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Export-Import Bank Reauthorization: Frequently Asked Questions

Shayerah Ilias Akhtar, Coordinator
Specialist in International Trade and Finance

David H. Carpenter
Legislative Attorney

Mindy R. Levit
Specialist in Public Finance

Julia Taylor
Section Head - ALD Section

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Summary

The Export-Import Bank of the United States (Ex-Im Bank or the Bank), a wholly owned federal government corporation, is the official export credit agency (ECA) of the U.S. government. Its mission is to assist in the financing of U.S. exports of goods and services to support U.S. employment. The agency's general statutory charter (Export-Import Bank Act of 1945, as amended, 12 U.S.C. §635 et seq.) expires on September 30, 2014. A sunset in Ex-Im Bank's authority would mean that the agency's authority to enter into new obligations generally would cease and a wind-down of operations would be required. (This issue is distinct from an "authorization of appropriations" expiring, which would not, in and of itself, terminate such authority to operate.)

Congress is actively debating whether to renew Ex-Im Bank's authority; if so, for how long and under what terms; and if not, the possibility of other policy options. The issue of Ex-Im Bank reauthorization has raised a number of frequently asked questions regarding Ex-Im Bank itself and reauthorization policy options. This report addresses many of those questions, including:

- What is the Export-Import Bank?
- What is the reauthorization debate over Ex-Im Bank?
- What is the Bank's market and international context?
- What is its leadership structure?
- What are its programs, policies, and activities?
- How does its budget work?
- How does it manage risk?
- What are the implications of a sunset in authority for the Bank's activities?
- What are historical and current approaches to Ex-Im Bank reauthorization?

For a general overview of Ex-Im Bank, see CRS Report R43581, *Export-Import Bank: Overview and Reauthorization Issues*, by Shayerah Ilias Akhtar. See also CRS In Focus IF00021, *Export-Import Bank (Ex-Im Bank) Reauthorization (In Focus)*, by Shayerah Ilias Akhtar, and CRS In Focus IF00039, *Export-Import (Ex-Im) Bank and the Federal Budget (In Focus)*, by Mindy R. Levit. The contents of this report draw, in part, from existing CRS products.

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The general statutory charter for the Export-Import Bank of the United States (Ex-Im Bank or the Bank) expires on September 30, 2014 (12 U.S.C. §635 et seq.). Congress is actively debating whether to renew Ex-Im Bank’s authority; if so, for how long and under what terms; and if not, the possibility of other policy options. The issue of Ex-Im Bank reauthorization has raised a number of questions regarding Ex-Im Bank and reauthorization policy options.

This report addresses frequently asked questions about Ex-Im Bank, grouped in the following categories: (1) congressional interest and the Ex-Im Bank reauthorization debate; (2) market context; (3) international context; (4) organizational structure and management; (5) programs; (6) statutory requirements and policies; (7) risk management; (8) budget and appropriations; (9) implications of a sunset in authority; and (10) historical and current approaches to reauthorization. See **Appendix A** for a summary of selected key CRS resources related to Ex-Im Bank.

Congressional Interest and Ex-Im Bank Reauthorization Debate

What is the Export-Import Bank?

Ex-Im Bank, a wholly owned U.S. government corporation,¹ is the official export credit agency (ECA) of the United States. Its mandate is to finance and facilitate U.S. exports of goods and services and, in doing so, contribute to U.S. employment.² On a demand-driven basis, it seeks to finance exports that the private sector is unwilling or unable to undertake alone at terms commercially viable for exporters; and/or to counter government-backed financing offered by foreign countries through their ECAs.³ Ex-Im Bank’s main financial products are direct loans, loan guarantees, working capital finance, and export credit insurance. Its activities are backed by the full faith and credit of the U.S. government.⁴ Congress sets statutory requirements for Ex-Im Bank’s activities. Ex-Im Bank also abides by international disciplines for government-backed ECA activity under the Organization for Economic Cooperation and Development (OECD) Arrangement on Officially Supported Export Credits (the “Arrangement”).

What is Congress’s role in relation to the Bank?

Congress has a number of statutory responsibilities with respect to Ex-Im Bank. Congress provides authority for Ex-Im Bank’s functions through its statutory charter, the Export-Import Bank Act of 1945, as amended (P.L. 79-173; 12 U.S.C. §635 et seq.), for a period of time that it chooses. While Congress does not approve individual Ex-Im Bank transactions, it sets general statutory parameters for the agency’s activities. Congress also provides an annual appropriation for the Bank, and conducts oversight of its activities. In addition, the Senate approves

¹ 12 U.S.C. §635(a)(1). A U.S. government corporation is a government agency established by Congress to provide market-oriented public services and to produce revenues that meet or approximate expenditures. See CRS Report RL30365, *Federal Government Corporations: An Overview*, by Kevin R. Kosar.

² 12 U.S.C. §635(a)(1).

³ Ex-Im Bank’s website is accessible at <http://www.exim.gov/>.

⁴ 12 U.S.C. §635k.

nominations by the President of the United States to the positions of Ex-Im Bank's President, First Vice President, and Board of Directors.⁵

What are the committees of jurisdiction?

The committees to which legislation that would amend Ex-Im Bank's statutory charter has been referred previously are the House Committee on Financial Services and Senate Committee on Banking, Housing, and Urban Affairs. In general, the Bank has been funded each fiscal year through provisions in the State, Foreign Operations, and Related Programs Appropriations Act.

What is the current policy debate over reauthorization?

Debate over Ex-Im Bank reauthorization is rooted in an underlying debate over the appropriate role of the U.S. government in export promotion. Congressional and stakeholder views on Ex-Im Bank vary. Proponents contend that the Bank supports U.S. exports and jobs by addressing shortfalls in private sector financing and helping U.S. exporters compete against foreign companies backed by their governments' ECAs. Critics assert that it crowds out private sector activity, picks winners and losers through its support, operates as a form of "corporate welfare," and poses a risk to taxpayers.

While debate over Ex-Im Bank has been long-standing, Congress has renewed Ex-Im Bank's authority many times in its history, including on a bipartisan basis and under both Republican and Democratic administrations. Ex-Im Bank's reauthorization was actively debated in the 112th Congress, and legislation was ultimately passed (H.R. 2072/P.L. 112-122; House vote 330-93, Senate vote 78-20) to extend Ex-Im Bank's authority to September 30, 2014. Similar to the 112th Congress, current reauthorization debates have focused on the role of the U.S. government in supporting exports; the changing export finance landscape, including the growth of ECA activity by emerging market ECAs; and Ex-Im Bank's financial soundness and risk management, among other policy issues.

Market Context

Why is export finance needed?

Export finance, which is used to cover the time between an export order being placed and payment being made, is a means of facilitating international trade. Some 80%-90% of world trade relies on trade finance, and the global market for trade finance is estimated to be at around \$10 trillion a year.⁶ Financing can play a role, for instance, when exporters may need to protect against the higher risk of payment default by an unknown buyer situated in a foreign legal system; because export orders often require more working capital, relative to sales, than domestic

⁵ 12 U.S.C. §635a(b) and 12 U.S.C. §635a(c).

⁶ World Trade Organization (WTO), "Trade Finance: The Challenges of Trade Financing," http://www.wto.org/english/thewto_e/coher_e/tr_finance_e.htm.

orders and exporters may wait an average of three to five months between shipment and payment;⁷ or buyers require funds from a financial institution to purchase goods and services.

What are sources of export financing?

Export finance is available through both the public and private sector, including through:

- **Export credit agencies (ECAs)**, which are government-backed entities. Most developed countries and many developing countries have ECAs.
- **Commercial banks and insurance companies**, through which private insurers and lenders finance exports on a commercial basis.
- **Capital markets**, which provide financing through bond issuance, on a secured or unsecured basis.
- **Manufacturer self-financing**, through which companies, especially larger ones, may self-finance certain exports to foreign buyers.

Commercial banks have been estimated to account for 80% of the trade finance market.⁸ Private lenders and insurers conduct the majority of short-term export financing, though ECAs may play a role in supporting certain sectors, such as taking on risks of financing small business exports. With respect to longer-term financing, the market can play an active role, but in certain cases, ECA support can help make transactions more commercially attractive by mitigating risks of financing or by providing an additional source of funding to diversify risks of financing, for example, for complex, multi-billion dollar sales such as aircraft and infrastructure projects.

How do Ex-Im Bank and private sector financing compare?

It is difficult to compare the rates, terms, and conditions of Ex-Im Bank financing and private sector financing for exports. The actual terms of an export contract are transaction-specific and commercial bank loans are private transactions often with business confidential terms. Demand for Ex-Im Bank financing relative to the private sector can be highly variable. At a macro level, it may vary depending on market forces and regulatory policies. In recent years, the role of ECAs may have become more prominent, in part due to tighter credit market conditions associated with the international financial crisis and the regulatory impact of Basel III⁹ on commercial banks, which requires U.S. banks to hold more capital to back trade finance.¹⁰ Changes in disciplines for ECA activity, such as in the OECD Arrangement, also can affect ECA demand. At a micro level, a commercial bank's willingness to participate in a transaction may vary depending, for instance, on available liquidity, perception of risk, international rates of return, and client relationships.

⁷ Gary Clyde Hufbauer, Meera Fickling, and Woan Foong Wong, *Revitalizing the Export-Import Bank*, Peterson Institute for International Economics, May 2011, p. 1, <http://www.iie.com/publications/pb/pb11-06.pdf>.

⁸ WTO, *Supply of Trade Finance*, http://www.wto.org/english/thewto_e/coher_e/whatis_situation_e.htm/.

⁹ The Basel III international regulatory framework is part of a series of evolving agreements among central banks and bank supervisory authorities to standardize bank capital requirements, among other measures. See CRS Report R42744, *U.S. Implementation of the Basel Capital Regulatory Framework*, by Darryl E. Getter.

¹⁰ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, pp. 12-14, <http://www.exim.gov/about/library/reports/competitivenessreports/upload/Ex-Im-Bank-2013-Competitiveness-Report-to-Congress-Complete.pdf>.

International Context

What international disciplines guide ECA activities?

Ex-Im Bank abides by the Organization for Economic Cooperation and Development (OECD) Arrangement on Officially Supported Export Credits (“the Arrangement”), a “Gentlemen’s Agreement” negotiated by OECD members. Initially entering into effect in April 1978, the Arrangement has been revised periodically.¹¹ Its purpose is to provide a framework for the orderly use of government-backed export financing, with the goal of encouraging competition among exporters based on quality and price of goods and services rather than on the most favorable government-backed financing terms and conditions. Among other things, it establishes limitations on the terms and conditions on government-backed export financing (e.g., minimum interest rates, risk fees, and maximum repayment terms); rules governing ECA activity in specific sectors through “sector understandings” (e.g., civilian aircraft, ships, nuclear power plants, renewable energy, and railway infrastructure); and reporting requirements.¹²

What is the global ECA marketplace?

