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**REMARKS ON EXIM’S REVIEW PROCESS FOR EXIM’S CONTENT
POLICY WITH RESPECT TO THE PROGRAM ON CHINA AND
TRANSFORMATIONAL EXPORTS**

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Remarks as Prepared for Delivery

Chairman Reed, Director Bachus, Director Pryor, Secretary Ross, and Undersecretary Krach, my name is Ryan McCormack and I am the Chief of Staff at EXIM. At the outset I would like to recognize you, Chairman Reed, for your leadership in conducting an extensive review of EXIM’s content policy in order to craft this narrowly tailored proposal specific to the ten sectors identified by Congress in EXIM’s Program on China and Transformational Exports.

It has been a long road to get to this point, starting with EXIM’s historic 7-year reauthorization nearly one year ago on December 20, 2019. This bipartisan legislation, signed into law by President Trump, directed EXIM to establish a new “Program on China and Transformational Exports” in order to (i) directly neutralize competing subsidies provided by the People’s Republic of China through official export credit, tied aid, or blended finance or (ii) Advance the Comparative leadership of the United States with respect to the People’s Republic of China or support United States innovation, employment, and technological standards, through direct exports in ten transformational sectors. Those sectors are:

1. Artificial intelligence.
2. Biotechnology.
3. Biomedical sciences.
4. Wireless communications equipment (including 5G or subsequent wireless technologies).
5. Quantum computing.
6. Renewable energy, energy efficiency, and energy storage.
7. Semiconductor and semiconductor machinery manufacturing.
8. Emerging financial technologies (including technologies that facilitate financial inclusion through increased access to capital and financial services; data security and privacy;

payments, the transfer of funds, and associated messaging services; and efforts to combat money laundering and the financing of terrorism).

9. Water treatment and sanitation (including technologies and infrastructure to reduce contaminants and improve water quality).
10. High-performance computing.
11. And lastly, Associated services necessary for use of any of the foregoing exports.

Chairman Reed, immediately following the enactment of EXIM's reauthorization, you directed staff to form a reauthorization implementation team to manage and task relevant EXIM divisions to achieve full implementation of the new Congressional mandates.

The Program on China and Transformational Exports was established with great speed. Soon after, David Trulio was detailed to EXIM from the Department of Defense to lead this historic undertaking.

At your direction, EXIM, in line with your unwavering commitment to transparency and accountability, launched the "Strengthening American Competitiveness" initiative, in order to directly engage with over 1,100 diverse stakeholders in the transformational export sectors. The insights and feedback from this initiative have played a crucial role in informing the proposal before the Board today. Importantly, every member of EXIM's Advisory Committee was invited to attend each of these sessions in order to hear from stakeholders in these sectors directly.

Underscoring once again your commitment to transparency, following the completion of each listening session, you directed that a fact sheet, press release, and audio recording of the session be uploaded to the EXIM website for those stakeholders or interested parties that may have missed the session.

Stakeholders in our listening sessions repeated time and again that the primary obstacle for their utilization of EXIM financing in their particular sector was EXIM's content policy.

On July 7, 2020 you presented before the House China Task Force, at their request, on the role of EXIM and how the Program on China and Transformational Exports may be used to counter China. Critical to the members was that EXIM deliver on the mandate assigned by Congress.

On September 10, 2020, the 2020 EXIM Annual Conference launched. This conference, which had the highest number of registrants in EXIM history, also underscored the importance of the Program on China and Transformational Exports and ways EXIM could be more competitive in certain sectors.

Dozens of meetings to analyze and pursue the recommendations received through the initiative, congressional meetings, and EXIM's annual conference occurred in the weeks that followed. Eventually, a proposal focused on transformational exports began to take shape.

Although it is not required for an EXIM Board policy modification, you called for a notice in the Federal Register announcing a public comment period on possible changes to the EXIM content policy specific to transformational exports. You promptly directed staff to issue a press release

announcing the comment period in order to further increase public awareness of the opportunity to have their voices heard.

After the conclusion of the public comment period, the EXIM Board of Directors were provided all relevant public comments and a summary of the comments to weigh those viewpoints ahead of final consideration by the EXIM Board occurring today. Of the 43 comments received, 30 were supportive of EXIM proposing a more targeted content policy for transformational exports, 9 opposed any changes to the EXIM content policy, and 4 comments were non-responsive to the notice.

On November 23, 2020, the EXIM Advisory Committee Subcommittee on Strategic Competition with the People's Republic of China, convened to discuss the PRC impact on American interests and economic security, and discussed recommendations to ensure U.S. workers have the best opportunity to succeed in today's global marketplace by encouraging EXIM to modernize its medium- and long-term content policy. The Subcommittee then drafted a letter to the Advisory Committee on content policy to be considered at a later date.

On December 2, 2020, Chairman Stevan Pearce of the EXIM Advisory Committee convened a virtual meeting to discuss how modernizing EXIM's content policy for transformational exports ensures U.S. workers have the best opportunity to succeed in today's global marketplace. As part of that meeting, the Advisory Committee voted to send a letter encouraging the EXIM Board of Directors to establish a separate content policy for transformational exports. Notably, the recommendations received from the Advisory Committee urged the Board to adopt a content policy of between 20 and 30 percent to better level the playing field for U.S. exporters relative to foreign competitors.

On December 3, 2020 the Board of Directors and the National Advisory Council on International Monetary and Financial Policies, which includes the Department of Treasury, Department of State, Department of Commerce, the Office of the U.S. Trade Representative, and other agencies, were provided with the 7-page proposal for their review – a full two weeks in advance of today's meeting.

You directed staff to engage with the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs to brief committee staff on the proposal under consideration by the Board. Those briefings occurred on December 8th and 11th, respectively.

In another win for transparency, you opted to consider changes to EXIM's content policy in an open meeting, which is noticed to the public and to which the public may attend. You opted to do this, just as you have for every policy modification the EXIM Board has considered under your tenure, even those that did not require a Board meeting to effectuate.

Soon, you will hear from other presenters who will underscore the usefulness of the proposal before the Board. With the public comments, advisory committee recommendation, congressional input, stakeholder engagements, and thorough and comprehensive EXIM staff analysis, the Board is well positioned to vote on the policy up for consideration today. The

process you directed fully reflects your commitment to enhancing transparency and accountability.

That concludes my presentation. I would now like to recognize Jim Cruse, SVP for the Office of Policy Analysis and International Relations for his presentation.

Ryan McCormack

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Ryan McCormack serves as Chief of Staff to EXIM’s President and Chairman, providing guidance and leadership on agency operations, policy development, communications strategy, congressional outreach, and external engagement.

Prior to his current appointment, Mr. McCormack served as EXIM Deputy Chief of Staff, an appointment he began in November 2019. In his role as Deputy Chief of Staff, he served as an adviser to EXIM’s President and Chairman, providing guidance on policy, communications, and strategy.

Prior to joining EXIM, Mr. McCormack served as Legislative Director for U.S. Representative Sean Duffy of Wisconsin. On Capitol Hill, Mr. McCormack advised on a diverse portfolio of policy matters including international trade, financial services, tax, and appropriations. Mr. McCormack has spent nearly a decade building relationships in Congress, across federal agencies, and with stakeholders throughout the country.

Mr. McCormack received a BA in International Relations, Political Science, and European Studies from Canisius College.

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