

December 2, 2020

Export-Import Bank of the United States
811 Vermont Avenue
Washington, D.C. 20571

To the Chairman of the Export-Import Bank of the United States,

In its historic, bipartisan reauthorization of the Export-Import Bank of the United States (EXIM) in December 2019, Congress directed EXIM to establish a new Program on China and Transformational Exports (the China Program). The China Program's purpose is to support the extension of loans, guarantees, and insurance, at rates and on terms and other conditions, to the extent practicable, that are competitive with rates, terms, and other conditions established by the People's Republic of China.

We, the members of this committee, believe that the China Program comes at an essential time, when the U.S. has a strategic imperative to support U.S. workers and companies as they compete for global projects against China's state-backed actors. Therefore, it is our belief that EXIM should continue to expeditiously establish the China Program and commend Chairman Kimberly Reed for her leadership in doing so thus far.

To that end, the results of EXIM's annual survey of U.S. exporters and financial institutions regularly identify EXIM's content policy as the number one obstacle to overall EXIM competitiveness. This concern has been further validated through extensive discussions with exporters across numerous sectors, including during EXIM's 2020 "Strengthening American Competitiveness" initiative, particularly when it comes to competing with China and supporting transformational exports.

Therefore, as a matter of economic security, we recommend that you take the following steps to ensure that U.S. workers have the best opportunity to succeed in today's global marketplace, particularly when it comes to supporting U.S. innovation, employment, and technological standards in 10 transformational export sectors:

- EXIM should increase the competitiveness of its content policy to better align with other U.S. agencies and foreign export credit agencies. Specifically, we recommend a U.S. content minimum of 20-30 percent to better level the playing field with our foreign allies and competitors within the OECD such as Japan and the United Kingdom.
- EXIM should have flexibility in making a national interest determination similar to the guidelines governing the Advocacy Center at the U.S. Department of Commerce.
- EXIM should have dedicated resources to fund operating costs and financing flexibility to carry out the Program's mission, including a yearly evaluation of the competitiveness of the Program *vis-à-vis* China.
- EXIM should be part of a holistic, whole-of-government approach to financing transactions, in concert with other tools and agencies of U.S. statecraft.

Sincerely,
Members of the 2020-2021 EXIM Advisory Committee¹

¹ The final vote on the adoption of this letter in its entirety was approved with a vote of 12 Yeas and 4 Nays during the Advisory Committee meeting on December 2, 2020. A previously submitted amendment to change the minimum content recommendation to "50%" failed with a vote of 5 Yeas to 11 Nays. A second amendment proposed to change the minimum content recommendation to "40%" failed, due to a lack of a second motion by another member of the Advisory Committee.