An estimated 60 export credit agencies exist around the world.¹³ Some ECA activity is regulated by the OECD Arrangement, but an increasingly larger amount appears to be unregulated. It can be difficult to verify the full extent of unregulated activity. ECA activity can be grouped into three categories, as provided by Ex-Im Bank (see **Figure 1**):

- **Regulated financing that is governed by the OECD Arrangement.** “Traditional” ECA activity that is compliant with the OECD Arrangement historically has accounted for the majority of government-backed export financing. However, in 2013, according to Ex-Im Bank data, it constituted 34% of total government-backed support.¹⁴
- **Unregulated financing provided by OECD members that falls outside of the scope of the OECD Arrangement.** One form of unregulated financing is “market windows,” which are government-owned entities or programs that offer export credits on market terms. Market windows generally do not operate on purely commercial terms, as they tend to receive benefits from their government status that commercial lenders cannot access. ECAs in Canada, Germany, and Italy, among others, operate market windows. Ex-Im Bank does not have a market window. Another form of unregulated financing is untied lending support,

¹¹ See Organization for Economic Cooperation and Development (OECD), “The Arrangement on Export Credits,” <http://www.oecd.org/tad/xcred/arrangement.htm>; and CRS Report RS21128, *The Organization for Economic Cooperation and Development*, by James K. Jackson.

¹² The current participants to the OECD Arrangement are Australia, Canada, the European Union, Japan, New Zealand, Norway, South Korea, Switzerland, and the United States. Brazil is a full participant to the Sector Understanding on Export Credits for Civil Aircraft.

¹³ Ex-Im Bank, *Export-Import Bank of the United States Annual Report 2013*, p. 8, <http://www.exim.gov/about/library/reports/annualreports/2013/>.

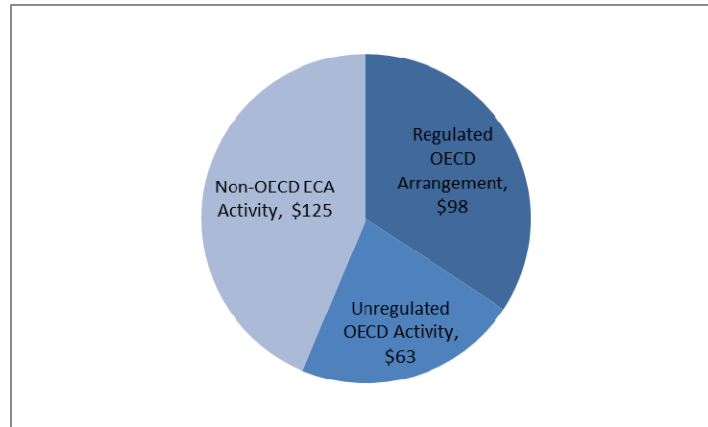
¹⁴ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, pp. 20-21.

which is credit support extended by a government entity to a recipient for the purpose of providing credit for strategic interests of the donor country. Because the untied loan is not tied to exports, it is not subject to the OECD export credit guidelines. Unregulated financing by OECD members reportedly accounted for 22% of government-backed support in 2013.¹⁵

- **Unregulated financing provided by non-OECD members, whose governments are not parties to the OECD Arrangement.** Emerging markets, such as China, Brazil, India, and Russia, which are not members of the OECD, are increasingly active providers of government-backed export financing.¹⁶ Such financing may not comply with the OECD Arrangement, for example, by including below-market terms, with which it is difficult for ECAs of OECD members to compete. The non-OECD portion of total government-backed export financing in 2013 reportedly was 44%.¹⁷

Figure 1. Global Government-Backed Export Support, 2013

Billions of U.S. Dollars



Source: Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, pp. 20-21.

How do activity volumes of Ex-Im Bank and foreign ECAs compare?

ECA comparisons are available from Ex-Im Bank in the area of government-backed medium- and long-term financing (see **Figure 2**). In 2013, according to Ex-Im Bank, the 34 members of the OECD (as a whole) provided \$97.9 billion in such financing, down about 22% from 2012.¹⁸ Of this amount, U.S. support, through Ex-Im Bank, totaled \$14.5 billion in 2013. In contrast, the

¹⁵ Ibid.

¹⁶ These emerging markets, while not members of the OECD, may have observer status during some OECD meetings. The OECD has offered them “enhanced engagement” with a view towards possible accession. Brazil, furthermore, is a member of the OECD Aircraft Sector Understanding.

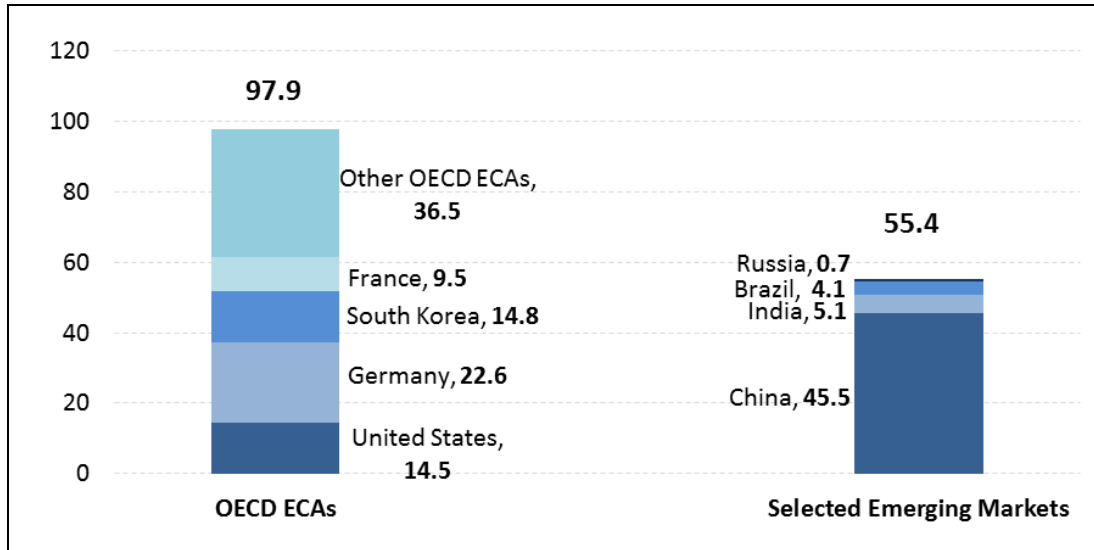
¹⁷ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, pp. 20-21.

¹⁸ ECA volumes for OECD countries reported by Ex-Im Bank reflect activity that is regulated by the OECD Arrangement.

combined new medium- and long-term support provided by China, Brazil, India, and Russia was \$55.4 billion, up a little over 10% from 2012.¹⁹ Notably, China alone accounted for at least \$45 billion of such financing in 2013.²⁰

Figure 2. New Medium- and Long-Term Financing Volumes for Selected ECAs, 2013

Billions of U.S. Dollars



Source: Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014.

Notes: Data subject to analytic assumptions and limited by availability of information.

How effective is the OECD Arrangement?

Stakeholders have debated whether the OECD Arrangement is effective in “leveling the playing field” for exporters in the current trading environment. By some estimates, the OECD Arrangement reportedly has saved U.S. taxpayers about \$800 million annually.²¹ According to the Office of the U.S. Trade Representative, the minimum interest rate rules set by the OECD Arrangement limit subsidized export financing and reduce competition based on below-cost interest rates and long repayment terms by ECAs, and the minimum exposure fees for country risks also reduce costs.²² The further leveling of the playing field created by the OECD tied aid disciplines is estimated by USTR to have boosted U.S. exports by \$1 billion a year.²³

At the same time, there are questions about the effectiveness of the OECD Arrangement, particularly in light of ECA activity by non-OECD members, who are not obligated to comply

¹⁹ ECA volumes for non-OECD countries reported by Ex-Im Bank reflect what activity would be regulated by the OECD Arrangement.

²⁰ *Ibid.*, pp. 17-18.

²¹ Office of the U.S. Trade Representative, *The Organization for Economic Cooperation and Development (OECD)*, <http://www.ustr.gov/trade-agreements/wto-multilateral-affairs/oecd>.

²² *Ibid.*

²³ *Ibid.*

with the OECD limitations on the terms and conditions of export credit activity. To the extent that the ECAs of non-OECD countries provide financing for non-U.S. exporters on terms that are more advantageous than those allowed within the OECD Arrangement, U.S. exporters may find it difficult to compete with such export credit programs, including with Ex-Im Bank. Concerns about the effectiveness of the OECD Arrangement are further heightened due to financing by OECD members that is outside the Arrangement's scope. See earlier question in this section, "What is the global ECA marketplace?"

What are recent developments in OECD negotiations on export financing?

The United States historically has led efforts to impose international disciplines on government-backed export credit activity. The 2012 Ex-Im Bank reauthorization act directed the Secretary of the Treasury (who leads U.S. international export credit negotiations) to negotiate to reduce and eliminate government-backed ECA financing.²⁴

The 2012 reauthorization act also included a focus on negotiations related to aircraft finance, an area that historically has constituted a major part of Ex-Im Bank's portfolio.²⁵ Specifically, Congress required the Secretary of the Treasury to negotiate with all countries that finance air carrier aircraft through funds from a state-sponsored entity to reduce and eliminate aircraft export credit financing for all aircraft covered by the 2007 OECD Aircraft Sector Understanding.²⁶

While exports play an important role in the U.S. economy, the economies of other countries are far more reliant on exports, constituting a larger share of their respective gross domestic product. Moreover, other OECD countries presumably would be reluctant to terminate their export credit programs while countries outside of the OECD, such as China, Brazil, and India, continue their financing programs.

Organizational Structure and Management

Where is Ex-Im Bank located?

Ex-Im Bank is headquartered in Washington, DC.²⁷ It also maintains regional export finance centers in 12 U.S. cities, which conduct outreach and provide assistance focused exclusively on U.S. small businesses.²⁸

²⁴ 12 U.S.C. §635a-5(a)(1).

²⁵ 12 U.S.C. §635a-5(a)(2).

²⁶ The Aircraft Sector Understanding (ASU) is an agreement among the United States, the European Union, Canada, Brazil, and other countries that sets terms and conditions for government-backed export financing for aircraft. It has been updated a number of times, most recently in 2011, with the goal of leveling the playing field among ECA-supported aircraft financing. Government Accountability Office (GAO), *Export-Import Bank: Information on Export Credit Agency Financing Support for Wide-Body Jets*, GAO-14-642R, July 8, 2014, <http://www.gao.gov/products/GAO-14-642R>.

²⁷ Ex-Im Bank, "Ex-Im Bank Headquarters," <http://www.exim.gov/about/contact/ex-im-bank-headquarters.cfm>.

²⁸ Ex-Im Bank, "Regional Export Finance Centers," [http://www.exim.gov/about/contact/regional-export-finance-\(continued...\)](http://www.exim.gov/about/contact/regional-export-finance-(continued...))

What is its leadership structure?

Ex-Im Bank is led by a Board of Directors, which consists of the President of the Bank (who is also the chairman of the Board), First Vice President (who is also the Vice Chairman), and three additional directors. The Board authorizes the Bank's transactions either directly or through delegated authority.²⁹ All Board members are appointed by the President of the United States with the advice and consent of the Senate.³⁰ Under Ex-Im Bank's charter, not more than three members of the five-person Board can be of any one political party.

Ex-Im Bank also has an Advisory Committee, which is required by its charter to consist of 17 members appointed by the Board of Directors on the recommendation of the President of the Bank. Under its charter, the Advisory Committee's members are required to be "broadly representative of environment, production, commerce, finance, agriculture, labor, services, State government, and the textile industry," subject to certain limits.³¹ In addition, Ex-Im Bank has a Sub-Saharan Africa Advisory Committee, which is directed to promote the expansion of the Bank's financial commitments in that region.³²

How many employees does Ex-Im Bank have?

