

116TH CONGRESS
1ST SESSION

H. R. 3407

To strengthen the competitiveness of the United States, to modernize and reform the United States Export Finance Agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 2019

Ms. WATERS (for herself and Mr. MCHENRY) introduced the following bill;
which was referred to the Committee on Financial Services

A BILL

To strengthen the competitiveness of the United States, to modernize and reform the United States Export Finance Agency, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States Export
5 Finance Agency Act of 2019”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Findings.

Sec. 4. Renaming of the Export-Import Bank of the United States.

TITLE I—PROMOTING UNITED STATES LEADERSHIP AND
INNOVATION

- Sec. 101. Authorization period.
- Sec. 102. Aggregate loan, guarantee, and insurance authority.
- Sec. 103. Program on China and transformational exports.
- Sec. 104. Strengthening support for U.S. small businesses.
- Sec. 105. Office of Minority and Women Inclusion.
- Sec. 106. Support for United States territories.
- Sec. 107. Promoting renewable energy exports.
- Sec. 108. Alternative procedures during quorum lapse.
- Sec. 109. Information technology systems.
- Sec. 110. Administratively determined pay.
- Sec. 111. Survey on blockchain use in the operations of United States exporters.

TITLE II—IMPROVING AGENCY OPERATIONS AND ENHANCING
TRANSPARENCY AND ACCOUNTABILITY

- Sec. 201. Annual testimony.
- Sec. 202. Independent audit of regional export finance centers.
- Sec. 203. Risk Management Committee.
- Sec. 204. Ensuring Agency compliance with additionality requirements.
- Sec. 205. Reinsurance program.
- Sec. 206. Report on new Agency policies, procedures, and bylaws.
- Sec. 207. Report on travel practices of Agency employees.
- Sec. 208. Report on steps taken to correct deficiencies related to information security.
- Sec. 209. Additional requirements involving certain transactions.
- Sec. 210. Anti-fraud reforms.

TITLE III—FOREIGN POLICY CONSIDERATIONS

- Sec. 301. Chinese government-owned enterprises.
- Sec. 302. International negotiations on export subsidies.
- Sec. 303. Prohibition on financing for exports involving state sponsors of terrorism.

TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Miscellaneous updates relating to the United States Export Finance Agency.
- Sec. 402. Prohibition on financing for certain aviation-related vehicles.

1 SEC. 3. FINDINGS.

2 The Congress finds as follows:

- 3 (1) The Export-Import Bank of the United
4 States (EXIM)—the official export credit agency of
5 the United States—is designed to help create and
6 support U.S. jobs by providing American exporters

1 with the financing tools necessary to compete in the
2 global markets.

3 (2) Over its 85-year history, under both Repub-
4 lican and Democratic administrations, the Export-
5 Import Bank of the United States has been reau-
6 thorized 17 times with large bipartisan majorities in
7 Congress.

8 (3) Over the last 10 years, the Export-Import
9 Bank of the United States has financed more than
10 \$186,000,000,000 in authorizations supporting more
11 than \$255,000,000,000 in United States exports
12 and supported 1,600,000 United States jobs in all
13 50 states; in fiscal year 2018, EXIM authorized
14 \$3,300,000,000 in financing and supported an esti-
15 mated 33,000 United States jobs.

16 (4) By its charter, it is the policy of the United
17 States that the Export-Import Bank of the United
18 States should not compete with the private sector,
19 but rather to fill export financing gaps through its
20 insurance, loan guarantee, and direct lending pro-
21 grams when the private sector is unable or unwilling
22 to do so.

23 (5) With more than 100 export credit agencies
24 globally, the Export-Import Bank of the United
25 States, if appropriately utilized, can level the playing

1 field to ensure that United States companies will not
2 lose out on a sale of United States exports because
3 of financing terms offered by foreign governments.

4 (6) In fiscal year 2018, 90.5 percent of the Ex-
5 port-Import Bank of the United States' authoriza-
6 tions directly supported small businesses, including
7 315 small businesses that used the Export-Import
8 Bank of the United States for the first time.

9 (7) In fiscal year 2014, when the Export-Im-
10 port Bank of the United States was last fully oper-
11 ational, EXIM authorized \$751,000,000 to support
12 minority- and women-owned business exports.

13 (8) In fiscal year 2018, the Export-Import
14 Bank of the United States approved \$451,400,000
15 in support of minority- or woman-owned businesses,
16 which accounted for 21 percent of total small busi-
17 ness authorizations.

18 (9) The charter of the Export-Import Bank of
19 the United States requires the Bank to lend only if
20 there exists reasonable assurance that it will be re-
21 paid, and Congress subjects EXIM to statutory re-
22 strictions and oversight to safeguard its fiscal sound-
23 ness, limit mismanagement, and prevent corruption.

24 (10) EXIM was last reauthorized in December
25 2015, and its charter expires September 30, 2019.

1 (11) Despite bicameral support for the Bank’s
2 reauthorization in 2015, the Senate did not confirm
3 the directors of EXIM until May 2019. As a result,
4 the Bank did not have a quorum and could not ap-
5 prove transactions over \$10,000,000.

6 **SEC. 4. RENAMING OF THE EXPORT-IMPORT BANK OF THE**
7 **UNITED STATES.**

8 (a) IN GENERAL.—The Export-Import Bank of the
9 United States is hereby redesignated as the United States
10 Export Finance Agency.

11 (b) REFERENCES.—Any reference to the Export-Im-
12 port Bank of the United States in any law, rule, regula-
13 tion, certificate, directive, instruction, or other official
14 paper in force on the date of the enactment of this Act
15 shall be considered to refer and apply to the United States
16 Export Finance Agency.

17 **TITLE I—PROMOTING UNITED**
18 **STATES LEADERSHIP AND IN-**
19 **NOVATION**

20 **SEC. 101. AUTHORIZATION PERIOD.**

21 Section 7 of the Export-Import Bank Act of 1945
22 (12 U.S.C. 635f) is amended by striking “2019” and in-
23 serting “2026”.

1 **SEC. 102. AGGREGATE LOAN, GUARANTEE, AND INSURANCE**

2 **AUTHORITY.**

3 Section 6(a)(2) of the Export-Import Bank Act of
4 1945 (12 U.S.C. 635e(a)(2)) is amended to read as fol-
5 lows:

6 “(2) APPLICABLE AMOUNT DEFINED.—In this
7 subsection, the term ‘applicable amount’ means—

8 “(A) \$145,000,000,000 for fiscal year
9 2020;

10 “(B) \$150,000,000,000 for fiscal year
11 2021;

12 “(C) \$155,000,000,000 for fiscal year
13 2022;

14 “(D) \$160,000,000,000 for fiscal year
15 2023;

16 “(E) \$165,000,000,000 for fiscal year
17 2024;

18 “(F) \$170,000,000,000 for fiscal year
19 2025; and

20 “(G) \$175,000,000,000 for fiscal year
21 2026.”.

22 **SEC. 103. PROGRAM ON CHINA AND TRANSFORMATIONAL**
23 **EXPORTS.**

24 (a) IN GENERAL.—Section 2 of the Export-Import
25 Bank Act of 1945 (12 U.S.C. 635) is amended by adding
26 at the end the following:

1 “(1) PROGRAM ON CHINA AND TRANSFORMATIONAL
2 EXPORTS.—

3 “(1) IN GENERAL.—The Agency shall establish
4 a Program on China and Transformational Exports
5 to support the extension of loans, guarantees, and
6 insurance, at rates and on terms and other condi-
7 tions, to the extent practicable, that are fully com-
8 petitive with rates, terms, and other conditions es-
9 tablished by the People’s Republic of China or by a
10 covered country, that aim to—

11 “(A) directly neutralize export subsidies
12 for competing goods and services financed by
13 official export credit, tied aid, or blended fi-
14 nancing provided by the People’s Republic of
15 China or by a covered country; or

16 “(B) advance the comparative leadership
17 of the United States with respect to the Peo-
18 ple’s Republic of China, or support United
19 States innovation, employment, and techno-
20 logical standards, through direct exports in any
21 of the following areas:

22 “(i) Artificial intelligence.

