

MAY 1, 2002

**SCHAKOWSKY SCORES VICTORY
FOR HUMAN RIGHTS**

KEY AMENDMENT APPROVED BY THE HOUSE TO EXPORT-IMPORT BANK BILL

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today scored a victory for human rights. Following months of intense negotiations with Republicans, the Bush Administration, and the management of the Export-Import bank, the House approved a Schakowsky amendment which states ".the sense of the Congress that detailed information on the potential impact on human rights of proposed Export-Import Bank projects should be available to the management of the bank."

"This amendment is an acknowledgement that we have much more to do to improve the human rights record of the Ex-Im Bank, prevent human rights abuses and ensure U.S. taxpayer dollars are spent responsibly-without compromising the project financing portfolio of the bank. The key to achieving those goals is information," Schakowsky said

She added, "Additional information on human rights is necessary because the current policy is too broad and only allows the denial of projects on human rights grounds. Since this is the only way to respond to human rights, the current human rights analysis is a consideration of whether a project should be cancelled. This significantly lowers the prospect of ensuring human rights protection for Ex-Im-funded projects. There should be more tools available to Ex-Im to assess human rights."

"In reality, there are very few projects that would warrant cancellation or denial of Ex-Im funding because of severe human rights impacts. But many more projects may have human rights concerns that if adequately identified beforehand, could be mitigated during project design. More information is needed because Ex-Im does not receive detailed assessments on a project-by-project basis of the potential impact proposed projects may have on human rights," Schakowsky said.

Below is Schakowsky's full statement during debate on the legislation.

I want to start by commending the Chairman and ranking member of the Financial Services Committee and the Chairman and Ranking member of the Financial Services Subcommittee on International Monetary Policy for their work on this important bill. I also want to particularly express my gratitude to the Gentleman from Nebraska, Mr. Bereuter, the Chairman of the International Monetary policy Subcommittee and his staff for working with me so that human rights concerns and protections would be included in this debate and a part of this legislation.

Our ranking member on the Subcommittee, the gentleman from Vermont, Mr. Sanders, has been a leader throughout this process and I commend him for his tireless efforts on behalf of working people, small businesses, human rights and the environment.[] []

This is a modest but necessary amendment to the Export-Import Bank reauthorization bill.[] []

My amendment states the sense of the Congress that detailed information on the potential impact on human rights of proposed Export-Import Bank projects should be available to the management of the bank.[]

Additional information on human rights is necessary because the current policy is too broad and only allows the denial of projects on human rights grounds.[] Since this is the only way to respond to human rights, the current human rights analysis is a consideration of whether a project should be cancelled.[] []

This significantly lowers the prospect of ensuring human rights protection for Ex-Im-funded projects.[] There should be more tools available to Ex-Im to assess human rights. In reality, there are very few projects that would warrant cancellation or denial of Ex-Im funding because of severe human rights impacts.[] But many more projects may have human rights concerns that if adequately identified beforehand, could be mitigated during project design.[] More information is needed because Ex-Im does not receive detailed assessments on a project-by-project basis of the potential impact proposed projects may have on human rights.[]

Again, this is a modest amendment.[] It is not the solution to what I believe to be the legitimate and serious concerns of human rights experts like Human Rights Watch, members of Congress, and numerous other human rights experts and advocates throughout the world.[] []

This amendment is an acknowledgement that we have much more to do to improve the human rights record of the Ex-Im Bank, prevent human rights abuses and ensure U.S. taxpayer dollars are spent responsibly-without compromising the project financing portfolio of the bank. The key to achieving those goals is information.[] [] []

As my colleagues on the Financial Services Committee know, I offered a stronger amendment during Committee consideration of this bill.[] That amendment would have created A human rights office within Ex-Im, which would have the capacity and expertise to develop such strategies to identify and mitigate real and potential human rights problems.[] [] I still stand by that approach.[] However, there are other ways to improve the Bank's performance on human rights.

Additional responsibility and authority for the Bureau of Democracy, Human Rights, and Labor within the State Department is another way we could provide the information that is needed.[] I have spoken with senior officials at the State Department who agree that more scrutiny should be placed on major Ex-Im projects that are proposed.[] So, While I

am pleased and grateful about the prospects for this amendment that I am offering today, I intend to do much more in the time to come. I hope that all members will join me in those future efforts.

The United States should lead the world in the struggle for human rights, fairness, and equality for all. Our economy and our trade agenda are, of course, critically important to our nation's welfare and our security. However, we must never send a message to our neighbors in the international community or to the American corporate community that we are willing to compromise human needs for corporate greed.

Ex-Im has a responsibility to U.S. taxpayers to ensure our money is well spent and the Congress has a responsibility to place human rights on an equal footing with all other considerations in our international economic agenda. Passage of this amendment would be a measured step in that direction.

I want to just take a portion of my time to state on the record some examples of the need for more information about human rights when Ex-Im considers projects.

Had such information existed during consideration of the Enron power project in India, Ex-Im staff would have identified previous human rights problems and could have consulted with local, national, or international human rights organizations for further information. This would have allowed for recommendations that Enron make certain commitments to corporate responsibility, for example, that would have mitigated the problems that occurred later in the project and after Ex-Im funding was approved.

Yet another lesson of the Enron collapse has been the clear need for greater oversight of projects financed with taxpayers' dollars.

- The Dahbol power project is partially owned and operated by Enron. The project received approximately \$290 million in Ex-Im guarantees-despite the World Bank's refusal to fund it and serious human rights problems related to its construction. According to Human Rights Watch, "Enron subsidiaries paid local law enforcement to suppress opposition to its power plant. They broke down the door and window of one of the protestor's bathrooms and dragged her naked into the street, beating her with batons. The protestor was 3 months pregnant at the time."

- The \$96 million Ex-Im guarantee to Turkmenistan was approved despite the State Department's own reports of the government's dismal human rights record. A more detailed analysis of the human rights impacts of major projects would provide more opportunities to improve projects in order to prevent human rights problems without raising the prospect of project cancellation as the only way to address human rights.

In addition to the Turkmenistan and India projects mentioned above, there are other projects that Ex-Im has approved over the last year that would clearly warrant a more detailed human rights analysis. This is not meant to imply that there were human rights problems with these projects, but that given problems within these industries and countries, a detailed analysis was warranted. These projects include:

- Angola, where on April 10, 2001, Ex-Im approved a project in excess of \$20 million for oil field services and equipment. An assessment would have been useful since Angola's government is notoriously opaque, abusive, and has routinely mismanaged oil revenues and has harassed and arrested journalists seeking further information on the use of oil revenues. Moreover, the International Monetary Fund recently announced that it would not lend money to the government until it improved its fiscal management and became more transparent in its use of oil revenues. An assessment could have identified these potential problems in order to mitigate them.

- In Russia on December 19, 2000, ExIm approved a \$91 million project for diamond mine processing equipment and services to Alrosa, the Russian diamond company. Alrosa operates in countries such as Angola where the issue of conflict diamonds is of serious concern. Since inherent risks due to conflict and human rights violations related to diamond mining are serious problems in several parts of the world, a detailed assessment would have been useful to determine whether such risks exist with this project.

Again, I thank my colleagues on the Financial Services Committee, particularly the Chairmen and ranking Democratic members of the full committee and the International Monetary policy Committee for their work and leadership.

I urge all of my colleagues to support this modest amendment and put the Congress on record in support of human rights and responsible behavior when we conduct business abroad. I yield back the balance of my time.