

Opening Statement of Senator Brown
“Oversight and Reauthorization of the Export-Import Bank of the United States”
June 27, 2019

Thank you, Mr. Chairman, for calling this important hearing to discuss the future of the Export-Import Bank.

I also want to thank the Chairman for his work to advance ExIm’s board nominees. We have restored ExIm’s board quorum, but the full Senate needs to consider the nominations of Paul Shmotolokha and Claudia Slacik so they can provide their expertise as the Bank resumes full operations.

Today we will hear from the Bank’s new President, Kimberly Reed, who has been at work for just seven weeks, and has already hit the ground running, traveling the world promoting U.S. economic interests. I am grateful that the full Senate confirmed Ms. Reed last month by a vote of 79 to 17. Her fellow board members Spencer Bachus and Judith Pryor were confirmed by similar margins.

These overwhelming votes make it clear that we have strong bipartisan support for the Bank’s mission of helping American businesses and American workers compete across the globe.

Look around the world. There are now 109 export credit agencies and credit programs that support foreign, non-U.S. manufacturers.

Every other major nation has been aggressively helping their companies win sales and the jobs that come with them –jobs that could be in the United States if ExIm had been functioning for the past four years.

China has multiple, massive export credit agencies, or E-C-As.

In 2017, China’s two official export credit agencies provided one-third of the world’s medium and long-term export credit, and their broader medium and long-term investment support for Chinese exports is greater than the rest of the world combined.

Chinese ECA activity is key to their plans to sell Chinese-made infrastructure throughout Asia, Africa, and Europe, under their Belt and Road Initiative. China has provided more than \$510 billion in insurance to “Belt and Road” projects since 2013.

And China is far from alone. The term “weaponization” is used to describe what European and Asian nations are doing to make their export credit agencies more aggressive, more flexible, and more proactive.

If Congress is serious about ensuring American businesses and American workers stay competitive, we must have a robust export credit agency.

But we all know what happened here in Congress. In 2015, during the last debate on reauthorizing the Bank, a small group of opponents supported by far-right special interests tried to kill the bank altogether.

When that didn’t work, they decided to block all nominees to the Bank’s board and block all transactions greater than \$10 million dollars.

That had real consequences for American businesses and their workers – the amount of jobs ExIm supported dropped from 164,000 to just 34,000 while the Bank was hobbled.

That obstruction hurt Ohio manufacturers. Before the shutdown, **Ohio companies exported more than \$400 million a year** in products using Ex-Im credit assistance. Now **that amount has been cut roughly in half.**

We have the opportunity to turn the page. First, we need to provide the Bank a long-term reauthorization of seven years or longer. American exporters, particularly small businesses, need a reliable partner.

ExIm steps in when private banks and insurers can’t assist or complete a transaction. If Congress lets ExIm lapse again, the greatest pain will be felt by small businesses, including the small businesses that form the supply chain for large exporters.

Last year, ExIm initiated \$2.2 billion in authorizations that support small businesses, and 315 small business exporters used ExIm small business products for the first time.

Congress must also increase the Bank's authorization limit or exposure cap, which is currently set at \$135 billion. ExIm must be ready to assist new transactions.

Finally, a renewed Bank must be dedicated to transparency and accountability. ExIm has carefully managed risks associated with its transactions, as we can see from its extremely low default rate. The Bank must continue to be vigilant in monitoring risks and preventing fraud.

The Bank must also be vigorous in complying with requirements set out for the Bank to monitor and mitigate environmental and social impacts of projects that receive financing.

President Reed and the new Board have taken the long-overdue steps of finishing the implementation of reforms from the 2015 ExIm reauthorization. I look forward to hearing her plans moving forward.

If President Trump and Republicans in Congress are serious about helping American manufacturers after four years of obstruction, **they need to work with us to reauthorize the Bank before September 30th.**

I would **urge my colleagues to visit some of the businesses in Ohio and around the country that use ExIm financing.**

My colleagues have a choice – do they care about these businesses, and American manufacturing and American workers, or do they care more about extreme special interests.

I stand with our workers.