23 “(ii) Biotechnology.

24 “(iii) Biomedical sciences.

1 “(iv) Wireless communications equip-
2 ment (including 5G or subsequent wireless
3 technologies).

4 “(v) Quantum computing.

5 “(vi) Renewable energy, energy effi-
6 ciency, and energy storage.

7 “(vii) Semiconductor and semicon-
8 ductor machinery manufacturing.

9 “(viii) Emerging financial tech-
10 nologies, including technologies that facili-
11 tate—

12 “(I) financial inclusion through
13 increased access to capital and finan-
14 cial services;

15 “(II) data security and privacy;

16 “(III) payments, the transfer of
17 funds, and associated messaging serv-
18 ices; and

19 “(IV) efforts to combat money
20 laundering and the financing of ter-
21 rorism.

22 “(ix) Associated services necessary for
23 use of any of the foregoing exports.

1 “(2) COVERED COUNTRIES.—In this subsection,
2 the term ‘covered country’ means any country
3 that—

4 “(A) the Secretary of the Treasury des-
5 ignates as a covered country in a report to the
6 Committee on Financial Services of the House
7 of Representatives and the Committee on Bank-
8 ing, Housing, and Urban Development of the
9 Senate; and

10 “(B) is not a participant in the Arrange-
11 ment on Officially Supported Export Credits of
12 the Organization for Economic Cooperation and
13 Development (in this subsection referred to as
14 the ‘Arrangement’); and

15 “(C) is not in substantial compliance with
16 the financial terms and conditions of the Ar-
17 rangement.

18 “(3) FINANCING.—

19 “(A) IN GENERAL.—It shall be a goal of
20 the Agency to reserve not less than 20 percent
21 of the applicable amount (as defined in section
22 6(a)(2)) for support made pursuant to the Pro-
23 gram on China and Transformational Exports.

24 “(B) EXCEPTION.—The Secretary of the
25 Treasury may reduce or eliminate the 20 per-

1 cent goal in subparagraph (A), on reporting to
2 the Committee on Financial Services of the
3 House of Representatives and the Committee
4 on Banking, Housing, and Urban Affairs of the
5 Senate that the People’s Republic of China is in
6 substantial compliance with—

7 “(i) the financial terms and conditions
8 of the Arrangement; and

9 “(ii) the rules and principles of the
10 Paris Club.

11 “(C) SUNSET AND REPORT.—The program
12 established under paragraph (1) shall expire on
13 September 30, 2026. Not later than 4 years
14 after enactment of this subsection, the Presi-
15 dent of the Agency shall submit a report to the
16 Committee on Financial Services of the House
17 of Representatives and the Committee on Bank-
18 ing, Housing, and Urban Affairs of the Senate
19 assessing the following:

20 “(i) The capacity and demand of
21 United States entities to export goods and
22 services in the areas described in para-
23 graph (1)(B) in consultation with the Sec-
24 retary of Commerce.

1 “(ii) The availability of private-sector
2 financing for exports in the areas.

3 “(iii) The feasibility and advisability
4 of continuing the goal of subparagraph (A)
5 of this paragraph with respect to para-
6 graph (1)(B) after September 30, 2026.

7 “(D) NATIONAL ADVISORY COUNCIL ON
8 INTERNATIONAL FINANCIAL AND MONETARY
9 PROBLEMS.—The National Advisory Council on
10 International Financial and Monetary Problems
11 shall ensure that Agency authorizations pursu-
12 ant to the Program on China and Trans-
13 formational Exports are considered or reviewed
14 expeditiously, consistent with the other credit
15 standards required by law.”.

16 (b) REQUIRED REPORTING.—Section 8 of such Act
17 (12 U.S.C. 635g) is amended by adding at the end the
18 following:

19 “(l) REPORT ON AUTHORIZATIONS UNDER THE PRO-
20 GRAM ON CHINA AND TRANSFORMATIONAL EXPORTS.—
21 The Agency shall include in its annual report to Congress
22 under subsection (a) a narrative and financial summary
23 of the authorizations made under the Program on China
24 and Transformational Exports.”.

1 (c) **RULE OF CONSTRUCTION.**—Nothing in section
2 2(l)(1)(B) of the Export-Import Bank Act of 1945 shall
3 be construed to weaken any export controls affecting crit-
4 ical technologies (as defined in section 721(a)(6)(A) of the
5 Defense Production Act of 1950 (50 U.S.C.
6 4565(a)(6)(A))).

7 **SEC. 104. STRENGTHENING SUPPORT FOR U.S. SMALL BUSI-**
8 **NESSES.**

9 (a) **INCREASING SMALL BUSINESS THRESHOLD.**—
10 Section 2(b)(1)(E)(v) of the Export-Import Bank Act of
11 1945 (12 U.S.C. 635(b)(1)(E)(v)) is amended—

12 (1) by striking “25 percent of such authority
13 for each fiscal year” and inserting “25 percent of
14 such authority for each of fiscal years 2020, 2021,
15 and 2022, and 30 percent of such authority for each
16 fiscal year thereafter”; and

17 (2) by adding at the end the following: “For the
18 purpose of calculating the amounts of authority re-
19 quired under this clause, the Agency shall, with re-
20 spect to insurance, exclude unutilized authorizations
21 that terminated during the fiscal year.”.

22 (b) **SMALL BUSINESS POLICY.**—Section
23 2(b)(1)(E)(i)(I) of such Act (12 U.S.C.
24 635(b)(1)(E)(i)(I)) is amended to read as follows:

1 “(I) It is further the policy of the United States to
2 encourage the participation of small business (including
3 women-owned businesses, minority- owned businesses, vet-
4 eran-owned businesses, businesses owned by persons with
5 disabilities, and businesses in rural areas) and start-up
6 businesses in international commerce, and to educate the
7 public about how to export goods using the United States
8 Export Finance Agency.”.

9 **SEC. 105. OFFICE OF MINORITY AND WOMEN INCLUSION.**

10 (a) IN GENERAL.—Section 3(i) of the Export-Import
11 Bank Act of 1945 (12 U.S.C. 635a(i)) is amended to read
12 as follows:

13 “(i) OFFICE OF MINORITY AND WOMEN INCLU-
14 SION.—

15 “(1) ESTABLISHMENT.—The Agency shall es-
16 tablish an Office of Minority and Women Inclusion
17 which shall be responsible for carrying out this sub-
18 section and all matters relating to diversity in man-
19 agement, employment, and business activities in ac-
20 cordance with such standards and requirements as
21 the Director of the Office shall establish.

22 “(2) TRANSFER OF RESPONSIBILITIES.—The
23 Agency shall ensure that, to the extent that the re-
24 sponsibilities described in paragraph (1) (or com-
25 parable responsibilities) were, as of the date of the

1 enactment of this subsection, performed by another
2 office of the Agency, the responsibilities shall be
3 transferred to the Office.

4 “(3) DUTIES WITH RESPECT TO CIVIL RIGHTS
5 LAWS.—The responsibilities described in paragraph
6 (1) shall not include enforcement of statutes, regula-
7 tions, or executive orders pertaining to civil rights,
8 except that the Director of the Office shall coordi-
9 nate with the President of the Agency, or the des-
10 ignee of the President of the Agency, regarding the
11 design and implementation of any remedies resulting
12 from violations of the statutes, regulations, or execu-
13 tive orders.

14 “(4) DIRECTOR.—

15 “(A) IN GENERAL.—The Director of the
16 Office shall be appointed by, and shall report
17 directly to, the President of the Agency. The
18 position of Director of the Office shall be a ca-
19 reer reserved position in the Senior Executive
20 Service, as that position is defined in section
21 3132 of title 5, United States Code, or an
22 equivalent designation.