In FY2013, Ex-Im Bank had 399 full-time equivalents (FTEs) for its operations and 19 FTEs for its Office of Inspector General.³³

Programs

What financial products does Ex-Im Bank offer?

Ex-Im Bank groups its financial products into the following four main categories:

- **direct loans** with fixed interest rates made by Ex-Im Bank to foreign buyers of U.S. goods and services;
- **medium- and long-term loan guarantees** of loans made by lenders (usually commercial banks) to foreign buyers of U.S. goods and services, with Ex-Im Bank promising to repay the lender, if the buyer defaults, the outstanding principal and accrued interest on the loan;

(...continued)

centers.cfm; and *Export-Import Bank of the United States Annual Report 2013*, p. 14 and p. 85.

²⁹ For example, Ex-Im Bank has delegated authority for underwriting many short-term transactions directly to Ex-Im Bank-approved private sector lenders.

³⁰ 12 U.S.C. §635a(c). Ex-Im Bank, "Board of Directors," <http://www.exim.gov/about/whoweare/leadership/boardofdirectors/>.

³¹ 12 U.S.C. §635a(d). Ex-Im Bank, "Advisory Committee," <http://www.exim.gov/about/whoweare/leadership/advisory-committee.cfm>.

³² 12 U.S.C. §635(b)(9)(B). Ex-Im Bank, "Sub-Saharan Africa Advisory Committee," <http://www.exim.gov/about/whoweare/leadership/sub-saharan-africa-advisory-committee.cfm>.

³³ OMB, *Budget of the United States Government, Fiscal Year 2015*, Appendix.

- **working capital finance**, through loans and guarantees by Ex-Im Bank, to facilitate finance for businesses, primarily small businesses, who have exporting potential but need working capital funds (e.g., to buy raw materials or supplies) to produce or market their goods and services for export; and
- **export credit insurance** by Ex-Im Bank to exporters and lenders to protect against losses of non-repayment for commercial and political reasons.

Ex-Im Bank also provides specialized finance products, such as project and structured finance, which usually take the form of direct loans or loan guarantees. For examples of structures of selected Ex-Im Bank financial products, see **Appendix B**.

How does Ex-Im Bank fit into U.S. export promotion efforts?

Ex-Im Bank is one of several federal government agencies involved in promoting U.S. exports of goods and services.³⁴ It focuses on financing U.S. exports of manufactured goods and services for companies of all sizes. Other U.S. government agencies also offer financing for exports, among other activities, including the U.S. Department of Agriculture (USDA), which finances U.S. agricultural exports, and the Small Business Administration (SBA), which provides export promotion-focused loan programs for small businesses.³⁵ While Ex-Im Bank focuses on supporting exports in support of U.S. commercial interests, the Overseas Private Investment Corporation (OPIC) uses similar tools, but to support U.S. investment in developing and emerging economies to support U.S. foreign policy objectives.³⁶

The existence of a range of federal government agencies that focus on export promotion has prompted debate about whether any overlap in services provided by federal government agencies constitutes duplication or the use of the same or similar tools to meet different goals.

Does Ex-Im Bank finance U.S. imports?

Ex-Im Bank's name includes the word "import" and its formal statutory mission provides for facilitating both exports and imports.³⁷ However, according to Ex-Im Bank, it does not provide support for imports.³⁸ Historically speaking, Ex-Im Bank's role in financing imports appears to have been negligible.³⁹

³⁴ See CRS Report R41495, *U.S. Government Agencies Involved in Export Promotion: Overview and Issues for Congress*, coordinated by Shayerah Ilias Akhtar.

³⁵ See CRS Report R43155, *Small Business Administration Trade and Export Promotion Programs*, by Sean Lowry.

³⁶ See CRS Report 98-567, *The Overseas Private Investment Corporation: Background and Legislative Issues*, by Shayerah Ilias Akhtar.

³⁷ 12 U.S.C. §635(a).

³⁸ Ex-Im Bank, "FAQ," <http://www.exim.gov/smallbusiness/smallbuscust/FAQ.cfm>.

³⁹ See the following excerpt from Jordan Jay Hillman, *The Export-Import Bank at Work*, Westport: Quorum Books, 1982, pp. 31-32:

The era [1945 - 1953] cannot be brought to its conclusion without mention of imports—in name and formal statutory status constituting one-half of [Ex-Im Bank's] mission. Moreover, if trade-oriented exports were ever to be supported, this was the time. It was, after all, an era when a dominant goal of foreign lending programs was to increase the dollar earning capacity of recipient countries. Nevertheless, even in this period when imports were seen as a positive factor in reducing

(continued...)

How long are repayment terms for Ex-Im Bank financing?

Ex-Im Bank direct loans and loan guarantees can be:

- short-term (up to one year);
- medium-term (more than one year and up to seven years, and less than \$10 million); and
- long-term (more than seven years, and more than \$10 million).⁴⁰

Long-term financing includes structured finance transactions (repayment terms of 10 years, but some up to 12 years); project finance transactions (repayment terms up to 14 years); and renewable energy transactions (repayment terms up to 18 years).⁴¹

Ex-Im Bank insurance can be:

- short-term (generally up to 180 days, but can be up to 360 days in exceptional circumstances); and
- medium-term (generally up to five years, but can be up to seven years in exceptional circumstances, and more than \$10 million).⁴²

How does Ex-Im Bank finance its direct loans?

The main source of Ex-Im Bank's current outstanding debt is borrowings from the U.S. Treasury. Borrowings from the U.S. Treasury are used to finance medium-term and long-term loans, and carry a fixed interest rate. U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. For further discussion, see "How does Ex-Im Bank fund its activities?" in the Budget and Appropriations section.

What fees does Ex-Im Bank charge, and how are those determined?

Ex-Im Bank's fees for medium- and long-term financing (which account for the bulk of its exposure) generally are guided by the OECD Arrangement. They include the following:

(...continued)

an excessive U.S. trade surplus, [Ex-Im Bank's] role in financing import trade, as such, was negligible. In general, the Bank considered commercial bank credits adequate for transactions at risk levels that the Bank itself was otherwise likely to undertake. Import trade, of course, involved the financing of U.S. domestic buyers. They presented neither the credit information nor security enforcement problems associated at the time with overseas credit. It thus remained the view of the Bank that efforts to aid and facilitate foreign sales in the United States were best directed to increasing the productive capabilities of foreign countries. Import trade transactions financed by [Ex-Im Bank] were, and were to remain, negligible.

⁴⁰ GAO, *Export-Import Bank: Additional Analysis and Information Could Better Inform Congress on Exposure, Risk, and Resources*, GAO-13-620, May 2013, p. 5, <http://www.gao.gov/assets/660/654925.pdf>.

⁴¹ Ibid.

⁴² Ex-Im Bank, "Export Credit Insurance," <http://www.exim.gov/products/exportcreditinsurance/>.

- Ex-Im Bank’s direct loans carry fixed interest rates. They generally are made at terms that are the most attractive allowed under the OECD Arrangement, which specifies a minimum interest charge of 1 percentage point above the U.S. Treasury rate for a security of comparable length. The interest rate charged by Ex-Im Bank for direct loans is the interest fixed at the Commercial Interest Reference Rates (CIRR).⁴³ In contrast, its loan guarantees usually carry a floating interest rate that is negotiated between the lender (e.g., the commercial bank) and borrower, or set by the lender.
- Risk premia, also known as “exposure fees,” are intended to cover the risk of nonpayment for a transaction. Ex-Im Bank charges risk premia for sovereign and non-sovereign buyers in accordance with rules under the OECD Arrangement. In doing so, Ex-Im Bank seeks to ensure that the premia collected meet the U.S. government’s minimum budgetary requirements. Thus, in certain cases (e.g., medium-term transactions), Ex-Im Bank charges fees higher than the minimum fees allowed under the OECD premia system.⁴⁴
- Ex-Im Bank charges commitment fees, which do not appear to be guided by the OECD Arrangement.⁴⁵

The OECD Arrangement does not cover fee structures for short-term financing products. The Bank uses a combination of factors to determine the pricing structure for these products.

Do Ex-Im Bank’s activities have a U.S. foreign policy focus?

Ex-Im Bank’s activities focus on supporting U.S. commercial interests. However, Ex-Im Bank activities also may support Administration goals and policy initiatives. For example, under the Obama Administration, Ex-Im Bank has been involved in efforts to boost U.S. exports worldwide under the National Export Initiative, as well as regional policy initiatives focused on sub-Saharan Africa and the Asia-Pacific region.

What is the approval process for Ex-Im Bank transactions?

Ex-Im Bank processing of transactions is a multi-step process (see **Figure 3**). Applications can be submitted by U.S. exporters, foreign buyers, or commercial lenders depending on the situation and transaction. The approval time for an application can vary, depending on the nature of the transaction. Ex-Im Bank, based on statutory requirements, considers applications across multiple criteria. Transactions require the approval of the Board of Directors directly or through delegated authority.⁴⁶ Ex-Im Bank monitors the performance of all medium-term direct loans, loan

⁴³ A CIRR is the official lending rates of ECAs. It is a market-related fixed rate calculated monthly using a government’s borrowing cost plus a basis points spread (bps) that depends on the tenor of the transaction. A CIRR is set for each currency based on the borrowing cost of the government of the government that uses that currency, i.e., it is based on government bonds issued in the country’s domestic market for its currency. For the U.S. dollar, the CIRR is based on the U.S. Treasury bond rate.

⁴⁴ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, p. 35.

⁴⁵ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, p. 27, <http://www.gao.gov/assets/660/653373.pdf>.

⁴⁶ Ex-Im Bank, *Export-Import Bank of the United States Annual Report 2013*, “FY2013 Management’s Discussion and (continued...)”

guarantees, and insurance transactions and all long-term direct loans and loan guarantees above \$1 million to help contain risk. Monitoring can vary for short-term transactions.⁴⁷

Figure 3. General Ex-Im Bank Approval Process



Source: CRS, based on Ex-Im Bank information.

Notes: This diagram is a highly simplified representation of the Ex-Im Bank approval for a proposed transaction. Specifics can vary by product type and transaction.

Statutory Requirements and Policies

What are Ex-Im Bank’s general statutory requirements and policies?

Under its charter, Ex-Im Bank’s financing must have a reasonable assurance of repayment; supplement, and not compete with, private capital; and be provided at terms competitive with foreign ECAs.⁴⁸ The Bank considers a proposed transaction’s potential U.S. economic impact⁴⁹ and potential environmental impact,⁵⁰ among other policy issues. Based on its mandate to support U.S. employment, Ex-Im Bank currently requires a certain amount of U.S. content (85% for medium- and long-term transactions) for an export contract to receive full financing from the Bank.⁵¹ In addition, it requires products to be shipped on U.S. flag vessels, with certain exceptions.⁵²

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Analysis,” p. 7. As an example of delegated authority, Ex-Im Bank delegates the authority for underwriting most of short-term transactions directly to Ex-Im Bank-approved private sector lenders. See GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, pp. 7-8, <http://www.gao.gov/products/GAO-13-303>.

⁴⁷ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, p. 40; and CRS meeting with Ex-Im Bank, April 7, 2014.

