



Ex-Im Bank News

Reauthorization, Budget On Hold as Congress Passes CR

Given the dramatic change in legislative priorities resulting from the September 11 terrorist attacks, Congress passed a continuing resolution (CR) on September 25 that funds all agencies, including Ex-Im Bank, for which appropriations bills have not yet been signed. However, efforts continue to move Ex-Im Bank's reauthorization and FY 2002 appropriations bills.

The House version of the reauthorization bill will continue to change as the Financial Services Committee and the full House consider the bill in early October. The bill is expected to reach the Senate floor in early October. Once the House and Senate have passed the legislation, they will need to reconcile any differences in conference.

The House passed the FY 2002 Foreign Operations appropriations bill that provides funding for Ex-Im Bank and other international programs on July 24. The Senate is expected to consider its version soon, and then the Senate and the House must negotiate a final compromise.

On October 2, Chairman Robson testified before the Senate Banking Committee on Ex-Im Bank's role in the Trade Promotion Coordinating Committee.

Ex-Im Responds to Post-Sept. 11 Airline Insurance Crisis

Ex-Im Bank acted swiftly in response to the September 11 terrorist attacks by notifying airlines operating Ex-Im Bank-financed aircraft that the Bank will not, through October 11 (subject to revocation on 24 hours notice), enforce its rights to require third-party liability war risk insurance coverage above that which is currently available.

The attacks led aviation insurers to cancel liability insurance arising from acts of war or terrorism. This coverage can be reinstated at higher cost, but coverage for third-party war risk liability is very limited.

Ex-Im Bank carefully analyzed the impact of the situation on its portfolio and convened a meeting of relevant U.S. government agencies to examine the effects of these actions on the global air transport network and foreign airlines. The U.S. government was able to canvass the reaction of other governments and focus attention on this issue.

Ex-Im Bank is the largest financier of U.S.-manufactured aircraft," said Chairman Robson. "We hope that during this seven-day period a longer-term solution to this critical problem will be found either

in the insurance markets themselves, through action by governments that have not yet acted to provide coverage for their domestic carriers, as the United States has done, or by concerted international action."

Ex-Im Bank supports more than \$17 billion of financings for more than 500 U.S.-manufactured aircraft to approximately 70 non-U.S. airlines in over 45 nations.

The September 11 attacks may result in longer-term changes in other aspects of the Bank's business.

Weaver Meets Leaders in Panama, Dominican Republic

Ex-Im Bank Director Vanessa Weaver met with two dozen government officials and business leaders in Panama and the Dominican Republic during a five-day business development trip on September 9-14, 2001.

Ms. Weaver delivered speeches to several groups of Panamanian and Dominican bankers and business people. She also met with representatives of a number of U.S. exporters in the Dominican Republic, including **Calmaquip**, of Miami, Florida;



Director Weaver holds press conference in Santo Domingo, Dominican Republic

Biwater USA Inc., of Dallas, Texas; and **Vinalu LLC**, also of Miami.

Ex-Im Bank has financed exports to Panama since 1939 and to the Dominican Republic since 1940.



Economic Impact Procedures Finalized

The board of directors approved Ex-Im Bank's new economic impact procedures on September 17. The new procedures establish a screening process to determine which transactions should be subject to a full economic impact analysis. The Bank will analyze transactions that support capital equipment to produce an exportable good, involving Ex-Im Bank financing of more than \$10 million, and which could cause substantial injury (defined by Congress as the foreign buyer's production resulting from an Ex-Im Bank financed purchase that is at least 1 percent of U.S. production).

"These procedural changes will enable us to more fully analyze the potential impact on the U.S. economy of Ex-Im Bank-supported transactions in the interconnected 21st century global marketplace," Chairman Robson said.

Lambright Named Special Assistant

James H. Lambright, an investment banker and attorney specializing in real estate and venture capital, has been named special assistant to Chairman Robson. Mr. Lambright will coordinate Ex-Im Bank's efforts to increase support for U.S. exports to sub-Saharan Africa and will report to Chairman Robson on a variety of other projects.

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Ex-Im Officials on Business Development Trip to Poland

Senior Business Development Officer Frank Graebner and Business Development Officer Robert Bosco met with representatives of the Polish cities of Krakow, Bydgoszcz, Wroclaw and Szczecin to introduce them to Ex-Im Bank's sub-sovereign program during a business development visit to Poland on September 17-19, 2001.

Poland is Ex-Im Bank's largest market in Central Europe and has been a trade partner of Ex-Im Bank since 1973. In the last five years, Ex-Im Bank has supported nearly \$200 million in U.S. exports of aircraft, electrical power generation equipment, and other goods to Poland. Ex-Im Bank has \$499 million in exposure in Poland.

TRANSACTIONS OF THE MONTH: Aircraft Sales Go Ahead to Algeria, China, Austria; Oil and Gas Deals in Mexico and Algeria; and Smart Cards to Taiwan

Ex-Im Bank's board of directors approved on September 28 three major oil and gas transactions, collectively worth about \$500 million, and three aircraft deals, collectively worth about \$700 million.

Halliburton Energy Services, of Houston, Texas, and 56 U.S. suppliers, will provide drilling tools and other equipment and services for the Burgos Basin gas project in Mexico. Halliburton and other suppliers also will provide equipment and services for an oil well work-over/stimulation project at two Algerian oil fields. In addition, **Kellogg Brown & Root Inc.**, also of Houston, and 50 U.S. suppliers will provide equipment and services for Mexico's Cantarell offshore oil field.

The Board approved long-term guarantees supporting the export of 14 **Boeing 737 Next Generation** aircraft and one

Boeing 767-300ER aircraft to Air Algerie in Algeria, Hainan Airlines in China, and Lauda Air in Austria. Engines are made by **Pratt & Whitney**, of East Hartford, Conn., and **CFM International**, of Cincinnati, Ohio.

Trans Pacific Bank, of San Francisco, used its delegated authority on September 6 to commit a \$1,950,000 loan to **Chipcards, Inc.**, a small San Francisco firm that produces equipment for smart card production lines. This will support three contracts to China valued at \$7.5 million.

Web Site Easier To Search

Ex-Im Bank's Web Team recently upgraded the search tool on the Bank's Web site and Intranet site with new software that allows results to be sorted by date and relevance. Now you can view the date and a portion of the text, and the search term will be highlighted.

Joint Indonesian Initiative Announced

Ex-Im Bank, the Overseas Private Investment Corporation (OPIC), and the US Trade and Development Agency (TDA) will provide up to \$400 million in loans and guarantees to finance trade initiatives with Indonesia, the Bank announced on Sept. 21. Ex-Im Bank will provide financing to sup-

port U.S. exports for projects in the oil and gas sector. OPIC will provide loans, guarantees and insurance for projects in the oil and gas sector, and TDA funds will be used primarily to identify and develop projects for Ex-Im Bank and OPIC loans and guarantees in the oil and gas sector.

Ex-Im Bank's sub-sovereign program makes doing business with U.S. companies easier for qualifying cities, provinces, and other sub-sovereign entities, and helps foreign borrowers that are supported by municipal, state and provincial governments to gain access to Ex-Im Bank financing.