23 “(B) DUTIES.—The Director shall—

24 “(i) develop standards for equal em-
25 ployment opportunity and the racial, eth-

1 nic, and gender diversity of the workforce
2 and senior management of the Agency;

3 “(ii) develop standards for increased
4 participation of minority-owned and
5 women-owned businesses in the programs
6 and contracts of the Agency, including
7 standards for coordinating technical assist-
8 ance to the businesses; and

9 “(iii) enhance the outreach activities
10 of the Agency with respect to, and increase
11 the total amount of loans, guarantees, and
12 insurance provided by the Agency to sup-
13 port exports by socially and economically
14 disadvantaged small business concerns (as
15 defined in section 8(a)(4) of the Small
16 Business Act) and small business concerns
17 owned by women.

18 “(C) OTHER DUTIES.—The Director shall
19 advise the President of the Agency on the im-
20 pact of the policies of the Agency on minority-
21 owned and women-owned businesses.

22 “(5) INCLUSION IN ALL LEVELS OF BUSINESS
23 ACTIVITIES.—

24 “(A) CONTRACTS.—The Director of the
25 Office shall develop and implement standards

1 and procedures to ensure, to the maximum ex-
2 tent possible, the inclusion and utilization of
3 minorities (as defined in section 1204(c) of the
4 Financial Institutions Reform, Recovery, and
5 Enforcement Act of 1989 (12 U.S.C. 1811
6 note)) and women, and minority- and women-
7 owned businesses (as such terms are defined in
8 section 21A(r)(4) of the Federal Home Loan
9 Bank Act (12 U.S.C. 1441a(r)(4)) in all busi-
10 ness and activities of the Agency at all levels,
11 including in procurement, insurance, and all
12 types of contracts. The processes established by
13 the Agency for review and evaluation for con-
14 tract proposals and to hire service providers
15 shall include a component that gives consider-
16 ation to the diversity of the applicant.

17 “(B) APPLICABILITY.—This subsection
18 shall apply to all contracts for services of any
19 kind, including all contracts for all business and
20 activities of the Agency, at all levels.

21 “(C) OUTREACH.—The Agency shall estab-
22 lish a minority outreach program to ensure the
23 inclusion (to the maximum extent possible) in
24 contracts entered into by the enterprises of mi-
25 norities and women and businesses owned by

1 minorities and women, including financial insti-
2 tutions, investment banking firms, under-
3 writers, accountants, brokers, and providers of
4 legal services.

5 “(6) DIVERSITY IN AGENCY WORKFORCE.—The
6 Agency shall take affirmative steps to seek diversity
7 in its workforce at all levels of the Agency consistent
8 with the demographic diversity of the United States,
9 in a manner consistent with applicable law, includ-
10 ing—

11 “(A) to the extent the Agency engages in
12 recruitment efforts to fill vacancies—

13 “(i) recruiting at historically Black
14 colleges and universities, Hispanic-serving
15 institutions, women’s colleges, and colleges
16 that typically serve majority minority pop-
17 ulations; and

18 “(ii) recruiting at job fairs in urban
19 communities, and placing employment ad-
20 vertisements in newspapers and magazines
21 oriented toward women and people of
22 color;

23 “(B) partnering with organizations that
24 are focused on developing opportunities for mi-
25 norities and women to place talented young mi-

1 norities and women in industry internships,
2 summer employment, and full-time positions;
3 and

4 “(C) by use of any other mass media com-
5 munications that the Director of the Office de-
6 termines necessary.”.

7 (b) INCLUSION IN ANNUAL REPORT.—Section 8 of
8 such Act (12 U.S.C. 635g), as amended by section 103(b)
9 of this Act, is amended by adding at the end the following:

10 “(m) OFFICE OF MINORITY AND WOMEN INCLU-
11 SION.—The Agency shall include in its annual report to
12 the Congress under subsection (a) a report from the Office
13 of Minority and Women Inclusion regarding the actions
14 taken by the Agency and the Office pursuant to section
15 3(i), which shall include—

16 “(1) a statement of the total amounts paid by
17 the Agency to contractors since the most recent re-
18 port under this subsection;

19 “(2) the percentage of the amounts described in
20 paragraph (1) that were paid to contractors as de-
21 scribed in section 3(i)(5)(A);

22 “(3) the successes achieved and challenges
23 faced by the Agency in operating minority and
24 women outreach programs;

1 “(4) the challenges the Agency may face in hir-
2 ing qualified minority and women employees and
3 contracting with qualified minority-owned and
4 women-owned businesses; and

5 “(5) any other information, findings, conclu-
6 sions, and recommendations for legislative or Agency
7 action, as the Director of the Office deems appro-
8 priate.”.

9 **SEC. 106. SUPPORT FOR UNITED STATES TERRITORIES.**

10 (a) CREATION OF THE OFFICE OF TERRITORIAL EX-
11 PORTING.—Section 3 of the Export-Import Bank Act of
12 1945 (12 U.S.C. 635a) is amended by adding at the end
13 the following:

14 “(n) OFFICE OF TERRITORIAL EXPORTING.—The
15 President of the Agency shall establish an Office of Terri-
16 torial Exporting, and shall hire such staff as may be nec-
17 essary, including at least 1 staffer responsible for liaising
18 with Puerto Rico, to perform the functions of the Office,
19 which shall be to promote the export of goods and services
20 from the territories, conduct outreach, education, and dis-
21 seminate information concerning export opportunities and
22 the availability of Agency support for such activities, and
23 to increase the total amount of loans, guarantees, and in-
24 surance provided by the Agency benefitting the territories.
25 In this Act, the term ‘territory’ means the Commonwealth

1 of Puerto Rico, the United States Virgin Islands, Guam,
2 the Commonwealth of the Northern Mariana Islands, and
3 American Samoa.”.

4 (b) ANNUAL REPORT.—Section 8 of such Act (12
5 U.S.C. 635g), as amended by sections 103(b) and 105(b)
6 of this Act, is amended by adding at the end the following:

7 “(n) REPORT ON ACTIVITIES IN THE TERRI-
8 TORIES.—The Agency shall include in its annual report
9 to Congress under subsection (a) a report on the steps
10 taken by the Agency in the period covered by the report
11 to increase—

12 “(1) awareness of the Agency and its services
13 in the territories; and

14 “(2) the provision of Agency support to export
15 businesses in the territories.”.

16 **SEC. 107. PROMOTING RENEWABLE ENERGY EXPORTS.**

17 (a) OFFICE OF FINANCING FOR RENEWABLE EN-
18 ERGY, ENERGY EFFICIENCY AND ENERGY STORAGE EX-
19 PORTS.—Section 2(b)(1)(C) of the Export-Import Bank
20 Act of 1945 (12 U.S.C. 635(b)(1)(C)) is amended to read
21 as follows:

22 “(C) OFFICE OF FINANCING FOR RENEWABLE EN-
23 ERGY, ENERGY EFFICIENCY AND ENERGY STORAGE.—
24 The President of the Agency shall establish an office
25 whose functions shall be to promote the export of goods

1 and services to be used in the development, production,
2 and distribution of renewable energy resources, and energy
3 efficiency and energy storage technologies, and dissemi-
4 nate information concerning export opportunities and the
5 availability of Agency support for such activities, to in-
6 crease the total amount of loans, guarantees, and insur-
7 ance provided by the Agency to support exports related
8 to renewable energy, energy efficiency, and energy stor-
9 age.”.

10 (b) FINANCING FOR RENEWABLE ENERGY, ENERGY
11 EFFICIENCY, AND ENERGY STORAGE TECHNOLOGIES.—
12 Section 2(b)(1)(K) of such Act (12 U.S.C. 635(b)(1)(K))
13 is amended by inserting “, energy efficiency and energy
14 storage. It shall be a goal of the Agency to ensure that
15 not less than 5 percent of the applicable amount (as de-
16 fined in section 6(a)(2)) is made available each fiscal year
17 for the financing of renewable energy, energy efficiency
18 and energy storage technology exports” before the period.