⁴⁸ 12 U.S.C. §635(b)(1)(B).

⁴⁹ 12 U.S.C. §635a-2; 12 U.S.C. §635(b)(1)(B); 12 U.S.C. §635(e)(1); 12 U.S.C. § 635(e)(2); and 12 U.S.C. §635(e)(3).

⁵⁰ 12 U.S.C. §635i-5.

⁵¹ Ex-Im Bank’s content policy is based on its core jobs mandate, found in 12 U.S.C. §635(a)(1).

⁵² Public Resolution 17 of the 73rd Congress; P.L. 109-304.

Congress further requires Ex-Im Bank to support certain types of exports. For example, the Bank must make available not less than 20% of its total authority to finance small business exports,⁵³ and not less than 10% to finance “renewable energy” exports.⁵⁴ It also must promote financing to sub-Saharan Africa, but does not have a quantitative target.⁵⁵ While the Bank seeks to support these export goals, it is demand-driven and its activity depends on alignment with commercial opportunities.

Ex-Im Bank must submit proposed transactions of \$100 million or more or transactions related to nuclear power and heavy water production facilities through a congressional notification process. This process requires a 25-legislative or 35-calendar day congressional review period (whichever is shorter) before the Board of Directors can take final action on a transaction.⁵⁶

Ex-Im Bank also is subject to various reporting requirements, including related to its operations, small business support, default rate monitoring, categorization of loans and long-term guarantee transactions by their stated purpose, and the competitiveness of its rates, terms, and conditions vis-à-vis foreign ECAs.⁵⁷ The charter also includes other statutory requirements.

In what countries can (or cannot) Ex-Im Bank provide support?

The Bank is open to support buyers of U.S. exports in almost 200 countries around the world.⁵⁸ The Bank generally is prohibited from extending credit and insurance to certain countries, including but not limited to those that are in armed conflict with the United States, those subject to U.S. sanctions, those with balance of payment problems, or those for which a presidential determination has been issued.⁵⁹

Does Ex-Im Bank support military exports?

Ex-Im Bank is prohibited from financing defense articles and defense services with certain limited exceptions, such as a national interest determination by the President.⁶⁰

What is Ex-Im Bank’s economic impact policy?

Ex-Im Bank’s economic impact analysis provisions were first incorporated in its charter in 1968, and have been modified nine times since then.⁶¹ Ex-Im Bank is required to have regulations and procedures to insure that full consideration is given to the extent that any loan or guarantee is

⁵³ 12 U.S.C. §635(b)(1)(E)(v).

⁵⁴ 12 U.S.C. §635(b)(1)(K) and appropriations language.

⁵⁵ 12 U.S.C. §635(b)(9)(A).

⁵⁶ 12 U.S.C. §635(b)(3).

⁵⁷ 12 U.S.C. §635g and 12 U.S.C. §635g-1.

⁵⁸ Ex-Im Bank, *Export-Import Bank of the United States Annual Report 2013*, p. 20.

⁵⁹ For more information, see Ex-Im Bank, “Country Limitation Schedule,” <http://www.exim.gov/tools/countrylimitationschedule/>.

⁶⁰ 12 U.S.C. §635(b)(6).

⁶¹ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, p. 88.

likely to have an adverse effect on U.S. industries and U.S. employment.⁶² These regulations and procedures are in support of the congressional policy that in authorizing any loan or guarantee the Board of Directors shall take into account any serious adverse effect of such loan or guarantee.⁶³ Furthermore, the Bank is prohibited from extending any loan or guarantee that would establish or expand the production of any commodity for export by any other country if the commodity is likely to be in surplus on world markets or the resulting production capacity will compete with U.S. production of a similar commodity and will cause “substantial injury” to U.S. producers of a similar commodity.⁶⁴ The same prohibition applies to loans or guarantees subject to U.S. trade remedy measures, such as countervailing duties or anti-dumping orders.⁶⁵ However, these prohibitions do not apply if the Board of Directors determines that the proposed transaction’s short- and long-term benefits to U.S. industry and U.S. employment are likely to outweigh the injury to U.S. producers and U.S. employment of similar commodities.⁶⁶

Stakeholders hold different views on Ex-Im Bank’s economic impact policy. Supporters of the policy argue that it meets the Bank’s statutory requirements while balancing the range of stakeholder interests. Additionally, some users argue that the policy may contribute to longer processing times of applications and create uncertainty about the availability of Ex-Im Bank financing.⁶⁷ Import-sensitive industries periodically have raised concerns about the economic impact of Ex-Im Bank’s activities, which have led to certain changes in its charter. For instance, the 2002 reauthorization act (P.L. 107-189) added the prohibition for Bank support related to countervailing duties and anti-dumping orders (see above).

Currently, certain U.S. airline industry groups argue that Ex-Im Bank’s financing for U.S. aircraft exports to foreign airlines adversely affects U.S. airlines and their employees, and that the Bank’s economic impact analysis procedures are inconsistent with its charter, among other concerns.⁶⁸ The Bank’s support for foreign airlines’ purchases of wide-body aircraft has especially been a focal point.⁶⁹ According to Ex-Im Bank, its economic impact analysis adequately takes into account U.S. economic effects of transactions. Following its 2012 reauthorization and based on the above concerns, Ex-Im Bank stated that it revised its economic impact review of aircraft transactions to “assure a more cautious review” of them and that, since then, no aircraft

⁶² 12 U.S.C. 635a-2.

⁶³ 12 U.S.C. 635(b)(1)(B).

⁶⁴ 12 U.S.C. 635(e)(1). The Bank defines risk of substantial injury as the extension of a loan or guarantee that will enable a foreign buyer to establish or expand foreign production by an amount that is equal to or greater than 1% of U.S. production. See also, Ex-Im Bank, *Economic Impact Procedures and Methodological Guidelines*, April 2013, <http://www.exim.gov/generalbankpolicies/economicimpact/>.

⁶⁵ 12 U.S.C. 635(e)(2).

⁶⁶ 12 U.S.C. 635(e)(3).

⁶⁷ *Ibid.*, June 2014, pp. 90-91.

⁶⁸ Veronique de Rugy and Andrea Castillo, *The US Export-Import Bank: A Review of the Debate over Reauthorization*, Mercatus Center at George Mason University, July 16, 2014, pp. 12-14, <http://mercatus.org/sites/default/files/deRugy-Ex-ImReview.pdf>. U.S. Congress, House Committee on Financial Services, *Testimony of Richard H. Anderson, Chief Executive Officer of Delta Air Lines*, Hearing entitled “Assessing Reauthorization at the Export-Import Bank: Corporate Necessity or Corporate Welfare?”, 113th Cong., 2nd sess., June 26, 2014, p. 5, <http://financialservices.house.gov/uploadedfiles/hhrg-113-ba00-wstate-randerson-20140625.pdf>.

⁶⁹ For a general background, see GAO, *Export-Import Bank: Information on Export Credit Agency Financing Support for Wide-Body Jets*, GAO-14-642R, July 8, 2014, <http://www.gao.gov/products/GAO-14-642R>.

transaction has been found likely to cause a significant adverse economic impact on U.S. airlines or U.S. employment.⁷⁰ Aspects of this policy debate are subject to ongoing litigation.

What is Ex-Im Bank’s environmental impact policy?

In 1992, Congress amended Ex-Im Bank’s charter to mandate the establishment of environmental procedures taking into account the environmental impacts associated with Ex-Im Bank-supported projects (P.L. 102-429). Since then, Ex-Im Bank’s environmental policy has evolved. Presently, Ex-Im Bank’s charter authorizes the Bank to grant or withhold financing support after taking into account the potential beneficial and adverse environmental effects of goods and services for which Ex-Im Bank direct lending and guarantee support is requested. The Bank must conduct an environmental review of all long-term transactions for which support of \$10 million or more is requested from the Bank.⁷¹

Ex-Im Bank seeks to take environmental considerations into account through the following measures.

- Reducing the carbon dioxide emissions associated with Ex-Im Bank-supported projects⁷² through the promotion of renewable energy exports;
- Environmental and Social Due Diligence Procedures and Guidelines, which provide a framework to screen, classify, and review transactions based on the likely environmental impact of the underlying project; and
- a Carbon Policy and Supplemental Guidelines for High-Carbon Projects, which includes a focus on transparency and reporting of carbon dioxide emissions and efforts

Supporters of Ex-Im Bank’s environmental policy argue that the Bank must balance U.S. exporting interests with environmental policy considerations, per its mandate. However, some U.S. exporters are concerned that Ex-Im Bank’s environmental impact policies may be overly burdensome and detract from its core mission to support U.S. exports and jobs. Recent developments in Ex-Im Bank’s environmental policies related to high-carbon projects, including support for exports for coal-fired power plants, have been subject to congressional action (see next question).

How does the FY2014 appropriations act affect Ex-Im Bank financing for coal-fired power plant projects?

Following the announcement of President Obama’s Climate Action Plan in June 2013,⁷³ Ex-Im Bank’s Board of Directors approved revisions to the Bank’s Supplemental Guidelines for High-

⁷⁰ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, p. 41.

⁷¹ 12 U.S.C. §635i-5.

⁷² Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, pp. 54 and 146-147.

⁷³ The White House, “FACT SHEET: President Obama’s Climate Action Plan,” press release, June 25, 2013, <http://www.whitehouse.gov/the-press-office/2013/06/25/fact-sheet-president-obama-s-climate-action-plan>; and CRS (continued...)

Carbon Projects in December 2013. As revised, the Supplemental Guidelines state that “the Bank will not provide support for exports of high carbon intensity plants, except for high carbon intensity plants that (a) are located in the world’s poorest countries, utilize the most efficient coal technology available and where no other economically feasible alternative exists; or (b) deploy carbon capture and sequestration, in each case, in accordance with the requirements set forth in these Supplemental Guidelines.”

Section 7081(4)(C) of the FY2014 appropriations act (P.L. 113-76) prohibits the use of Ex-Im Bank funds, until September 30, 2014, and under certain conditions, for the enforcement of any rule, regulation, policy, or guideline implemented pursuant to the Supplemental Guidelines. The suspension of implementation of the Supplemental Guidelines varies based on countries’ classification under the World Bank (see **text box**).

World Bank Country Classifications

International Development Association (IDA)-eligible countries, as classified by the World Bank, are those countries whose Gross National Income (GNI) per capita is below a certain threshold, established at \$1,205 for FY2014.⁷⁴ Some countries are eligible only for IDA support, and are referred to as “IDA-only” countries. Others, such as India, Pakistan, and Vietnam, are eligible for IDA support based on their GNI per capita income, but also are creditworthy for borrowing through the International Bank for Reconstruction and Development (IBRD); they are referred to as “IDA-blend” countries. Currently, there are 59 countries classified by the World Bank as “IDA-only,” and 18 countries classified as “IDA-blend,” the latter of which can borrow from both facilities.

