows. Under the current law, the Tied Aid War Chest can only be used to combat tied aid from foreign export credit agencies. The manager's amendment does not allow the Tied Aid War Chest to be used for market windows. Market windows are defined as export financing that claims to operate on a commercial basis while benefiting directly or indirectly from some level of government support.

This change was made at the request of the administration because the Ex-Im Bank is still trying to understand how countries such as Germany and Canada use the market windows device. As a result, this Member believes that we should not legislate an issue until we fully understand how the market windows device actually functions.

Number 7, finally, the manager's amendment also makes other minor technical corrections.

Mr. Chairman, in summary, as a result of the manager's amendment, the Export-Import Bank will administer the Tied Aid War Chest in consultation with the Secretary of the Treasury in accordance with both the principles, process and standards developed jointly by the Secretary of the Treasury and the Ex-Im Bank and in accordance the purposes which are currently listed in the Ex-Im charter. This Member believes that the changes in the manager's amendment are essential to further clarify the administration of the Tied Aid War Chest.

Mr. Chairman, in conclusion, this Member would urge his colleagues to support the manager's amendment to H.R. 2871.

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

The CHAIRMAN. Who rises to claim the time in opposition?

Mr. LAFALCE. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. I am very pleased to rise in support of the gentleman from Nebraska's (Mr. BEREUTER) amendment which attempts to meet objections to the bill raised by the Treasury Department, and I know that the gentleman from Nebraska has negotiated in great faith with Treasury officials.

Unfortunately, they have withheld support for the bill, primarily due to the tied aid credit fund provisions within it, and I am appreciative of the gentleman's enormous efforts to address Treasury's concerns during the past 5 months over what is essentially a territorial dispute.

The manager's amendment represents his best effort to accommodate Treasury. To that end, I fully support it. I only regret that it has taken 5 months for the Republican House leadership to decide that the U.S. Treasury Department does not set the schedule in the House of Representatives.

Having said that, let me also add that I did support a 6-month extension of the authorization for Ex-Im Bank last year, and then I supported an additional 30-day extension, and yesterday I supported an additional 30-day extension. We have until the Memorial Day recess to reconcile the differences between the House Ex-Im reauthorization bill and the Senate Ex-Im reauthorization bill.

The differences are not that great. We should be able to resolve them at one meeting which could take place this week or next week. Most of the issues, I should not say this, could be settled by a flip of the coin between the House and Senate. Treasury might still oppose, and if Treasury is allowed to hold up the conference report, I just tell them now that I will not support another extension.

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

Mr. BEREUTER. Mr. Chairman, I yield myself the balance of the time, and I want to thank the distinguished gentleman from New York (Mr. LAFALCE) for his patience and his support through this process. I actually welcome the statement the gentleman made about the upcoming House-Senate conference, and his suggestion is exactly the method that I am going to try to advance, with the Chairman's help, if, in fact, we have an opportunity to go to conference today, as I expect.

I would like to say to the gentleman that he and I have shared frustration for so many years over the lack of use of the war chest when it is appropriate, and in part, that failure or deficiency is because of the subject that I think we are addressing in the manager's amendment.

Again, I thank the gentleman for his support and his patience through this long consultation process with the administration. We have made as many accommodations as we possibly can without making the ultimate one because we understand what they want is not consistent with what this body, as a legislative body, should do.

I urge support of the manager's amendment.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report No. 107-423.

AMENDMENT NO. 2 OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. DEFAZIO:
At the end of the bill, add the following:

SEC. ____ . BAN ON ASSISTANCE FOR PROJECT INVOLVING PRIVATIZATION OF GOVERNMENT-HELD INDUSTRY OR SECTOR.

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) BAN ON ASSISTANCE FOR PROJECT INVOLVING PRIVATIZATION OF GOVERNMENT-HELD INDUSTRY OR SECTOR.—The Bank may not guarantee, insure, or extend (or participate in the extension of) credit in connection with the export of any good or service for a project that involves the privatization of a government-held industry or sector if—

“(A) the privatization transaction is not implemented in a transparent manner;

“(B) the privatization transaction is not implemented in a manner that adequately protects the interests of workers, small investors, and vulnerable groups in society to the extent that they are affected by the privatization transaction; or

“(C) appropriate regulatory regimes have not been established to ensure the proper function of competitive markets in the industry or sector.”.

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Oregon (Mr. DEFAZIO) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume. We will not use all of the time here.