19 (c) ANNUAL REPORT.—Section 8 of such Act (12
20 U.S.C. 635g), as amended by sections 103(b), 105(b), and
21 106(b) of this Act, is amended by adding at the end the
22 following:

23 “(o) EFFORTS OF AGENCY TO PROMOTE EXPORT OF
24 GOODS AND SERVICES RELATED TO RENEWABLE EN-
25 ERGY SOURCES, ENERGY EFFICIENCY, AND ENERGY

1 STORAGE.—A description of the activities of the Agency
2 with respect to enhancing outreach and financing renew-
3 able energy, energy efficiency, and energy storage projects
4 undertaken under section 2(b)(1)(K); an assessment of its
5 success and failure in meeting the goal set out in section
6 2(b)(1)(K); where applicable, the specific measures the
7 Agency will take in the upcoming year to make progress
8 towards meeting the goal outlined in section 2(b)(1)(K),
9 including expanded outreach, product improvements, and
10 related actions; and an analysis comparing the level of
11 support extended by the Agency for renewable energy, en-
12 ergy efficiency and energy storage projects with the level
13 of support so extended for the preceding fiscal year.”.

14 (d) SENSE OF THE CONGRESS REGARDING AGENCY
15 ACCOUNTABILITY.—It is the sense of the Congress that—

16 (1) the Board of Directors of the United States
17 Export Finance Agency (in this section referred to
18 as the “Agency”) should, after a public consultation
19 process, establish a formal, transparent, and inde-
20 pendent accountability mechanism to review, inves-
21 tigate, offer independent dispute resolution to re-
22 solve, and publicly report on allegations by affected
23 parties of any failure of the Agency to follow its own
24 policies and procedures with regard to the environ-
25 mental and social effects of projects, and on situa-

1 tions where the Agency is alleged to have failed in
2 ensuring the borrower is fulfilling its obligations in
3 financing agreements with respect to the policies and
4 procedures;

5 (2) the accountability mechanism should be able
6 to provide advice to management on policies, proce-
7 dures, guidelines, resources, and systems established
8 to ensure adequate review and monitoring of the en-
9 vironmental and social effects of projects;

10 (3) in carrying out its mandate, the confiden-
11 tiality of sensitive business information should be re-
12 spected, as appropriate, and, in consultation with af-
13 fected parties, project sponsors, Agency manage-
14 ment, and other relevant parties, a flexible process
15 should be followed aimed primarily at correcting
16 project failures and achieving better results on the
17 ground;

18 (4) the accountability mechanism should be
19 independent of the line operations of management,
20 and report its findings and recommendations directly
21 to the Board of Directors of the Agency and annu-
22 ally to the Congress;

23 (5) the annual report of the Agency should in-
24 clude a detailed accounting of the activities of the
25 accountability mechanism for the year covered by

1 the report and the remedial actions taken by the
2 Agency in response to the findings of the account-
3 ability mechanism;

4 (6) in coordination with the accountability
5 mechanism, the Agency and relevant parties should
6 engage in proactive outreach to communities af-
7 fected or potentially affected by Agency financing
8 and activities to provide information on the existence
9 and availability of the accountability mechanism;

10 (7) the President of the Agency should, subject
11 to the approval of the Board of Directors of the
12 Agency, through an open and competitive process,
13 including solicitation of input from relevant stake-
14 holders, appoint a director of the accountability
15 mechanism, who would be responsible for the day-to-
16 day operations of the mechanism, and a panel of not
17 less than 3 experts, including the director, who
18 would also serve as chair of the panel; and

19 (8) Agency employees should be ineligible to
20 serve as the accountability mechanism chair or on
21 the panel of experts until at least 5 years have
22 elapsed from their time of employment at the Agen-
23 cy, and should be barred from future employment at
24 the Agency after their tenure with the accountability
25 mechanism.

1 **SEC. 108. ALTERNATIVE PROCEDURES DURING QUORUM**
2 **LAPSE.**

3 (a) IN GENERAL.—Section 3(c)(6) of the Export-Im-
4 port Bank Act of 1945 (12 U.S.C. 635a(c)(6)) is amend-
5 ed—

6 (1) by inserting “(A)” after “(6)”; and

7 (2) by adding at the end the following:

8 “(B)(i) If a quorum of the Board of Directors has
9 not been in place for 90 consecutive days during the term
10 of a President, a temporary Board, consisting of the fol-
11 lowing members, shall act in the stead of the Board of
12 Directors:

13 “(I) The United States Trade Representative,
14 who shall serve as Chairperson of the Temporary
15 Board.

16 “(II) The Secretary of the Treasury.

17 “(III) The Secretary of Commerce.

18 “(IV) The members of the Board of Directors.

19 “(ii) A member described in subclause (I), (II), or
20 (III) of clause (i) may delegate the authority of the mem-
21 ber to vote on whether to authorize a transaction, whose
22 value does not exceed \$100,000,000, to—

23 “(I) if the member is in United States Trade
24 Representative, the Deputy United States Trade
25 Representative; or

1 “(II) if the member is referred to in such sub-
2 clause (II) or (III), the Deputy Secretary of the de-
3 partment referred to in the subclause.

4 “(iii) If the temporary Board consists only of mem-
5 bers of 1 political party, the President of the United
6 States shall, to the extent practicable, appoint to the tem-
7 porary Board a qualified member of a different political
8 party who occupies a position requiring nomination by the
9 President, by and with the advice and consent of the Sen-
10 ate.

11 “(iv) The temporary Board may approve transactions
12 over \$25,000,000 only by a unanimous vote of the tem-
13 porary Board, and may not change or amend Agency poli-
14 cies, procedures, bylaws, or guidelines.

15 “(v) The temporary Board shall expire at the end of
16 the term of the President in office at the time the tem-
17 porary Board was constituted.

18 “(vi) With respect to a transaction that equals or ex-
19 ceeds \$100,000,000, the Chairperson of the Temporary
20 Board shall ensure that the Agency complies with section
21 2(b)(3).”.

22 (b) SUNSET.—The amendments made by subsection
23 (a) shall have no force or effect after the 7-year period
24 that begins with the date of the enactment of this Act.

1 **SEC. 109. INFORMATION TECHNOLOGY SYSTEMS.**

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

4 (1) in paragraph (1), by striking all that pre-
5 cedes subparagraph (A) and inserting the following:

6 “(1) IN GENERAL.—Subject to paragraphs (3)
7 and (4), the Agency may use an amount equal to
8 1.25 percent of the surplus of the Agency during fis-
9 cal years 2020 through 2026 to—”; and

10 (2) by striking paragraph (3) and inserting the
11 following:

12 “(3) LIMITATION.—The aggregate of the
13 amounts used in accordance with paragraph (1) for
14 fiscal years 2020 through 2026 shall not exceed
15 \$28,000,000.”.

16 **SEC. 110. ADMINISTRATIVELY DETERMINED PAY.**

17 Section 3 of the Export-Import Bank Act of 1945
18 (12 U.S.C. 635a), as amended by the preceding provisions
19 of this Act, is amended by adding at the end the following:

20 “(o) COMPENSATION OF EMPLOYEES.—

21 “(1) RATES OF PAY.—Subject to paragraph
22 (2), the Board of Directors of the Agency, consistent
23 with standards established by the Director of the Of-
24 fice of Minority and Women Inclusion, may set and
25 adjust rates of basic pay for employees and new
26 hires of the Agency without regard to the provisions

1 of chapter 51 and subchapter III of chapter 53 of
2 title 5, United States Code, except that no employee
3 of the Agency may receive a rate of basic pay that
4 exceeds the rate for level III of the Executive Sched-
5 ule under section 5313 of such title.