According to Ex-Im Bank, the impact of the FY2014 appropriations language on the enforcement of rules under its Supplemental Guidelines is as follows:

- For **IDA-only countries**, the requirement is *suspended* until September 30, 2014, for the transaction to involve the use of best appropriate technology available and the requirement for alternatives analysis demonstrating no economically feasible alternative exists.
- For **IDA-blend countries**, the requirement is *suspended* until September 30, 2014, for the transaction to include carbon capture and sequestration to reduce its carbon intensity to 500 grams of carbon dioxide/kilowatt hours or less.
- For **all other countries**, the requirement *remains* for the transaction to include carbon capture and sequestration to reduce its carbon intensity to 500 grams of carbon dioxide/kilowatt hours or less.
- For **all countries** (IDA-only, IDA-blend, other), all other Ex-Im Bank environmental reviews, guidelines, and requirements *remain* in place.

From an environmental perspective, some stakeholders may be critical of the appropriations language. Others may argue that it provides greater flexibility for Ex-Im Bank to meet its export and jobs mandate more effectively.

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Report R43120, *President Obama’s Climate Action Plan*, coordinated by Jane A. Leggett. The plan called for the United States to “[lead] global sector public financing towards cleaner energy by calling for the end of U.S. government support for public financing of new coal-fired powers plants overseas, except for the most efficient coal technology available in the world’s poorest countries, or facilities deploying carbon capture and sequestration technologies.”

⁷⁴ The World Bank’s FY2014 is July 1, 2013, to June 30, 2014.

What is Ex-Im Bank’s small business statutory mandate?

While Ex-Im Bank provides financing to companies of all sizes, its charter contains specific mandates related to U.S. small business exports. The Export-Import Bank Reauthorization Act of 2002 (P.L. 107-189) requires the Bank to make available not less than 20% of its aggregate loan, guarantees, and insurance authority to directly finance exports by small businesses, which previously was set at 10%. It also added reporting requirements related to small business. The Export-Import Bank Reauthorization Act of 2006 (P.L. 109-438) established a Small Business Division within the Bank, as well as an office in the new division that focuses on socially and economically disadvantaged small businesses and women-owned small businesses. In addition, the 2006 act directed the Bank to have small business specialists throughout the agency and established a Small Business Committee within its management structure.

What is Ex-Im Bank’s “renewable energy” statutory mandate?

The Export-Import Bank Reauthorization Act of 2002 (P.L. 107-189) directed the Bank to “promote the export of goods and services related to renewable energy resources” and included reporting requirements. Since FY2008, appropriations language has further specified that the Ex-Im Bank should make available not less than 10% of its aggregate credit and insurance authority for the financing of “renewable energy” exports. The specific terms used for the 10% target have varied; FY2014 appropriations language refers to “renewable energy technologies or energy efficiency technologies” for the target. Congressional directives on Ex-Im Bank support for “renewable energy” exports also date further back. For instance, the FY1990 foreign operations appropriations act (P.L. 101-167) directed Ex-Im Bank to seek to provide not less than 5% of the financing it utilizes for supporting energy sector exports for renewable energy projects.⁷⁵

What is Ex-Im Bank’s sub-Saharan Africa statutory mandate?

The Export-Import Bank Reauthorization Act of 1997 (P.L. 105-121) amended Ex-Im Bank’s charter to include mandates related to sub-Saharan Africa. It required its Board of Directors to take “prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank’s financial commitments in sub-Saharan Africa” under the Bank’s loan, guarantee, and insurance programs.⁷⁶

Among other things, the 1997 reauthorization act also is the basis for the Bank’s Sub-Saharan Africa Advisory Committee. The act required the Board of Directors to establish an advisory committee to advise it on the development and implementation of policies and programs to support this expansion of the Bank’s commitments in the region.⁷⁷ The act included a termination date for the advisory committee of four years after the enactment of the act. Subsequent reauthorization acts have extended its termination date, most recently to September 30, 2014 (P.L. 112-122).⁷⁸

⁷⁵ GAO, *Export-Import Bank: Reaching New Targets for Environmentally Beneficial Exports Presents Major Challenges for the Bank*, GAO-10,682, July 2010, <http://www.gao.gov/assets/310/307160.pdf>.

⁷⁶ 12 U.S.C. §635(b)(9)(A).

⁷⁷ 12 U.S.C. §635(b)(9)(B)(i).

⁷⁸ 12 U.S.C. §635(b)(9)(B)(iii).

What is Ex-Im Bank’s domestic content policy?

“Content” is the amount of domestic and foreign costs from labor, materials, overhead, and other inputs associated with the production of an export. Ex-Im Bank bases its content policy on its statutory mandate to support U.S. jobs. Under its content policy, for all medium- and long-term transactions, Ex-Im Bank limits its support to the *lesser* of (1) 85% of the value of all goods and services contained within a U.S. supply contract; or (2) 100% of the U.S. content of an export contract. In effect, the Bank requires a minimum of 85% U.S. content and a maximum of 15% foreign content for an export contract to receive the fullest extent of financing available by the Bank. If the foreign content exceeds 15%, the Bank’s support would be reduced proportionally.⁷⁹ For short-term export contracts, the minimum U.S. content requirement for full Ex-Im Bank financing is generally 50%.⁸⁰

Stakeholder views on Ex-Im Bank’s content policy vary. Given the proliferation of global supply chains and foreign ECA policies, many U.S. businesses continue to call for additional flexibility in Ex-Im Bank’s content requirements. For example, industry proposals have included recommendations that Ex-Im Bank lower its domestic content requirement or expand the definition of domestic content to include, for instance, research and development or other elements that support high-value additions to the U.S. economy. However, labor groups tend to be concerned about the impact that lowering national content requirements may have on employment in the home country. From their point of view, reducing these requirements may result in an outsourcing of labor to other countries. Others counter that the current requirements may induce firms to use other ECAs for alternative sources of financing, which may cause them to shift production overseas.

How do the policies of Ex-Im Bank and foreign ECAs compare?

Ex-Im Bank and other ECAs vary in terms of their mandates, organizational structure, policies, and focus areas, which can complicate efforts to make comparisons across ECAs. Many stakeholders view Ex-Im Bank’s policies—such as in its economic and environmental impact, domestic content requirement, and U.S. flag shipping requirements—to be more stringent than those of foreign ECAs. From a business perspective, some argue that such policies can make Ex-Im Bank less competitive than foreign ECAs in supporting exporters. However, others argue that, through its policies, Ex-Im Bank must balance a range of stakeholder interests, including those of businesses that benefit directly from Ex-Im Bank, other businesses that may be affected by Ex-Im Bank support, labor concerns, and environmental concerns.

As required by Congress, Ex-Im Bank annually assesses how its policies, practices, and programs compare with those of major foreign ECAs in its *Annual Competitiveness Report to Congress*. To access the current year’s report, as well as earlier years’ reports, see <http://www.exim.gov/about/library/reports/competitivenessreports/>.

⁷⁹ Ex-Im Bank, *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States, For the Period January 1, 2013 through December 31, 2013*, June 2014, p. 92; and Ex-Im Bank, “Medium- and long-term content policy,” <http://www.exim.gov/generalbankpolicies/content/medium-and-long-term-content-policy.cfm>.

⁸⁰ Ex-Im Bank, “Short-term content policy,” <http://www.exim.gov/generalbankpolicies/content/short-term-content-policy.cfm>.

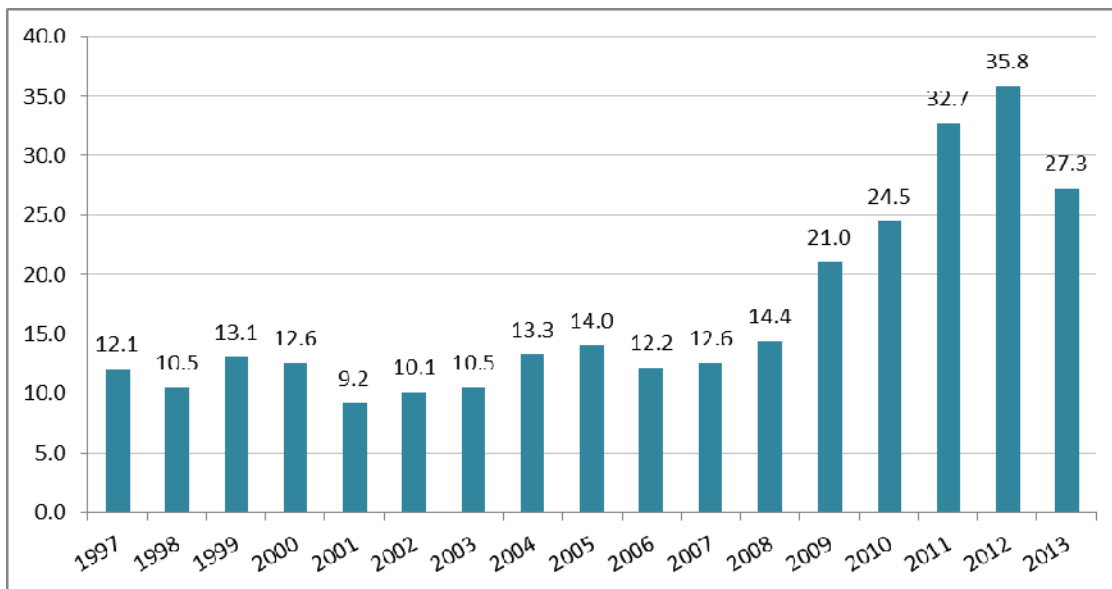
Activity

How much credit and insurance does Ex-Im Bank authorize?

In the context of Ex-Im Bank’s activities, its authorizations are the new commitments for credit and insurance that the agency approves each year.⁸¹ In FY2013, Ex-Im Bank approved 3,842 transactions of credit and insurance support, which amounted to \$27.3 billion in approved commitments. The *number* of transactions authorized in FY2013 reached a record high. However, in terms of authorization *value*, after several years of record highs, the amount authorized in FY2013 declined (see **Figure 4**). The dynamics could reflect recovery of the financial markets in some areas; increased focus on supporting small business export transactions (high in number, but of lower value than larger transactions); and the absence of certain large transactions in certain markets, such as for aircraft.

Figure 4. Ex-Im Bank Authorizations for Credit and Insurance Commitments, FY1997-FY2013

Billions of U.S. Dollars



Source: CRS, from Ex-Im Bank annual reports.

Ex-Im Bank provides annual reports that discuss its program activity levels and focus areas, as well as its financial performance. The current year’s reports, as well as earlier years’ reports going back to FY1997, are accessible at <http://www.exim.gov/about/library/reports/annualreports/>. The “Financial Report” section of the annual report includes a summary of Ex-Im Bank’s overall authorizations by financial product type; its overall authorizations by market; and its long-term loans and guarantee authorizations by market.

⁸¹ This usage of authorization is distinct from its usage in the budget process context, where it refers to the amount authorized to be appropriated.

What amount of U.S. exports and number of U.S. jobs are associated with Ex-Im Bank activity?

Ex-Im Bank estimates the amount of U.S. exports and number of U.S. jobs supported by its activity. For FY2013, Ex-Im Bank estimates that its authorizations of \$27.3 billion supported about \$37.4 billion in U.S. exports worldwide and approximately 205,000 U.S. jobs. The Bank also maintains data through an interactive map of the United States with its estimated export and jobs impact at the state and congressional district levels. It is accessible at http://www.exim.gov/customcf/congressionalmap/us_map.cfm.

It is important to note that various factors affect U.S. export and employment levels. As such, while the role of Ex-Im Bank support at the individual firm level may be apparent, it may be difficult to determine the precise impact of the presence or absence of Ex-Im Bank financing on the U.S. economy in the long run.

