

## **FACT SHEET**

*September 1, 2020*

### **EXIM RESPONSE TO SCARCE COVID-19-RELATED MEDICAL SUPPLIES**

#### **Background**

The Export-Import Bank of the United States (EXIM) is playing its part to address the shortage of medical supplies and equipment needed to treat and prevent the spread of the COVID-19 (coronavirus) pandemic in the United States. As part of the U.S. Government response, on a temporary basis EXIM is excluding coverage for exports of medical supplies and equipment that the President of the United States and other federal agencies have designated as being in short supply and required for our nation's domestic response to the COVID-19 crisis.

On April 3, 2020, President Trump issued a "Memorandum on Allocating Certain Scarce or Threatened Health and Medical Resources to Domestic Use." (<https://www.whitehouse.gov/presidential-actions/memorandum-allocating-certain-scarce-threatened-health-medical-resources-domestic-use/>) This Memorandum summarized the steps the President had taken to date to address the short supply of medical supplies and equipment necessary on the battle against COVID-19, including Executive Orders 13909 and 13910. Pursuant to Executive Order 13910, on March 25, 2020, the Department of Health and Human Services (HHS) issued a "Notice of Designation of Scarce Materials or Threatened Materials Subject to COVID-19 Hoarding Prevention Measures Under Executive Order 13910 and Section 102 of the Defense Production Act of 1950." (<https://www.hhs.gov/sites/default/files/hhs-dfa-notice-of-scarce-materials-for-hoarding-prevention.pdf>) Both the April 3 Presidential Memorandum and the HHS Notice contain lists of specific items that are in short supply. HHS has updated the list of scarce medical supplies and equipment twice, once on June 30, 2020 and again on July 23, 2020. (<https://www.federalregister.gov/documents/2020/07/07/2020-14525/notice-of-designation-of-scarce-materials-or-threatened-materials-subject-to-covid-19-hoarding> (<https://www.federalregister.gov/documents/2020/07/30/2020-16458/extension-of-designation-of-scarce-materials-or-threatened-materials-subject-to-covid-19-hoarding>) Naturally, in this dynamic situation, the items on these lists could further change. EXIM will continue to monitor these lists and update this fact sheet as appropriate. EXIM encourages exporters and other participants in EXIM transactions to monitor these lists as well.

In addition to the April 3 Presidential Memorandum and the HHS Notices mentioned above, effective April 10, 2020, the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) have put in place a rule that bans the export of certain items that are also included in the HHS Notices and the Presidential Memorandum mentioned above. 85 Fed. Reg. 20195. (<https://www.federalregister.gov/documents/2020/04/10/2020-07659/prioritization-and-allocation-of-certain-scarce-or-threatened-health-and-medical-resources-for>) Under the FEMA rule, export of the listed items can only be exported with the explicit permission of FEMA. On August 10, 2020, FEMA modified the list of medical supplies and equipment subject to an export ban. (<https://www.federalregister.gov/documents/2020/08/10/2020-17467/prioritization-and-allocation-of-certain-scarce-and-critical-health-and-medical-resources-for>) Naturally, EXIM does not support the export of banned export items, but it is the responsibility of exporters to assure that they are complying with the FEMA Rule ban.

## **EXIM Temporary Exclusion of Scarce COVID-19 Medical Supplies in Insurance Policies, Loan, and Guarantee Transactions**

The primary responsibility of the U.S. Government in this context is to do what it can to remedy the shortage of these scarce medical items here in the United States, and to prevent further spread of COVID-19. This includes assessing the risks of reinfection from other countries. EXIM is doing its part by temporarily excluding coverage for export of the items covered by the April 3 Presidential Memorandum, the HHS Notices, and the DHS and FEMA rules in EXIM insurance policies and working capital and other loan and guarantee transactions. EXIM will continue to monitor developments to try to identify what it can do assist U.S. exporters while also not detracting from our nation's domestic response to the COVID-19 crisis.

**This EXIM temporary exclusion of COVID-19-related medical supplies remains in place through September 30, 2020** (unless the EXIM Board of Directors votes to terminate it earlier).

EXIM will continue to monitor developments regarding the COVID-19 pandemic, and will adapt its policies accordingly.

EXIM has identified previously approved insurance policies and other transactions that may be supporting the export of items on the lists contained in the Presidential Memorandum and the HHS Notice, as well as the DHS/FEMA rule. EXIM is amending all exporter and lender multibuyer insurance policies to exclude coverage for the items on these lists. For other previously approved policies and transactions that EXIM may not have the right to amend, EXIM is reaching out to the parties involved to request their voluntary agreement not to include exports of the items on the foregoing lists in their EXIM transactions. Naturally, exports that are banned pursuant to the FEMA rule mentioned above cannot be included in any EXIM transaction. EXIM support for the export of the items on the FEMA, HHS and Presidential Memorandum lists will be excluded for all new and renewed loan, insurance and guarantee transactions through September 2020, subject to ongoing monitoring of COVID-19-related developments.

Further information regarding the COVID-19 pandemic can be found at:

1. The White House: <https://www.whitehouse.gov/>
2. Centers for Disease Control: <https://www.cdc.gov/>
3. Federal Emergency Management Agency: <https://www.fema.gov/>
4. Department of Homeland Security: <https://www.dhs.gov/>
5. Department of Health and Human Services: <https://www.hhs.gov/>
6. Export-Import Bank of the United States: <https://www.exim.gov/coronavirus-response>
7. <https://www.coronavirus.gov/>