6 “(2) LIMITATIONS.—The Board of Directors of
7 the Agency may not apply paragraph (1) to more
8 than 35 employees at any point in time. Nothing in
9 paragraph (1) may be construed to apply to any po-
10 sition of a confidential or policy-determining char-
11 acter that is excepted from the competitive service
12 under section 3302 of title 5, United States Code,
13 (pursuant to section C of subpart C of part 213 of
14 title 5 of the Code of Federal Regulations) or to any
15 position that would otherwise be subject to section
16 5311 or 5376 of title 5, United States Code.”.

17 **SEC. 111. SURVEY ON BLOCKCHAIN USE IN THE OPER-**
18 **ATIONS OF UNITED STATES EXPORTERS.**

19 Within 360 days after the date of the enactment of
20 this Act, and annually thereafter for the succeeding 5
21 years, the President of the United States Export Finance
22 Agency shall submit to the Committee on Financial Serv-
23 ices of the House of Representatives and the Committee
24 on Banking, Housing, and Urban Affairs of the Senate
25 a written report that includes the following:

1 (1) A survey of United States exporters benefit-
2 ting from Agency support regarding the use of
3 blockchain in their operations, including their man-
4 agement of supply chains, contracts, and payments.

5 (2) An assessment of the effects of blockchain
6 on reliability, transparency, and security in the oper-
7 ations.

8 (3) Any policy recommendations to improve the
9 development, use, and security of blockchain in the
10 operations of United States exporters.

11 **TITLE II—IMPROVING AGENCY**
12 **OPERATIONS AND ENHANC-**
13 **ING TRANSPARENCY AND AC-**
14 **COUNTABILITY**

15 **SEC. 201. ANNUAL TESTIMONY.**

16 The Export-Import Bank Act of 1945 (12 U.S.C.
17 635–635i–9) is amended by inserting after section 8A the
18 following:

19 **“SEC. 8B. ANNUAL TESTIMONY.**

20 “For each fiscal year through fiscal year 2026, after
21 submitting the annual report to Congress under section
22 8(a) for the fiscal year, the President of the United States
23 Export Finance Agency shall, on request, appear before
24 the Committee on Financial Services of the House of Rep-

1 representatives and the Committee on Banking, Housing, and
2 Urban Affairs of the Senate to present testimony on—

3 “(1) the activities of the Agency in the fiscal
4 year covered by the report, particularly activities
5 pursuant to the Project on China and Trans-
6 formational Exports;

7 “(2) the actions taken by Agency management
8 to strengthen the ability of the Agency to comply
9 with all statutory requirements, and with Agency
10 policies and procedures, including policies and proce-
11 dures relating to anti-fraud controls, underwriting
12 standards, and additionality;

13 “(3) the results of the most recent Federal Em-
14 ployee Viewpoint Survey or other comparable re-
15 search on staff perspectives at the Agency;

16 “(4) the status of Agency efforts in the pre-
17 ceding fiscal year to meaningfully address rec-
18 ommendations proposed by the Inspector General,
19 United States Export Finance Agency; and

20 “(5) outreach efforts to increase small business
21 awareness and use of the Agency, including efforts
22 undertaken pursuant to section 3(i).”.

1 **SEC. 202. INDEPENDENT AUDIT OF REGIONAL EXPORT FI-**
2 **NANCE CENTERS.**

3 (a) **AUDIT.**—The Inspector General of the United
4 States Export Finance Agency shall conduct an audit of
5 the operation of the Regional Export Finance Centers of
6 the Agency, including a review of—

7 (1) whether the metrics used by the Office of
8 Small Business to evaluate regional office employees
9 adhere to guidance issued by the United States Of-
10 fice of Personnel Management and the Civil Service
11 Reform Act;

12 (2) whether metrics used by the Office of Small
13 Business to evaluate regional office employees are
14 sufficiently tailored to performance requirements;

15 (3) whether metrics have unintended con-
16 sequences in the use of Agency programs; and

17 (4) metrics are aligned with the requirements of
18 section 2(b)(1)(E)(v) of the Export-Import Bank
19 Act of 1945.

20 (b) **REPORT.**—Not later than 180 days after the
21 audit required by subsection (a) is completed, the Agency
22 shall submit to the Committee on Banking, Housing, and
23 Urban Affairs of the Senate and the Committee on Finan-
24 cial Services of the House of Representatives a written re-
25 port detailing the Agency’s plan to address deficiencies
26 outlined in the audit.

1 **SEC. 203. RISK MANAGEMENT COMMITTEE.**

2 (a) IN GENERAL.—Section 3(m) of the Export-Im-
3 port Bank Act of 1945 (12 U.S.C. 635a(m)) is amended
4 to read as follows:

5 “(m) RISK MANAGEMENT COMMITTEE.—

6 “(1) MEMBERSHIP; CHAIR.—There shall be a
7 Risk Management Committee consisting of the Di-
8 rectors of the Agency other than the Chairman or
9 the Vice Chairman. The Chairman of the Board of
10 Directors of the Agency shall designate a member of
11 the Risk Management Committee to serve as chair
12 of the Risk Management Committee. If, because of
13 1 or more vacancies in the offices of the Directors
14 other than the Chairman or the Vice Chairman, the
15 Risk Management Committee would have only 1 or
16 2 members, the General Counsel shall also serve as
17 a member of the Risk Management Committee, but
18 shall not serve as chair. If the Chairman and the
19 Vice Chairman are the only Directors in office, the
20 Risk Management Committee shall consist of the
21 Chairman and the General Counsel, and the General
22 Counsel shall serve as chair.

23 “(2) DUTIES.—The Risk Management Com-
24 mittee shall report to the Board of Directors, and
25 shall be responsible for providing assistance to the
26 Board in—

1 “(A) fulfilling the accounting and report-
2 ing responsibilities of the Board;

3 “(B) determining that the Agency has ade-
4 quate administrative and financial controls;

5 “(C) reviewing the financial statements
6 prepared by management for distribution to the
7 Congress and the public;

8 “(D) providing direction over the internal
9 audit function and the independent account-
10 ants;

11 “(E) overseeing, in conjunction with the
12 Office of the Chief Financial Officer of the
13 Agency—

14 “(i) periodic stress testing on the en-
15 tire Agency portfolio, reflecting different
16 market, industry, and macroeconomic sce-
17 narios, and consistent with best practices
18 of commercial and multilateral develop-
19 ment banks; and

20 “(ii) the monitoring of industry, geo-
21 graphic, and obligor exposure levels; and

22 “(F) reviewing all required reports on the
23 default rate of the Agency before submission to
24 Congress under section 8(g).

1 “(3) QUORUM.—2 members of the Risk Man-
2 agement Committee shall constitute a quorum.”.

3 (b) CONFORMING REPEAL.—Section 51006 of the
4 Fixing America’s Surface Transportation Act (129 Stat.
5 1766; Public Law 104–94) is hereby repealed.

6 **SEC. 204. ENSURING AGENCY COMPLIANCE WITH**
7 **ADDITIONALITY REQUIREMENTS.**

8 (a) WRITTEN DOCUMENTATION REQUIREMENTS.—
9 Not later than 180 days after the date of the enactment
10 of this Act, the Board of Directors of the United States
11 Export Finance Agency shall, with respect to an author-
12 ization in connection with a transaction equal to or in ex-
13 cess of \$25,000,000—

14 (1) adopt and implement policies and proce-
15 dures to ensure that the Agency includes written
16 documentation of the determination and verification
17 of additionality in its records, including—

18 (A) a description of attempts by relevant
19 parties to a transaction to obtain private-sector
20 financing;

21 (B) an explanation of how the level of
22 Agency financing responds to limitations in the
23 availability or terms of private capital; and

24 (C) an assessment, to the extent prac-
25 ticable, of the availability and terms of com-

1 peting financing by a foreign export credit
2 agency;

3 (2) consult with the Chief Information Officer
4 and the Inspector General of the Agency to imple-
5 ment appropriate recordkeeping practices for the
6 written documentation, as well as for any other doc-
7 umentation required by Agency policies and proce-
8 dures; and

9 (3) submit to the Committee on Financial Serv-
10 ices of the House of Representatives and the Com-
11 mittee on Banking, Housing, and Urban Affairs of
12 the Senate a written report that includes a copy of
13 the policies and procedures of the Agency regarding
14 additionality, and an explanation of how the Agency
15 uses the determination and verification of
16 additionality to evaluate applications for support. as-
17 sistance.