What is the opportunity cost of Ex-Im Bank activity to U.S. exports and jobs?

A limitation in demonstrating export and employment relationships is in trying to determine the opportunity cost of Ex-Im Bank financing. Ex-Im Bank's credit and insurance programs, in supporting exports and employment, draw from the capital and labor resources within the economy that would be available for other uses, such as alternative exports and employment. A challenge arises in determining whether those sales of exports and resulting employment that are attributed to Ex-Im Bank would have occurred in the absence of Ex-Im Bank support. For example, if Ex-Im Bank financing was not available, would firms have used services and financing from the private sector, perhaps at a higher cost, to export? Or would the private sector costs be too prohibitive due to market failures, such as imperfect information, and discourage U.S. firms from exporting? In that case, economic theory would predict that fewer jobs would be created in the export industry, but more jobs would be created elsewhere in the economy, for no net loss in total employment in the long run.

How does Ex-Im Bank calculate its jobs support?

Ex-Im Bank uses an "input-output" method based on data from the Bureau of Labor Statistics (BLS) to calculate the number of U.S. jobs associated with its support. A GAO study conducted in May 2013 analyzed Ex-Im Bank's jobs calculation methodology. GAO noted that the Bank's methodology is commonly used, but it has some limitations. For instance, GAO notes that the employment data treat full-time, part-time, and seasonal jobs equally, and assume average industry relationships, but it is possible that Ex-Im Bank's clients could differ from the typical firm in the same industry. GAO also found that the underlying approach cannot answer the question of what would have happened in the absence of Ex-Im Bank financing. In addition, GAO stated that Ex-Im Bank does not report these limitations or fully detail the assumptions related to its data or methodology, which can limit congressional and stakeholder understanding of the impact of Ex-Im Bank activity. GAO recommended that Ex-Im Bank improve reporting on the assumptions and limitations in the methodology and data used to calculate the number of jobs

it supports through its financing. Ex-Im Bank agreed with the recommendation and stated that it is providing details about job calculation limitations in its annual report.⁸²

Has Ex-Im Bank met its congressional targets for small business, renewable energy, and sub-Saharan Africa authorizations?

Given the demand-driven nature of Ex-Im Bank activities, the congressional mandates to support U.S. exports by small business, U.S. exports of renewable energy goods and services, and U.S. exports to sub-Saharan Africa can be viewed as statutory “targets.” (For a discussion of the evolution of these mandates, see “Statutory Requirements and Policies” section.)

Ex-Im Bank has met its 20% small business target from Congress in some years, but has fallen short in other years, based on authorization amount (see **Table 1**). At the same time, the number of small business transactions supported by the Bank continues to increase and, in fact, constitutes the majority of Ex-Im Bank’s transactions by number. The Bank’s support for environmentally beneficial exports, while increasing, has been consistently well below the 10% target, possibly due, in part, to limitations in the U.S. supply of renewable energy exports.⁸³ Ex-Im Bank’s support for sub-Saharan Africa also reflects an overall uptick in activity, compared to previous years. While the Bank seeks to support these export goals, its actual activity depends on alignment with commercial interests, as it is demand-driven.

⁸² GAO, *Export-Import Bank: More Detailed Information about Its Jobs Calculation Methodology Could Improve Transparency*, GAO-13-466, May 23, 2013, <http://www.gao.gov/products/gao-13-446>; and U.S. Congress, House Committee on Financial Services, *Written Testimony of Fred P. Hochberg, President and Chairman of the Export-Import Bank of the United States*, Hearing on “Examining Reauthorization of the Export-Import Bank: Corporate Necessity or Corporate Welfare?”, 113th Cong., 2nd sess., June 25, 2014.

⁸³ GAO, *Export-Import Bank: Reaching New Targets for Environmentally Beneficial Exports Presents Major Challenges for Bank*, GAO-10-682, July 14, 2010, <http://www.gao.gov/products/GAO-10-682>.

Table I. Ex-Im Bank’s Credit and Insurance Authorizations, FY2012-FY2013

Program	Number of Authorizations		Amount Authorized (\$ millions)	
	2012	2013	2012	2013
Total Authorizations	3,796	3,842	\$35,784	\$27,347
Loans	24	71	\$11,765.7	\$6,893.8
Loan Guarantees	744	674	\$18,319.3	\$14,911.8
Insurance	3,028	3,097	\$5,699.3	\$5,542.0
Authorizations for Specific Types of Exports (Congressional Mandate)				
Exports by Small Business (20% target for amount)	3,313	3,413	\$6,123	\$5,223
Percent of Total	87.3%	88.8%	17.1%	19.1%
Environmentally Beneficial Exports (10% target for amount)	149	143	\$615	\$433
Percent of Total	3.9%	3.7%	1.7%	1.6%
Exports to Sub-Saharan Africa (increased focus, no % target)	163	188	\$1,522	\$604
Percent of Total	4.3%	4.9%	4.3%	2.2%

Source: Ex-Im Bank annual reports data adapted by CRS.

Are Ex-Im Bank’s small business authorizations an accurate reflection of its support for small business?

Some stakeholders say that Ex-Im Bank’s current approach to calculating its small business support towards its 20% statutory target leads to an impression that it supports fewer small businesses than it actually does.⁸⁴ For example, a 2011 study of the supply chains of five large companies (Bechtel, Boeing, Case New Holland, General Electric, and Siemens Power Corporation) that are “exporters of record” for Ex-Im Bank, identified over 33,000 small- and medium-sized enterprises (SMEs) that serve as primary suppliers of parts and services incorporated into these large companies’ exports.⁸⁵ Other SMEs also operate at sub-levels of the supply chain, serving as “suppliers to the suppliers.”

Other stakeholders assert that focusing on Ex-Im Bank’s indirect support for small businesses is not the original intention of Ex-Im Bank’s mandate. They express concern that allowing indirect support for small business to count toward the 20% small business target may adversely affect U.S. small business exporters by making it easier for Ex-Im Bank to reach the 20% goal and, thus, reducing incentives to seek small business customers.⁸⁶

⁸⁴ For example, see U.S. Chamber of Commerce Coalition Letter to Members of the United States Congress on Ex-Im Bank, February 13, 2012, <https://www.uschamber.com/letter/coalition-letter>.

⁸⁵ Coalition for Employment Through Exports (CEE), *Supplier Study of 2011*. CEE is a non-profit advocacy organization whose Board of Directors and members include Bechtel, Case New Holland, General Electric, and Siemens Financial Services. See <http://usaexport.org/>.

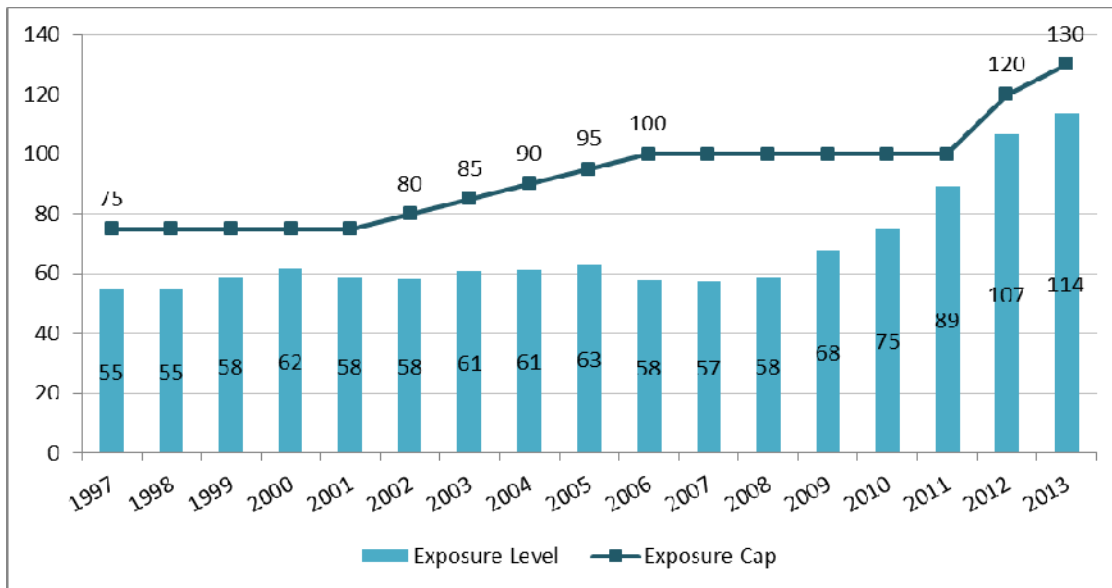
⁸⁶ Letter from Todd McCracken, President and CEO of Small Business Exporters Association (SBEA), to The Honorable Tim Johnson, Chairman of Senate Banking Committee; The Honorable Michael Crapo, Ranking Member of (continued...)

What is Ex-Im Bank’s exposure level?

Ex-Im Bank’s exposure level is the aggregate amount of loans, guarantees, and insurance that Ex-Im Bank has outstanding at any one time (“overall portfolio”). Statutory limits on its exposure level are established in Ex-Im Bank’s charter.⁸⁷ For FY2014, the Bank’s statutory exposure limit is \$140 billion. In FY2013, the Bank reported a total portfolio exposure of \$113.8 billion—below the \$130 billion statutory cap for that year. Ex-Im Bank’s exposure level has been at record highs in recent years (see **Figure 5**), associated largely with increased demand for Ex-Im Bank’s services during the financial crisis as commercial lending declined, as well as possibly greater demand in emerging markets for U.S. exports; increased usage of the Bank by key customers, such as those in the satellite sector; and greater Ex-Im Bank outreach.⁸⁸ Ex-Im Bank’s portfolio is distributed across its financial products, as well as geographical regions and economic sectors (see **Figure 6**).

Figure 5. Ex-Im Bank Exposure Levels and Exposure Cap, FY1997-FY2013

Billions of U.S. Dollars



Source: CRS analysis of data from Ex-Im Bank annual reports.

(...continued)

Senate Banking Committee; The Honorable Jeb Hensarling, Chairman of House Financial Services Committee; and The Honorable Maxine Waters, Ranking Member of House Financial Services Committee, May (assumed) 2014, http://www.nsba.biz/wp-content/uploads/2014/05/SBEA_NSBA_Letter_Admin_SME_Ex-Im_Reauth-Proposal.pdf.

