**House Financial Services Committee**

**Export Import Bank Reauthorization**

**Terms**

**June 18, 2019**

1. **Rename the EXIM Bank to the [“United States Export Finance Agency” (USEFA)]**
2. **Length of Reauthorization. 7 years**
3. **Increase the Agency total authorization limit to $175 billion**

FY 2020--$145B

FY 2021--$150B

FY 2022--$155B

FY 2023--$160B

FY 2024--$165B

FY 2025--$170B

FY 2026--$175B

1. **Quorum Fix**

In the absence of a quorum for more than 90 days, or in the absence of a quorum 90 days after the beginning of a new Administration, the Board shall include in addition to current Senate confirmed Board Directors: the US Trade Representative as Chair (if the Agency’s President has not been confirmed), the Secretary of the Treasury, the Secretary of Commerce, and to the extent practicable, a person from a different party of the President that is currently serving in a Senate confirmed position. If such persons are needed to constitute a quorum, the Board will only have authority to authorize finance transactions over $25 million.

1. **Enhanced Disclosures**

For exporters or lenders that have more than 20% of the Agency’s exposure during a fiscal year, the USEFA shall report to Congress about the exporter’s or lender’s: 1) diversity in management, employment, and business activities; 2) outreach efforts to small businesses, including efforts to raise awareness of the USEFA to its suppliers; and 3) the number of jobs created during the last fiscal year, and other items. The report would also include an economic impact analysis for transactions in excess of $100 million involving the exporter or lender, including a transaction’s effects on U.S. jobs, and an assessment of the need for financing.

1. **Promoting Small Business**

* Increases the Small Business target of the USEFA from 25% to 30% of the Agency’s annual transactions.
* Directs the Agency to finance minority-owned businesses, women-owned businesses, veteran-owned businesses, businesses owned by persons with disabilities, and small businesses in rural areas.
* Directs the Agency to increase the total amount of financing provided to support exports from Guam, Puerto Rico and other US territories.

1. **Create an Office of Minority and Women Inclusion**
2. **Create an Office of US Territories, with at least one employee dedicated to Puerto Rico.**
3. **Environmental Provisions**

* Creates an “Office of Financing for Renewable Energy, Energy Efficiency, and Energy Storage Exports” at USEFA.
* Directs the Agency to set a goal of 5% of its annual funding authority to finance renewable energy, energy efficiency and energy storage technology exports, and require the Agency to report to Congress about its efforts to reach the 5% goal.
* Includes a Sense of Congress that the Board should create an accountability mechanism to review, investigate, and offer independent dispute resolution to resolve allegations by affected parties that the agency has not followed its own procedures.

1. **Annual Testimony**

The USEFA President shall present, upon request annual testimony before the House and Senate.

1. **Prohibit the Financing for certain aviation-related vehicles.**

Prohibits the USEFA Board from approving a transaction involving an aviation-related vehicle that has not been certified airworthy by the Federal government.

1. **Establish a Program to Compete with China, and to Promote Transformational Technology and Renewable Energy Exports**

Directs the USEFA to create a 7-year program with a goal of using at least 20% of its lending authority to support:

* exports that compete directly with China’s (and other non-OECD) exporters and on terms those non-OECD export agencies offer;
* certain transformational technology industries (AI, biotech, biomedical, advanced telecom like 5G, quantum computing, and fintech) and renewable energy exports;

1. **Chinese State-Owned Entity.**

If the Agency’s board approves a transaction over $25 million that relates to a Chinese state-owned entity, before the transaction can be executed, the US Trade Representative, after consulting with the appropriate Federal agencies, must certify the transaction within 60 days of Board approval. The transaction cannot be certified if the state-owned entity: provides material or financial support to the following policies and operations of China: 1) military or intelligence; 2) “One Belt, One Road” initiative; 3) abuse of human rights, including freedom of speech, or other policies that the President deems a threat to the national interest. In addition, the Trade Representative must certify that the entity has not knowingly engaged in the theft of US Intellectual Property or that the entity has leadership that has violated US corruption laws. The Trade Representative must also certify that the transaction would provide a meaningful benefit to the US, and that it does not involve an export subject to controls. Small businesses and Humanitarian exports (like rescue equipment and medical devices) are exempt. In addition, the President may waive any requirement if she determines it is essential to the national interest. Five years after enactment, the USEFA Board may vote to terminate the requirement for certification by the USTR.

1. **Increases USEFA to spend up to $28 million annually from their profits to update IT systems.**
2. **Authorizes the USEFA to provide administratively-determined pay for up to 35 employees**
3. **USEFA Reports to Congress**
   1. Annual Testimony upon request by Congress.
   2. Survey of Blockchain use by US exporters
   3. Agency policies, procedures or bylaws adopted by the USEFA
   4. Travel Practices of Agency Employees
   5. USEFA steps taken to correct IT security.
4. **Inspector General Audit of Regional Export Finance Centers**
5. **Risk Management Committee**

The Risk Management Committee would have authorities added which allow for enhanced oversight by Board members with regard to financial management and controls.

1. **Direct Treasury to Conduct International Negotiations to End Export Credit Subsidies.**

Place authority for export subsidy negotiations explicitly with the Treasury Secretary and require that the Secretary engage in such discussions at least twice per year.

1. **Anti-Fraud Reforms.**

If the Agency has credible evidence of fraud, the Agency may deny an application for assistance and shall deny assistance if certain parties to a transaction are convicted.

1. **Additionality Requirements.**

Requires the agency to adopt and implement policies to ensure that it includes written documentation of the determination and verification of additionality in its records. Additionality is the term used to mean that the transaction may not go forward because an exporter could not obtain private sector financing or was competing against a foreign export credit agency.

1. **Reinsurance Program.**

Makes permanent a pilot program from the 2015 reauthorization authorizing the Agency to transfer a portion of its export finance risks to the private sector.