18 (b) GAO REVIEWS OF AGENCY POLICIES AND PRO-
19 CEDURES FOR ADDITIONALITY DETERMINATION AND
20 VERIFICATION.—In each of calendar years 2020, 2022,
21 and 2024, and 2026, the Comptroller General of the
22 United States shall review the policies and procedures of
23 the United States Export Finance Agency relating to how
24 the Agency makes a judgment that a transaction is un-
25 likely to proceed without support from the Agency, and

1 the documentation supporting such a judgment, and sub-
2 mit the result of the review to the Committee on Financial
3 Services of the House of Representatives and the Com-
4 mittee on Banking, Housing, and Urban Affairs of the
5 Senate, along with any recommendations to strengthen
6 Agency policies and processes to determine additionality
7 and prevent the Agency from competing with private cap-
8 ital, as described in section 2(b)(1)(B) of the Export-Im-
9 port Bank Act of 1945.

10 (c) ADDITIONAL INFORMATION REQUIRED TO BE
11 PROVIDED TO CONGRESS BEFORE APPROVING CERTAIN
12 SUPPORT.—Section 2(b)(3)(B) of the Export-Import
13 Bank Act of 1945 (12 U.S.C. 635(b)(3)(B)) is amended
14 by inserting “, a determination by the Agency as to wheth-
15 er financing by the Agency fully meets the additionality
16 policies of the Agency, and a non-confidential summary
17 of the facts and conclusions reached in a detailed economic
18 impact analysis or similar study conducted pursuant to
19 subsection (e)(7)” before the period.

20 **SEC. 205. REINSURANCE PROGRAM.**

21 Section 51008 of the Fixing America’s Surface
22 Transportation Act (12 U.S.C. 635 note) is amended—

23 (1) in the section heading, by striking
24 “**PILOT**”;

25 (2) in subsection (a), by striking “pilot”; and

1 (3) by striking subsections (c) through (e) and
2 inserting the following:

3 “(c) FACTORS FOR CONSIDERATION IN REINSUR-
4 ANCE POOLS.—In implementing this section, the Agency
5 shall, with respect to a reinsurance pool, pursue appro-
6 priate objectives to reduce risk and costs to the Agency,
7 including by the following, to the extent practicable:

8 “(1) Ensuring a reasonable diversification of
9 risks.

10 “(2) Including larger exposures where the pos-
11 sibility of default raises overall portfolio risk for the
12 Agency.

13 “(3) Excluding transactions from the pool that
14 are covered by first-loss protection.

15 “(4) Excluding transactions from the pool that
16 are collateralized at a rate greater than standard
17 market practice.

18 “(5) Diversifying reinsurance pools by industry
19 and other appropriate factors.

20 “(6) Exploring different time periods of cov-
21 erage.

22 “(7) Exploring both excess of loss structures on
23 a per-borrower as well as an aggregate basis.

24 “(d) BIENNIAL REPORTS.—Not later than 1 year
25 after the date of the enactment of this subsection, and

1 every 2 years thereafter through 2026, the Agency shall
2 submit to the Committee on Financial Services of the
3 House of Representatives and the Committee on Banking,
4 Housing, and Urban Affairs of the Senate a written report
5 that contains an assessment of the use of the program
6 carried out under subsection (a) since the most recent re-
7 port under this subsection.

8 “(e) **RULE OF CONSTRUCTION.**—Nothing in this sec-
9 tion shall be construed to limit any authority of the Agen-
10 cy described in section 2(a)(1) of the Export-Import Bank
11 Act of 1945.”.

12 **SEC. 206. REPORT ON NEW AGENCY POLICIES, PROCE-**
13 **DURES, AND BYLAWS.**

14 Not later than 90 days after the date of the enact-
15 ment of this Act, the President of the United States Ex-
16 port Finance Agency shall transmit to the Committee on
17 Financial Services of the House of Representatives and
18 the Committee on Banking, Housing, and Urban Affairs
19 of the Senate a copy of all policies, procedures, and bylaws
20 of the Agency approved by the Board of Directors of the
21 Agency that are in effect on such date of enactment. With-
22 in 30 days after the Board of Directors of the United
23 States Export Finance Agency adopts or amends such a
24 policy, procedure, or bylaw, the President of the Agency
25 shall transmit a copy of the adopted or amended policy,

1 procedure, or bylaw to the Committee on Financial Serv-
2 ices of the House of Representatives and the Committee
3 on Banking, Housing, and Urban Affairs of the Senate.

4 **SEC. 207. REPORT ON TRAVEL PRACTICES OF AGENCY EM-**
5 **PLOYEES.**

6 Not later than 180 days after the date of the enact-
7 ment of this Act, and annually thereafter for the suc-
8 ceeding 7 years, the President of the United States Export
9 Finance Agency shall submit to the Committee on Finan-
10 cial Services of the House of Representatives and the
11 Committee on Banking, Housing, and Urban Affairs of
12 the Senate a written report that provides details on au-
13 thorized travel by Agency officers and employees in the
14 preceding year, including the following:

15 (1) Travel start date and end date.

16 (2) Destination or destinations.

17 (3) The department and division employing the
18 traveler.

19 (4) Obligated travel costs.

20 (5) Class of travel.

21 (6) The amount of any reimbursed travel costs
22 or other forms of sponsorship.

1 **SEC. 208. REPORT ON STEPS TAKEN TO CORRECT DEFICIENCIES RELATED TO INFORMATION SECURITY.**
2
3

4 Not later than 180 days after the date of the enactment of this Act, the President of the United States Export Finance Agency 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 written report on the steps the Agency is taking to correct the deficiencies in policies, procedures, and programs identified in the Independent Audit of the United States Export Finance Agency's Information Security Program Effectiveness for Fiscal Year 2018 (OIG-AR-19-03).

15 **SEC. 209. ADDITIONAL REQUIREMENTS INVOLVING CERTAIN TRANSACTIONS.**
16

17 (a) IN GENERAL.—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:

20 “(14)(A) If the outstanding loans, guarantees, and insurance authorized by the Agency in association with a United States exporter or a United States lender equals or exceeds the prescribed amount at any point in a fiscal year, the President of the Agency shall transmit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and

1 Urban Affairs of the Senate a detailed description of poli-
2 cies and practices by the United States exporter or United
3 States lender, as the case may be, regarding—

4 “(i) diversity in management, employment, and
5 business activities, including data pertaining to—

6 “(I) equal employment opportunity and the
7 racial, ethnic, and gender diversity of the work-
8 force and senior management;

9 “(II) outreach programs to hire qualified
10 women and minority employees and contract
11 with qualified minority-owned and women-
12 owned businesses;

13 “(III) the participation of women-owned
14 and minority-owned businesses in procurement
15 and contracting, including as suppliers and sub-
16 contractors; and

17 “(IV) developments with respect to this
18 clause, including job creation for women and
19 minority employees, suppliers, and contractors,
20 resulting from the policies and practices de-
21 scribed in this subparagraph during the pre-
22 ceding year; and

23 “(ii) outreach efforts to small businesses during
24 the preceding year, including efforts that—

1 “(I) raise awareness of small business pro-
2 curement and contracting opportunities;

3 “(II) educate small businesses involved in
4 procurement and contracting on the objectives
5 and activities of the Agency, with the purpose
6 of expanding direct small business exports fi-
7 nanced by the Agency; and

8 “(III) developments resulting from the out-
9 reach efforts described in this clause during the
10 preceding year, including the number of small
11 businesses contracted with and the number of
12 jobs created, as well as any other benefits to
13 the communities of the exporter, lender, or re-
14 lated small businesses, as the case may be.