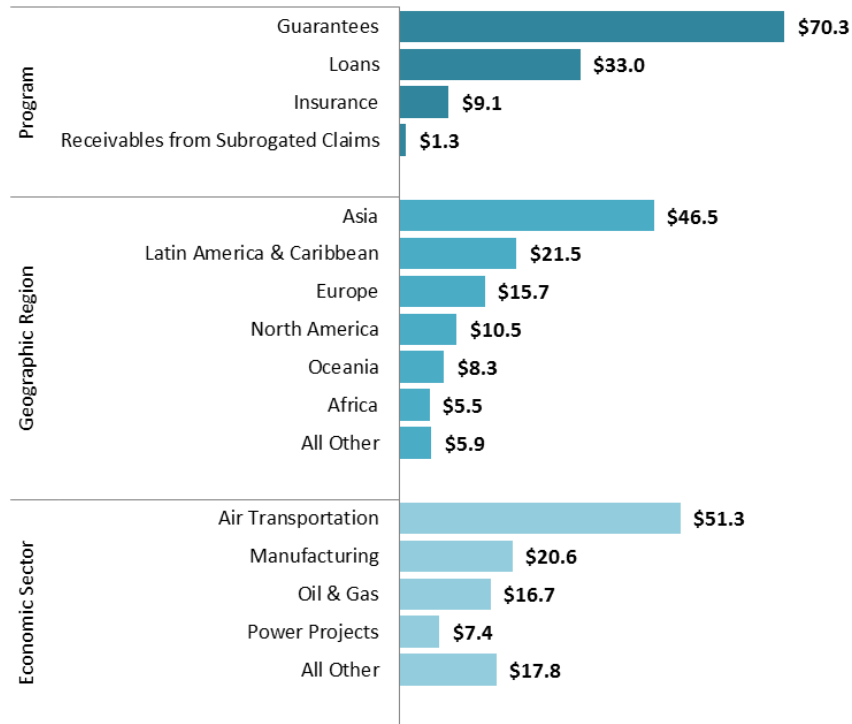
⁸⁷ 12 U.S.C. §635e(F)(ii).

⁸⁸ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, pp. 14-20.

Figure 6. Ex-Im Bank Exposure Level Composition, FY2013

Billions of U.S. Dollars

Ex-Im Bank reported its FY2013 exposure as \$113.8 billion



Source: CRS, based on data from Ex-Im Bank annual reports.

Risk Management

What risks does Ex-Im Bank face in financing and insuring exports?

Ex-Im Bank faces a number of risks in financing and insuring U.S. exports, including:

- **repayment risk**, which is the risk that a borrower will not pay according to the original agreement and the Bank may eventually have to write-off some or all of the obligation because of credit or political reasons;
- **concentration risk**, which is the risk stemming from the composition of the credit portfolio (e.g., concentration of portfolio by geographic region, industry, and obligor), as opposed to the risks related to specific obligors;
- **foreign currency risk**, which is the risk stemming from an appreciation or depreciation in the value of a foreign currency in relation to the U.S. dollar in Ex-Im Bank transactions denominated in that foreign currency;
- **operational risk**, which is the risk of material losses resulting from human error, system deficiencies, and control weaknesses; and

- **interest rate risk**, which stems from the fact that Ex-Im Bank makes fixed-rate loan commitments prior to borrowing to fund loans and there is a risk that it will have to borrow funds at an interest rate greater than the rate charged on the credit.⁸⁹

How does Ex-Im Bank seek to manage its risks?

The basis for Ex-Im Bank's risk management function is in the Bank's charter, which requires that all transactions supported by the Bank have a reasonable assurance of repayment⁹⁰ and that the Bank maintains reasonable provisions for losses.⁹¹ The Bank has a system in place to mitigate risks through credit underwriting and due diligence of potential transactions, as well as monitoring risks of current transactions. If a transaction has credit weaknesses, the Bank will try to restructure it to help prevent defaults and increase the likelihood of higher recoveries if the transaction does default. Ex-Im Bank also has a claims and recovery process for transactions in default.⁹²

How does Ex-Im Bank determine the level of funds necessary to cover future projected claims?

Because loan repayment prospects may change over time due to economic or other factors, Ex-Im Bank's credit losses on the outstanding balance of transactions are re-estimated annually. This re-estimate indicates the appropriate level of funds necessary to cover projected future claims. On an annual basis, the difference between the Bank's financing accounts and the amount needed to cover future estimated claims is reconciled through one of two processes. First, if the balance in Ex-Im Bank's financing accounts is greater than the re-estimates of credit losses, the surplus funds are transferred to a Treasury General Fund receipt account. It is not available to cover future estimated claims. Second, if the balance in the financing accounts is less than the re-estimated level of credit losses, an appropriation is required in order for the Bank to issue commitments for new loans and guarantees in excess of those receipts.⁹³

How much are in Ex-Im Bank's loss reserves?

Ex-Im Bank maintains reserves to protect against potential future losses from its activities. According to Ex-Im Bank data, its reserves for loan losses totaled \$4.6 billion in FY2013, which accounted for 5.7% of its outstanding balance and 4.1% of its total exposure.⁹⁴

⁸⁹ Ex-Im Bank annual reports; and GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, p. 8.

⁹⁰ 12 U.S.C. §635(b)(1)(B).

⁹¹ 12 U.S.C. §635(a)(1).

⁹² GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, p. 42.

⁹³ *Export-Import Bank of the United States Annual Report 2013*, p. 51.

⁹⁴ *Ibid.*, pp. 51-52.

What is Ex-Im Bank's default rate?

Ex-Im Bank calculates its default rate as a “total amount of required payments that are overdue (claims paid on guarantees and insurance transactions plus loans past due) divided by a total amount of financing involved (disbursements).”⁹⁵ The 2012 reauthorization act required Ex-Im Bank to monitor its default rate, report it on a quarterly basis to Congress, and to develop a plan to reduce the default rate if it exceeded 2% (sometimes called “the 2% rule”).⁹⁶ As reported by Ex-Im Bank on a quarterly basis, its default rate was 0.194% as of June 2014.⁹⁷ According to Ex-Im Bank, its historical default rate has been less than 1% since its inception.⁹⁸

However, there is some debate about how the default rate should be interpreted. According to a GAO study, the ultimate impact of Ex-Im Bank's recent business on default rates is not yet known as it contains a large volume of transactions that have not reached their peak default periods.⁹⁹ GAO also has stated that trends in Ex-Im Bank's default rate should be viewed with caution because of limitations in the agency's analysis of its financial performance.¹⁰⁰

What happens when Ex-Im Bank has to pay a claim?

Ex-Im Bank pays a claim when a loan that it has guaranteed or an insurance policy that it has issued defaults. In the case of a loan guarantee, Ex-Im Bank will take the loan over from the bank and pay the lending bank the full amount of the principal of the loan that it guaranteed, plus any accrued interest. In addition, when Ex-Im Bank pays a claim for a loan guarantee that is denominated in a foreign currency, it seeks to manage its foreign currency risk by purchasing the foreign currency to pay the claim to the lender and then attempts recovery on the U.S. dollar equivalent, which represents the obligor's debt obligation—shifting the foreign currency risk to the obligor after the claim has been paid.¹⁰¹ After Ex-Im Bank takes possession of a loan in default, it engages in recovery efforts to minimize its losses (see next question).

What is Ex-Im Bank's recovery rate?

Since 1992, Ex-Im Bank has been able to recover 50 cents on the dollar on average for transactions in default. Backed by the U.S. government, Ex-Im Bank can take legal action against

⁹⁵ Ibid., p. 48.

⁹⁶ 12 U.S.C. §635g(g).

⁹⁷ Ex-Im Bank, *Default Rate Report as of June 2014*, p. 3. The default rate provided by Ex-Im Bank is different from the default rate calculated by the Office of Management and Budget (OMB) to calculate the credit subsidy for budgetary purposes. The default rate calculated by OMB is a lifetime default rate, and is typically higher than the one that is reported quarterly.

⁹⁸ Ibid., p. 11.

⁹⁹ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, p. 31.

¹⁰⁰ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-703T, June 13, 2013, p. 6.

¹⁰¹ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013, pp. 41-42; and CRS meeting with Ex-Im Bank, April 7, 2014.

obligors for transactions in default.¹⁰² According to Ex-Im Bank, more than 80% of its entire portfolio is backed by some type of collateral (e.g., aircraft) or sovereign guarantee.¹⁰³

What is the debate over Ex-Im Bank's risk management practices?

Congressional interest in Ex-Im Bank's financial soundness and risk management has been longstanding. It has been motivated, in part, by interest in the impact of Ex-Im Bank's activity on U.S. taxpayers, given that the Bank's activities are backed by the full faith and credit of the U.S. government.¹⁰⁴ In recent years, Ex-Im Bank's growing exposure levels have heightened congressional scrutiny in its financial soundness and risk management practices.

Pursuant to the 2012 reauthorization act, GAO published reports in March 2013 and May 2013 that reviewed Ex-Im Bank's risk management and reporting practices.¹⁰⁵ GAO found that Ex-Im Bank is moving toward a more comprehensive risk management framework and has made certain improvements over time, including enhancing credit loss modeling with qualitative factors. At the same time, the GAO identified remaining weaknesses, viewed further improvement as necessary based on the Bank's growing exposure level, and provided recommendations to Ex-Im Bank—all of which the Bank has reported accepting and working to implement. The Bank also notes other changes it has made in recent years, including appointing a Chief Risk Officer in 2013 to ensure prudential risk management, as well as establishing an Enterprise Risk Committee, modernizing its credit monitoring, creating a Special Assets unit to address emerging credit issues, expanding pro-active monitoring efforts, and improving underwriting criteria.¹⁰⁶

Supporters of Ex-Im Bank contend that the Bank has adequate systems and staffing in place to manage its risk, and poses low risk to U.S. taxpayers. They argue that the Bank has a strong mandate to manage risk under its charter and has a strong record of risk management, noting the low default rate and high recovery rate reported by Ex-Im Bank.¹⁰⁷ Critics hold that there are weaknesses in the Bank's risk governance, pointing to certain findings in studies by GAO and the Bank's Office of Inspector General. They question the methodology used to calculate Ex-Im Bank's expected losses and contributions to the Treasury, and express concern that the Bank's growing exposure and concentrations in that exposure, such as in aircraft, pose a risk to U.S. taxpayers and the federal budget.¹⁰⁸

¹⁰² Ex-Im Bank, *FY2013 Annual Report*, p. 5.

¹⁰³ *Ibid.*, p. 48.

¹⁰⁴ 12 U.S.C. §635k.

¹⁰⁵ GAO, *Export-Import Bank: Recent Growth Underscores Need for Continued Improvements in Risk Management*, GAO-13-303, March 2013; and GAO, *Export-Import Bank: Additional Analysis and Information Could Better Inform Congress on Exposure, Risk, and Resources*, GAO-13-620, May 2013.

¹⁰⁶ U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *Oversight and Reauthorization of the Export-Import Bank of the United States*, Written Testimony of Fred P. Hochberg - President and Chairman of Ex-Im Bank, 113th Cong., 2nd sess., January 28, 2014.

¹⁰⁷ For example, see NAM, *Facts on the Export-Import (Ex-Im) Bank*, <http://www.nam.org/~media/5AF9A722407E46D6A1264820B2208860.ashx>.

¹⁰⁸ For example, see Diane Katz, *U.S. Export-Import Bank: Corporate Welfare on the Backs of Taxpayers*, *The Heritage Foundation*, April 11, 2014, <http://www.heritage.org/research/reports/2014/04/us-exportimport-bank-corporate-welfare-on-the-backs-of-taxpayers>.

Other stakeholders caution that the Bank may be becoming too risk-averse. A focal point has been Ex-Im Bank's medium-term program, whose default rate is higher than that of Ex-Im Bank's overall portfolio. Ex-Im Bank has introduced heightened credit standards, including higher collateral requirements, for this program.¹⁰⁹ These tighter standards have been associated with a decrease in Ex-Im Bank medium-term lending in recent years,¹¹⁰ and have raised concerns about the appropriate balance in Ex-Im Bank's risk management with its overall mandate to support U.S. exports.

Budget and Appropriations

How does Ex-Im Bank fund its activities?