The amendment which I drafted is based substantially on language which will be included in legislation to come up later today, H.R. 2604, the Multinational Development Bank Reauthorization. It is a bipartisan piece of legislation which the gentleman from Nebraska (Mr. BEREUTER) as the Chairman of the Subcommittee on International Monetary Policy and Trade introduced and was cosponsored by the gentleman from New York (Mr. LAFALCE), ranking member, and the gentleman from Vermont (Mr. SANDERS).

I looked at that legislation, and although I will admit that the issue before us here, the Ex-Im Bank, is not normally the principal source of funding for potential privatization efforts, but there are instances where Ex-Im Bank has followed in acquisitions and has essentially been linked to privatization efforts.

Oftentimes there may well be nothing wrong with the U.S. firm being involved in a privatization effort overseas, as long as there is a regulatory structure in place, as long as the government or the taxpayers of that country get full value in a process which is transparent in terms of the bidding, but unfortunately, there have been a number of cases, a couple of which involved the Enron corporation in Panama and the Dominican Republic, where that was not the case. In fact, a study after the fact in the Dominican Republic found that the assets were undervalued by \$907 million, and the Panama case, there was a problem with basically some corruption within the government which had led to a low bid and an improper acquisition.

I think putting in place some basic rules is needed to make sure that the

Ex-Im Bank either in the first instance or in follow-on to U.S. acquisition, in supplying follow-on to that, does not become involved in improper privatization efforts.

The standards are quite simple: That the assistance should only go to projects that are implemented in a transparent manner; that they are implemented in a manner that protects the interests of workers, small investors, vulnerable groups in society; or, if appropriate, the regulatory regimes have been established to ensure properly functioning competitive markets.

It is further my understanding that the Chairman has some concerns about the capability of enforcing this and statutory language but would perhaps be willing to support this as a sense of Congress within the conference.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding. I would have claimed the time in opposition, but the gentleman has accurately described the derivation of this language, and there is certainly nothing wrong with the intent.

He is also right in recognizing that the primary entities that could have an impact on such a situation, as described in this amendment, are multinational development banks, but if the gentleman would withdraw this amendment, I will do my best to assure that language like this, probably exactly like it, would be included as sense of the Congress language or, at least that if we have problems with the Senate conferees, it be included in report language. But it would be my intent to attempt to add such language as sense of the Congress language, as the gentleman has offered it.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman for his support and his great work on the legislation to come up later today. I believe these are essential reforms and limitations that should be put into the law, and I thank the gentleman.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report No. 107-423.

AMENDMENT NO. 3 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. KUCINICH:
At the end of the bill, add the following:

SEC. ____ . REQUIREMENT THAT APPLICANTS FOR ASSISTANCE DISCLOSE WHETHER THEY HAVE VIOLATED THE FOREIGN CORRUPT PRACTICES ACT; MAINTENANCE OF LIST OF VIOLATORS.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is further amended by adding at the end the following:

“(M) The Bank shall require an applicant for assistance from the Bank to disclose whether the applicant has been found by a court of the United States to have violated the Foreign Corrupt Practices Act, and shall maintain a list of persons so found to have violated such Act.”.

Amend the table of contents accordingly.

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment will require the Ex-Im Bank to gather information relating to compliance by applicants with the Foreign Corrupt Practices Act, as amended.

The Foreign Corrupt Practices Act of 1977 makes it unlawful for any domestic corporation to corruptly bribe a foreign official in order to obtain or retain business. It also requires those companies that are required to register with the Securities and Exchange Commission to keep detailed and accurate books, records, and accounts of corporate payments and transactions.

Under my amendment, Ex-Im would request that applicants report whether or not they had been found guilty by a U.S. court to be in violation of the Foreign Corrupt Practices Act, and importantly, the Ex-Im Bank would also independently keep a list of companies that had violated the Act.

Mr. Chairman, this amendment is based upon the following premise: That taxpayers should not subsidize the venture of companies that use corrupt methods to obtain business or deceive taxpayers with false financial reports.

Recently, a large multinational energy corporation based in the United States was revealed to have intentionally misled the public about its finances and its profits, leading to drastic consequences for shareholders and its employees. In part, Enron accomplished this deception by concealing the complex corporate transactions that allowed it to inflate its profits.

□ 1200

Now, what if a company like this one used similar practices in order to cover up its bribery of a foreign official? How would this affect its application for financing from the Ex-Im Bank?

Under current practice, applicants for Ex-Im financing are required to certify they have not violated and will not violate the Foreign Corrupt Practices Act. That is good, and this amendment is not meant to stop the Ex-Im Bank from doing this. But the Ex-Im Bank is not required on its own to compile a list of FCPA violators. So a company that lied about its Foreign Corrupt