15 “(B) On authorization of financing that equals or ex-
16 ceeds \$100,000,000 during the fiscal year involving the
17 exporter or lender described in subparagraph (A), the
18 President of the Agency shall transmit to the Committee
19 on Financial Services of the House of Representatives and
20 the Committee on Banking, Housing, and Urban Affairs
21 of the Senate a report that includes—

22 “(i) an economic impact analysis or similar
23 study of the transaction performed by the Agency, in
24 a manner consistent with the procedures described
25 in subsection (e)(7), which shall include consider-

1 ation of the views of the public and interested par-
2 ties and an assessment of adverse effects on United
3 States employment, if any, that may result from
4 Agency financing involving a foreign competitor of a
5 United States entity; and

6 “(ii) an assessment of how the Agency deter-
7 mined the need for financing of the transaction, in-
8 cluding—

9 “(I) a description of attempts by relevant
10 parties to the transaction to obtain private-sec-
11 tor financing, including a description of the
12 written documentation of the attempts, or an
13 explanation for the lack of any such attempt;
14 and

15 “(II)(aa) an explanation of why private-
16 sector financing is not available or not economi-
17 cally viable for the transaction; or

18 “(bb) a certification that the Agency re-
19 ceived sufficient information to conclude that fi-
20 nancing is necessary to counter official export
21 credit provided by a foreign government for a
22 similar transaction involving the same foreign
23 obligor.

24 “(C) In this paragraph, the term ‘prescribed amount’
25 means an amount equal to 20 percent of the outstanding

1 loans, guarantees, and insurance of the Agency, as cal-
2 culated on the 1st day of the fiscal year.”.

3 (b) Section 8 of such Act (12 U.S.C. 635g), as
4 amended by title I of this Act, is amended by adding at
5 the end the following:

6 “(p) ADDITION TO ANNUAL REPORT.—The Agency
7 shall include in its annual report to the Congress under
8 subsection (a) information on the 10 United States export-
9 ers benefitting from the highest level of Agency support
10 and 10 foreign obligors utilizing the highest level of Agen-
11 cy support during the reporting period, including the share
12 of total authorizations by value, and the industry or indus-
13 trial sector, connected with each such exporter and obli-
14 gor.”.

15 **SEC. 210. ANTI-FRAUD REFORMS.**

16 Section 2 of the Export-Import Bank Act of 1945
17 (12 U.S.C. 635) is amended—

18 (1) in subsection (f), by striking the period and
19 inserting: “, and shall deny an application for assist-
20 ance if—

21 “(1) the Agency has substantial credible evi-
22 dence that the end user, borrower, lender, or ex-
23 porter has committed an act of fraud or corruption
24 in connection with the application; or

1 “(2) the end user, borrower, lender, or exporter
2 has been convicted of an act of fraud or corruption
3 in connection with an application for support from
4 the Agency made in the preceding 5 years.

5 The Agency may proceed with an application described
6 under paragraph (1) or (2) of this subsection only if an
7 end user, borrower, lender, or exporter can be fully ex-
8 cluded from the transaction.”; and

9 (2) in subsection (i), by striking “should re-
10 quire” and inserting “shall require”.

11 **TITLE III—FOREIGN POLICY** 12 **CONSIDERATIONS**

13 **SEC. 301. CHINESE GOVERNMENT-OWNED ENTERPRISES.**

14 (a) IN GENERAL.—Section 2 of the Export-Import
15 Bank Act of 1945 (12 U.S.C. 635), as amended by section
16 103(a) of this Act, is amended by adding at the end the
17 following:

18 “(m) RESTRICTION ON FINANCING FOR ENTITIES
19 OWNED OR CONTROLLED BY THE CHINESE GOVERN-
20 MENT.—

21 “(1) IN GENERAL.—An authorization approved
22 by the Board of Directors after the effective date of
23 this subsection may not take effect if a loan, guar-
24 antee, or insurance is approved for the benefit of
25 any foreign entity that is at least 25 percent owned,

1 directly or indirectly, by the government of the Peo-
2 ple’s Republic of China, unless the United States
3 Trade Representative, in consultation with appro-
4 priate Federal agencies, completes a due diligence
5 review and certifies the financing, in accordance with
6 paragraph (3), in a report to the Committee on Fi-
7 nancial Services of the House of Representatives and
8 the Committee on Banking, Housing, and Urban Af-
9 fairs of the Senate. For the purposes of identifying
10 whether a foreign entity is at least 25 percent
11 owned, directly or indirectly, by the government of
12 the People’s Republic of China, the Board of Direc-
13 tors may rely on any of the following:

14 “(A) Information required of or provided
15 by a party to the transaction.

16 “(B) Any information provided to the
17 Agency by a Federal department or agency.

18 “(2) LIMITATION ON FINANCING OF LOCAL
19 COSTS.—The Agency may not approve financing for
20 a transaction if more than 15 percent of local costs
21 with respect to the transaction that are incurred in
22 the People’s Republic of China would be covered by
23 the financing.

24 “(3) DUE DILIGENCE REVIEW AND REPORT.—
25 For the purposes of the report described in para-

1 graph (1), the United States Trade Representative
2 shall present the findings of the due diligence review,
3 but may not provide the certification referred to in
4 paragraph (1), if—

5 “(A) the foreign entity provides goods,
6 services, or other material or financial support
7 in connection with any of the following policies
8 and operations of the government of the Peo-
9 ple’s Republic of China:

10 “(i) Any military or intelligence oper-
11 ations;

12 “(ii) Activities pursuant to the Belt
13 and Road Initiative (or any successor or
14 comparable activity of that government);

15 “(iii) The abuse of human rights, in-
16 cluding the restriction of freedom of ex-
17 pression and the mistreatment of ethnic or
18 religious minorities in China;

19 “(iv) Any other policy or operation
20 that, in the determination of the President,
21 may threaten the national interest of the
22 United States;

23 “(B) the United States Trade Representa-
24 tive finds that the transaction would not pro-

1 vide a meaningful net economic benefit for the
2 United States;

3 “(C) the foreign entity knowingly engages
4 in the theft of United States intellectual prop-
5 erty or the illicit transfer of technology from a
6 United States person;

7 “(D) the transaction described in para-
8 graph (1) involves the export of critical tech-
9 nologies (as defined under section 721(a)(6) of
10 the Defense Production Act of 1950) to the for-
11 eign entity; or

12 “(E) the leadership of the foreign entity
13 engages in a significant act or acts of corrup-
14 tion or money laundering, or has committed a
15 violation of the Foreign Corrupt Practices Act
16 of 1977, the Arms Export Control Act, the
17 International Emergency Economic Powers Act,
18 or the Export Administration Act of 1979.

19 “(4) TIMING AND FORM OF REPORT.—The re-
20 port described in paragraph (3) shall be submitted
21 not later than 45 days after approval by the Board
22 of Directors, except that the United States Trade
23 Representative may extend the required time in
24 which to submit the report by one 15-day period on
25 notifying the Committee on Financial Services of the

1 House of Representatives and the Committee on
2 Banking, Housing, and Urban Affairs of the Senate
3 that the extension is necessary. The report described
4 in paragraph (3) shall be submitted in unclassified
5 form but may contain a classified annex.

6 “(5) PROCEDURES FOR CHINESE GOVERNMENT-
7 CONTROLLED ENTITIES.—The requirements of para-
8 graph (1) shall apply to any foreign entity, notwith-
9 standing the level of ownership by the government of
10 the People’s Republic of China, if the Agency has
11 reason to believe that the foreign entity is controlled
12 by the government of the People’s Republic of
13 China.

