

### U.S. HOUSE APPROVES FOUR-YEAR RENEWAL OF EXPORT-IMPORT BANK

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The U.S. House of Representatives voted to reauthorize the Export-Import Bank, rebuffing the Bush administration by raising the budget and barring the Treasury Department from vetoing financing decisions.

The four-year reauthorization of the independent agency is a victory for companies including Boeing Co., General Electric Co. and Motorola Inc. that benefit from the bank's export financing. U.S. companies fought administration efforts to cut the budget.

The bank helps the U.S. exporters compete with subsidized foreign competitors, advocates said. "The United States must fight fire with fire," said House Financial Services Chairman Michael Oxley, a Republican of Ohio.

The House measure must now be reconciled with a five-year reauthorization bill approved by the Senate in March.

The House version seeks to add language making clear the Treasury can help set guidelines for financing decisions yet has no right to veto individual loan decisions.

That provision followed the Treasury Department's action last year to overturn a bank decision on a loan, an Oxley spokesman said.

The Bush administration has been seeking to cut the bank's budget to \$541 million from the \$727 million appropriated for this year, at the same time the bank increases its lending to \$11.5 billion from an expected \$10.4 billion this fiscal year.

The House version would provide annual budget increases of about 2 percent.

#### Unnecessary Loans

The bank was criticized during today's House debate by some lawmakers who contended its loans were unnecessary, particularly for larger U.S. companies that make no commitment to keeping a U.S.-based workforce.

"Let's invest in the United States of America," said Representative Bernard Sanders, an independent from Vermont. He proposed banning the bank from aiding companies that fire a greater percentage of workers in the U.S. than they let go in foreign countries.

The House rejected that amendment on a vote of 283-135.

Several Democrats joined Republicans in support of the lender, which in 65 years has supported more than \$300 billion in U.S. exports, including \$68 billion since 1994.

The bank estimates its financing directly sustains 200,000 jobs annually, plus another 1 million jobs indirectly through suppliers.

"It is a great supporter of small businesses," said Representative Sheila Jackson Lee, a Democrat of Texas.

No 'Handouts'

The bank doesn't provide "handouts" to major U.S. corporations, said Representative John LaFalce of New York, the top-ranking Democrat on the Financial Services Committee.

The bank instead helps them compete with foreign rivals whose governments are "increasingly aggressive" in financing their export activities, LaFalce said.

The bank provided guarantees for Boeing aircraft sales worth at least \$3.3 billion to China, Saudi Arabia, Panama, Thailand, Taiwan and other countries in 2000. That made the Chicago-based company by far the biggest beneficiary, according to the agency's annual report.

Before its voice vote today approving the reauthorization measure, the House approved an amendment that would require the bank to check applicants on their compliance with anti-bribery laws and another that suggests the bank consider the human rights effects of its financing practices.

Such a practice might have helped bank staff identify human rights problems associated with an Enron Corp. power project in India, said the amendment's sponsor, Representative Janice Schakowsky, a Democrat of Illinois.