

**Testimony of Ms. Reta Jo Lewis, President and Chair  
Export-Import Bank of the United States  
Senate Appropriations Subcommittee  
on State, Foreign Operations, and Related Programs  
May 15, 2024**

Chairman Coons, Ranking Member Graham, and distinguished members of this committee, thank you for inviting me to testify on the Administration's Fiscal Year 2025 budget request for the Export-Import Bank of the United States (EXIM).

It is an honor to appear before you as EXIM's Chair and President of the Board of Directors and to thank you for your support in passing an historic seven-year reauthorization of EXIM in 2019.

I am pleased to be joined at this hearing with my counterparts at the U.S. International Development Finance Corporation and the Millennium Challenge Corporation.

Like our fellow agencies, EXIM plays a vital role in promoting and sustaining U.S. leadership around the world. But while EXIM's activities may have development impacts, it is not a development agency.

As you know, EXIM is the official export credit agency of the United States. Its congressionally-mandated mission is to support U.S. jobs by financing or facilitating exports. The agency does that through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing, or where such support is necessary to level the competitive playing field for U.S. exporters due to financing provided by foreign governments to their exporters.

A multi-year lapse in EXIM's charter, a lack of quorum on the Board of Directors, and the COVID-19 pandemic had a devastating impact on morale, staffing, and operations. Building on my predecessor's success in reopening the agency—an effort this committee supported—I have worked tirelessly to rebuild and revitalize EXIM and set it up for even greater success in its next chapter.

In FY 2023, because of the dedication of our talented workforce, EXIM supported nearly \$8.8 billion in authorizations—an almost 66 percent increase over FY 2022—and an estimated 40,000 jobs across the country. These authorizations reflect not only our commitment to helping American businesses succeed, but also the strong, and growing demand for EXIM’s products and services.

We strive every day at EXIM to fulfill our congressional mandates by sector, size, and scope. As it relates to our sub-Saharan Africa mandate, since its first deal with Angola in 1942, EXIM’s financing has been a catalyst for economic growth, job creation, and greater prosperity throughout Africa. I am very pleased to say that in FY 2023, EXIM approved nearly \$1.6 billion in authorizations for sub-Saharan Africa.

Since FY 2022, EXIM has authorized approximately \$2.2 billion of transactions for the region. This includes two authorizations for Ethiopian Airlines to purchase Boeing aircraft valued at more than \$725 million; it also includes an authorization of more than \$900 million for the construction of solar power plants in Angola—the largest renewable project in EXIM’s history. All told, I am proud to say that EXIM’s sub-Saharan Africa exposure stands at more than \$8.0 billion, an historic high for the region.

EXIM is focused on infrastructure project opportunities in developing markets for U.S. manufacturers and exporters. U.S. exports of goods and services are well positioned to facilitate such important projects around the world and align with the goals of the Partnership for Global Infrastructure and Investment, or PGI. EXIM has authorized deals under the PGI framework worth more than \$2 billion, which also includes a roughly \$600 million rail infrastructure deal in Kazakhstan and the previously mentioned Angola solar project.

FY 2023 also marked the first time that small business authorizations surpassed \$2 billion since FY 2020. This reflects 23 percent of our total authorizations by dollar value but almost 90 percent of our total authorizations by numeric value. In short, we do most of our deals with small businesses in Delaware, South Carolina, and states across America.

I am also pleased to say that the efforts of our China and Transformational Exports Program (CTEP) team have resulted in a nine-fold increase in year-over-year growth since FY 2022, culminating in FY 2023 CTEP authorizations totaling \$2.4 billion, up from \$252.9 million in FY 2022. As a share of the agency's financing in FY 2023, CTEP transactions made up approximately 28 percent of the agency's overall authorizations.

Congress worked with EXIM during the 2019 reauthorization to create CTEP, and the agency is using the mandate to support U.S. manufacturers and exporters facing Chinese competition and to support America's comparative leadership over the People's Republic of China (PRC) across ten transformational export areas.

Here's one example: in March 2020, the EXIM Board unanimously authorized a \$91.5 million transaction in support of Weldy-Lamont Associates LLC, a U.S. small business exporter that won a contract to provide electricity in 400 rural villages in Senegal.