14 “(6) EXEMPTION.—Paragraphs (1) and (2)
15 shall not apply to the following if—

16 “(A) financing would enable exports di-
17 rectly by United States small business concerns;
18 or

19 “(B) financing is required for the export of
20 humanitarian goods or services, including life-
21 saving, rescue, and medical equipment (such as
22 ambulances, firefighting vehicles, hospital sup-
23 plies, and medical devices).

24 “(7) PRESIDENTIAL WAIVER.—The President
25 may waive any requirement of paragraph (1) or (2)

1 for up to 1 year at a time, on reporting in writing
2 to the Committee on Financial Services of the House
3 of Representative and the Committee on Banking,
4 Housing, and Urban Affairs of the Senate that the
5 waiver is essential to the national interest of the
6 United States, with a detailed explanation of the
7 reasons therefor.”.

8 (b) SUNSET.—The amendment made by subsection
9 (a) shall have no force or effect on and after the earlier
10 of—

11 (1) the date that is 30 days after the Secretary
12 of the Treasury submits a report to the Committee
13 on Financial Services of the House of Representa-
14 tives and the Committee on Banking, Housing, and
15 Urban Affairs of the Senate certifying that the Peo-
16 ple’s Republic of China is in substantial compliance
17 with—

18 (A) the financial terms and conditions of
19 the Arrangement on Officially Supported Ex-
20 port Credits of the Organization for Economic
21 Cooperation and Development; and

22 (B) the rules and principles of the Paris
23 Club; or

24 (2) the date that is 30 days after the President
25 of the United States Export Finance Agency reports

1 to the Committee on Financial Services of the House
2 of Representatives and the Committee on Banking,
3 Housing, and Urban Affairs of the Senate that the
4 Board of Directors of the Agency has voted in favor
5 of terminating the requirement for a certification in
6 section 2(m)(1) of the Export-Import Bank Act of
7 1945, except that the Board of Directors may not
8 hold such a vote before the date that is 5 years after
9 the date of the enactment of this Act.

10 **SEC. 302. INTERNATIONAL NEGOTIATIONS ON EXPORT SUB-**
11 **SIDIES.**

12 (a) IN GENERAL.—Section 11(a)(1) of the Export-
13 Import Bank Reauthorization Act of 2012 (12 U.S.C.
14 635a–5(a)(1)) is amended by striking “with possible goal
15 of eliminating, before the date that is 10 years after De-
16 cember 4, 2015,” and inserting “with the goal of elimi-
17 nating, before the date that is 10 years after the date of
18 the enactment of the United States Export Finance Agen-
19 cy Act of 2019”.

20 (b) PROGRESS REPORT.—Section 11(e) of such Act
21 (12 U.S.C. 635a–5(e)) is amended by striking “2019” and
22 inserting “2026”.

23 (c) CONDUCT OF NEGOTIATIONS.—Section 11 of
24 such Act (12 U.S.C. 635a–5) is amended—

1 (1) in each of subsections (a) and (d), by strik-
 2 ing “The President” and inserting “Not less fre-
 3 quently than twice per calendar year, the Secretary
 4 of the Treasury, in consultation with the President
 5 of the United States Export Finance Agency and the
 6 United States Trade Representative,”; and

7 (2) in each of subsections (b), (c), and (e), by
 8 striking “President” each place it appears and in-
 9 serting “Secretary of the Treasury”.

10 **SEC. 303. PROHIBITION ON FINANCING FOR EXPORTS IN-**
 11 **VOLVING STATE SPONSORS OF TERRORISM.**

12 Section 2(b)(2) of the Export-Import Bank Act of
 13 1945 (12 U.S.C. 635(b)(2)) is amended—

14 (1) in the paragraph heading, by inserting after
 15 “MARXIST-LENINIST COUNTRIES” the following:
 16 “AND STATE SPONSORS OF TERRORISM”; and

17 (2) in subparagraph (A), by inserting after
 18 “Marxist-Leninist country” each place it appears
 19 “or a state sponsor of terrorism”.

20 **TITLE IV—MISCELLANEOUS**
 21 **PROVISIONS**

22 **SEC. 401. MISCELLANEOUS UPDATES RELATING TO THE**
 23 **UNITED STATES EXPORT FINANCE AGENCY.**

24 (a) Section 2(a)(3) of the Export-Import Bank Act
 25 of 1945 (12 U.S.C. 635(a)(3)) is amended—

1 (1) by adding “and” at the end of subpara-
2 graph (B);

3 (2) by striking “; and” at the end of subpara-
4 graph (C) and inserting a period; and

5 (3) by striking subparagraph (D).

6 (b) Section 2(b)(1)(H) of such Act (12 U.S.C.
7 635(b)(1)(H)) is amended in each of clauses (ii) and (iii)
8 by striking “including” and all that follows and inserting
9 “including United States allies and partners eligible for
10 assistance from the International Bank for Reconstruction
11 and Development and the International Development As-
12 sociation.”.

13 (c) Section 2(b)(1)(I) of such Act (12 U.S.C.
14 635(b)(1)(I)) is amended by striking the 2nd sentence.

15 (d) Section 2(b)(3)(A)(iii) of such Act (12 U.S.C.
16 635(b)(3)(A)(iii)) is amended by inserting “, the United
17 States exporter,” before “and”.

18 (e) Section 2(b)(3)(B) of such Act (12 U.S.C.
19 635(b)(3)(B)) is amended by inserting “a description, to
20 the extent practicable, of any private financing, used or
21 unused, available for the transaction, to the extent
22 known,” before “the amount”.

23 (f) Section 3(d)(1)(B) of such Act (12 U.S.C.
24 635a(d)(1)(B)) is amended by inserting “high tech-
25 nology,” before “and”.

1 (g) Section 3(j)(2)(B)(ii) of such Act (12 U.S.C.
2 635a(j)(2)(B)(ii)) is amended—

3 (1) by inserting “, interest, and claim” before
4 “expenses”; and

5 (2) by inserting “including broker commissions”
6 before the period.

7 (h) Section 8(b)(3) of such Act (12 U.S.C.
8 635g(b)(3)) is amended—

9 (1) by striking “Committee on Small Business”
10 the 1st place it appears and inserting “Committees
11 on Banking, Housing, and Urban Affairs and on
12 Small Business”; and

13 (2) by striking “Committee on Small Business”
14 the 2nd place it appears and inserting “Committees
15 on Financial Services and on Small Business”.

16 (i)(1) Section 8 of such Act (12 U.S.C. 635g), as
17 amended by the preceding provisions of this Act, is amend-
18 ed—

19 (A) by striking subsection (c) and redesignating
20 subsections (d) through (o) as subsections (c)
21 through (p), respectively; and

22 (B) in paragraph (2) of subsection (e) (as so
23 redesignated by subparagraph (A) of this para-
24 graph), by striking “(e)” and inserting “(d)”.

1 (2) Section 6(a)(3) of such Act (12 U.S.C.
2 635e(a)(3)) is amended by striking “8(g)(1)” each place
3 it appears and inserting “8(f)(1)”.

4 (j) Section 10(b)(4) of such Act (12 U.S.C. 635i-
5 3(b)(4)) is amended by striking “may” and inserting
6 “shall, on request”.

7 **SEC. 402. PROHIBITION ON FINANCING FOR CERTAIN AVIA-**
8 **TION-RELATED VEHICLES.**

9 Section 2(b) of the Export-Import Bank Act of 1945
10 (12 U.S.C. 635(b)), as amended by section 209(a) of this
11 Act, is amended by adding at the end the following:

12 “(15) PROHIBITION ON FINANCING FOR CERTAIN
13 AVIATION-RELATED VEHICLES.—The Board of Directors
14 of the Agency may not give approval to a transaction in-
15 volving an aviation-related vehicle during any period in
16 which the Federal Government has prohibited its oper-
17 ation.”.

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