In early 2021, EXIM learned that a PRC-based consortium sought to replace Weldy-Lamont by offering a more favorable financial package. In response, EXIM's Board of Directors unanimously approved an amendment to the transaction, extending an option of an 18-year repayment term to cover the entire EXIM financing of the project and an option to convert the previously approved EXIM loan guarantee to a direct loan.

In 2023, EXIM also authorized our first-ever Make More in America (MMIA) initiative transaction, a direct loan for more than \$4.7 million to Aquatech International to modernize and expand laboratory facilities in Wisconsin and Pennsylvania.

The Make More in America initiative allows EXIM to extend medium- and long-term financing to *domestic* projects that would facilitate exports and underscores the agency's efforts to reshore manufacturing, rebuild the domestic supply chain, and support American jobs.

EXIM subsequently approved additional transactions supporting electric-powered aircraft manufacturing in Vermont, and a plastics packaging facility in the Port of Houston. In aggregate, these historic transactions are expected to support almost 460 jobs during the construction period and 480 new jobs at the facilities.

Aquatech's CEO wrote that the deal "enables Aquatech to better support Critical Minerals (Lithium) and Electric Vehicle supply chains in the US and globally, demonstrating the power of public-private coordination to strengthen American manufacturing competitiveness."

I could not have put it better myself, which is why I am excited about the robust pipeline of MMIA applications, particularly for small- and medium-sized businesses.

We hope to work with Congress to build on these achievements and set the agency up for even greater successes. I believe the Biden-Harris Administration's FY 2025 budget request to Congress does just that.

In the agency's budget justification presented to Congress in March, EXIM requested \$130.1 million for administrative resources plus \$15.0 million in program budget, which enables the agency to offer competitive financing while meeting appropriate reserve requirements.

This request will support recruitment and retention of highly trained staff required to successfully complete complex international financial transactions. This includes underwriters and engineers, who need sector-based knowledge and technical experience to speak to the viability, compliance, and safety issues involved in potential deals.

The request will support a projected \$11.3 billion in new authorizations, an export value of \$17 billion, and 56,000 U.S. jobs.

These numbers anticipate growth in EXIM's transportation program and an increase in green energy-related transactions, particularly in nuclear plant refurbishments and hydro and solar power generation projects. The agency also

forecasts growth in single-buyer insurance, working capital, and supply chain programs within EXIM.

As part of the FY 2025 request, EXIM is seeking a default rate cap exemption for both nuclear projects, because of their size, and for CTEP transactions, which would allow EXIM to better counter predatory PRC financing in transformational export areas and higher risk markets.

Under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, the agency's lending authority would be frozen at its current level and the agency would be unable to fully deliver on its mission of supporting U.S. jobs through exports until the default rate dropped below two percent.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, we necessarily support transactions with higher risk profiles. Inherent in this risk-taking is an expectation of some defaults. Put simply: EXIM cannot fulfill its mission of supporting U.S. jobs, and cannot aggressively pursue its mandates from Congress, if the agency is too afraid to ever fail. And the current two percent trigger is significantly hampering EXIM's willingness to incur risk, particularly in areas where Congress wants us to lean in, like competition with the PRC.

Other U.S. government lending agencies do not face the two percent constraint, nor are we aware of any foreign export credit agencies subject to such a standard. The result is an overly conservative underwriting culture that limits EXIM's ability to level the playing field against foreign export credit agencies. The requested exemption would allow EXIM to more aggressively compete against the PRC and embrace higher risk technologies and markets, making sure U.S. exporters can compete on equal footing in the global market.

Finally, while reauthorization is not the subject of today's hearing, I would be remiss if I did not mention that EXIM's charter will expire at the end of 2026.

When EXIM's charter lapsed between 2015 and 2019, the world saw a 35 percent increase in the number of foreign export credit providers. Other official export credit providers evolved their philosophy and substantively expanded their roles. And U.S. manufacturers lost out as foreign governments promoted their domestic industries, creating a fundamentally uneven playing field.

An early reauthorization, backed by large, bipartisan majorities would send a strong signal to the world that Congress is committed to supporting EXIM and empowering the agency to advance America's national interest by facilitating exports and supporting jobs. I look forward to working with you and other congressional stakeholders on bipartisan, multi-year reauthorization legislation.

Thank you again, and I look forward to your questions.