Ex-Im Bank's program revenues include the fees and premia charged for services, interest generated from loans, and repayment of loan principals. For a given year, the Bank's program revenues that are in excess of the forecasted loss on those transactions (credit losses) are retained as offsetting collections. These offsetting collections are used to fund new obligations in the year, which include administrative costs, claim payments, loan disbursements, and prudent reserves to cover future losses. Ex-Im Bank borrows from the Treasury to finance medium- and long-term loans.

According to Ex-Im Bank, there is no limit on the total amount of offsetting collections that the Bank can have. However, there are limits on how much and for how long the Bank can keep the offsetting collections. Through the annual appropriations process, Ex-Im Bank receives authority to spend its offsetting collections.

See "How does Ex-Im Bank determine the level of funds necessary to cover future projected claims?" in the Risk Management section.

How does Ex-Im Bank's appropriations process work?

As a federal credit program, the activities of the Bank are subject to federal credit accounting rules and the calculation of a credit subsidy. The Ex-Im Bank's credit subsidy was negative in FY2013 and is estimated to be negative in FY2014 and FY2015. Therefore, no appropriation is required to cover the cost of the subsidy for budgetary purposes. However, if the credit subsidy calculation resulted in a positive subsidy rate or if the methodology for calculating subsidies for federal credit programs should change (i.e., to fair-value accounting) and lead to a positive subsidy rate, then an appropriation from Congress would be required to cover the credit subsidy amount.¹¹¹

Separately, Congress provides an appropriation for the activities of the Ex-Im Bank's Office of Inspector General (OIG) and sets an upper limit on its administrative expenses as part of the

¹⁰⁹ GAO, *Export-Import Bank: Additional Analysis and Information Could Better Inform Congress on Exposure, Risk, and Resources*, GAO-13-620, May 2013, p. 22.

¹¹⁰ Based on data from Ex-Im Bank annual reports.

¹¹¹ During the 1990s and early 2000s, Ex-Im Bank's credit subsidy was positive in most years.

Department of State, Foreign Operations, and Related Programs appropriations act. These expenses are not included in the credit subsidy calculation, unlike the majority of the Bank's activities, but are recorded on a cash basis. Because Ex-Im Bank collects revenues from its customers, classified in the federal budget as offsetting collections, it is able to reimburse the Treasury for the costs of those expenses resulting in a net appropriation of zero (administrative expenses \$90 million in FY2013; Inspector General \$4 million in FY2013). For FY2014, Congress set an upper limit of \$115.5 million for the Bank's administrative expenses, provided \$5.1 million for its OIG, and allowed carryover funds of up to \$10 million to remain available until September 30, 2017.

How are Ex-Im Bank's activities accounted for under Federal Credit Reform Act of 1990 (FCRA)?

Beginning with FY1992, the Federal Credit Reform Act (FCRA, P.L. 101-508) required that the reported budgetary cost of a credit program equal the estimated subsidy costs at the time the credit is provided. FCRA defines the subsidy cost as "the estimated long-term cost to the government of a direct loan or a loan guarantee, calculated on a net present value basis, excluding administrative costs." Before FY1992, the budgetary cost of a new loan or new loan guarantee was reported as its net cash flow for that fiscal year. The change to FCRA places the cost of federal credit programs on a budgetary basis that more closely matches other federal outlays.

The FCRA methodology described above resulted in an estimated budgetary impact for Ex-Im Bank's credit activities of FY2013 of -\$1 billion, or reduction in the budget deficit of \$1 billion. A negative subsidy indicates that the discounted present value of cash inflows exceeds the discounted value of cash outflows over the life of the loans, resulting in a reduction in the budget deficit for the fiscal year in which the subsidy estimate is made. This negative credit subsidy is calculated based on the negative credit subsidy rate multiplied by the total dollar value of loans and loan guarantees in that year. The estimated subsidy is -\$570 million for FY2014 and -\$1.4 billion for FY2015.¹¹² Subsidy rates from federal credit programs are subject to re-estimates in future years, resulting in new subsidy estimates that may be higher or lower compared to the original estimate. For example, in FY2012, the original subsidy rate for Ex-Im Bank's direct loans was -9.30%. Currently, it has been re-estimated at -7.85%. The original credit subsidy rate for loan guarantees in the same year was -1.66%, and it is currently re-estimated at -0.02%.

What is the relationship between Ex-Im Bank activity and the U.S. debt and deficit?

Beginning with FY1992, the FCRA required that the reported budgetary cost of a credit program equal the estimated subsidy costs at the time the credit is provided. This methodology resulted in an estimated budgetary impact of Ex-Im Bank's activities of -\$1 billion in FY2013 and an estimated -\$570 million for FY2014.¹¹³ In other words, Ex-Im Bank's activities in FY2013 were

¹¹² These subsidy estimates were taken from the President's Budget documents prepared by the Office of Management and Budget (OMB). The Congressional Budget Office (CBO) utilizes different models and assumptions when making credit estimates for purposes of the appropriations process and CBO's baseline estimates.

¹¹³ These subsidy estimates were taken from the President's Budget documents prepared by OMB. CBO utilizes different models and assumptions when making credit estimates for purposes of the appropriations process and CBO's baseline estimates.

estimated to reduce the budget deficit by \$1 billion in FY2013, and are estimated to reduce the budget deficit by \$570 million in FY2014.

The budgetary impact (the credit subsidy) of the Ex-Im Bank's activities is different from its impact on the federal debt. When the Bank issues a new direct loan or has to pay an obligation on a loan guarantee, it borrows money from the U.S. Treasury, which is raised by the Treasury by selling Treasury securities to the extent that the Bank does not have enough incoming revenue to cover the obligation. That borrowing from the Treasury increases the size of the U.S. federal debt in the amount borrowed on a dollar-for-dollar basis. Therefore, while the loan or loan guarantee remains outstanding, the activities of the Bank increase the size of the U.S. debt. As these obligations are repaid, the amount of debt outstanding to the U.S. Treasury declines, thereby decreasing the size of the Ex-Im Bank's contribution to the federal debt. The size of the credit subsidy calculated for budgetary purposes should reflect the size of the long-term cost (or debt burden) on the U.S. Treasury, though the estimates are inherently inexact. Outstanding borrowing owed to the U.S. Treasury totaled \$18.1 billion at the end of FY2013. (Any repayments to the Treasury for outstanding debt do not directly affect Ex-Im Bank's credit subsidy for budgetary purposes.)

What does Ex-Im Bank do with its excess revenues?

Ex-Im Bank collects revenues from customers, from fees and premia and loan principal and interest payments in the form of offsetting collections. Offsetting collections are defined as funds collected by government agencies from other government agencies or from the public in businesslike or market-oriented transactions that are credited to an expenditure account. Offsetting collections in FY2013 were nearly \$1.3 billion after setting funds aside for credit loss reserves. Ex-Im Bank states that nearly \$1.1 billion of that amount was in excess of operating costs and loan loss reserves.¹¹⁴ That amount is calculated on a cash basis and based on the \$1.3 billion in offsetting collections less \$90 million in administrative expenses and \$108 million that was retained in Ex-Im Bank's accounts to be available for obligation as allowed under law.

The amount of excess revenue calculated on a cash basis, discussed above, is different than the amount calculated on a budgetary basis. For budgetary purposes, the credit subsidy calculation incorporates the expected costs as well as profits (i.e., excess cash). When a credit account generates a negative subsidy rate, as is the case with the Ex-Im Bank, a negative credit subsidy is recorded in the federal budget in the form of offsetting receipts and can be used to offset other costs incurred by the Bank. The negative credit subsidy indicates that over the lifetime of the obligations outstanding, Ex-Im Bank is projected to generate more in offsetting collections than what was initially borrowed to provide the direct loan in present value terms. For FY2013, the amount of the negative subsidy or budgetary impact was -\$1 billion.¹¹⁵

¹¹⁴ *Export-Import Bank of the United States Annual Report 2013*, p. 5.

¹¹⁵ In some years, the credit subsidy was positive.

How would changes in federal credit accounting affect Ex-Im Bank?

There have been some proposals introduced and considered in the past few Congresses to change the methodology for scoring federal credit programs from an FCRA approach, based on Treasury interest rates, to a fair value approach, based on market rates (i.e., higher interest rates to account for market risk). In the 113th Congress, the Budget and Transparency Act of 2014 (H.R. 1872), which passed the House but has not been acted on in the Senate, would make such a change. CBO estimated that if this accounting change were to be made for federal credit programs, the 10-year cost of the Ex-Im Bank (FY2015-FY2024) would increase from -\$14 billion to +\$2 billion.¹¹⁶ This would mean that Ex-Im Bank’s budgetary impact would shift from reducing the deficit to increasing it over the 10-year period. In this scenario, Congress would have to appropriate funds to cover the projected subsidy in the fiscal year that it occurred.

Sunset in Authority

What would a sunset in Ex-Im Bank’s authority mean for the agency’s activities?¹¹⁷

A provision of Ex-Im Bank’s charter, 12 U.S.C. Section 635f, currently permits the Bank to exercise its full functions through the close of business¹¹⁸ on September 30, 2014. Where such a statutory termination date is prescribed, the general rule is that the agency subject to the termination of its functions cannot continue to exercise its functions after that date absent express statutory authority to do so.¹¹⁹ Congress may provide an exception to this general rule by specifically authorizing an agency through statute to continue performing certain functions after its termination.

Pursuant to Section 635f, Congress has expressly authorized Ex-Im Bank to perform certain functions before the statutory termination date that would create obligations that are binding after the termination date.¹²⁰ Specifically, Section 635f permits the Bank to:

¹¹⁶ CBO, *Fair-Value Estimates of the Costs of Selected Federal Credit Programs for 2015 to 2024*, May 2014, <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45383-FairValue.pdf>.

¹¹⁷ This portion of the report was written by David H. Carpenter, Legislative Attorney.

¹¹⁸ For simplicity purposes, this report will treat “close of business” as 11:59:59 p.m. on the statutory termination date.

¹¹⁹ Civil Rights Commission, B-246541, 71 Comp. Gen. 378, 380 (1992) (“... [O]nce a termination or sunset provision becomes effective, the agency ceases to exist and no new obligations may be incurred after the termination date ... Payment of obligations incurred prior to the termination date is usually made by a successor agency or by another agency pursuant to an Economy Act, 31 U.S.C. Sec. 1535, agreement entered into prior to the termination date.”).

¹²⁰ 12 U.S.C. §635f, which is entitled “Termination date of Bank’s functions; exceptions; liquidation,” currently states, in its entirety:

Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on September 30, 2014, but the provisions of this section shall not be construed as preventing the bank from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as guarantor, endorser, or acceptor of obligations which mature subsequent to such

(continued...)

1. take on loans or similar obligations prior to its termination date that mature subsequent to the termination date;
2. assume prior to the termination date liability as an insurer, guarantor, etc. of obligations that mature subsequent to the termination date; and
3. issue prior to the termination date debt (in the form of “notes, debentures, bonds, or other obligations which mature subsequent to the [termination] date”) generally to be purchased by the U.S. Treasury.¹²¹

These provisions permit the Bank to perform its customary functions prior to the termination date without structuring every loan, guarantee, or other financial or contractual instrument to address the possibility that the Bank will terminate. Because of these three provisions, Ex-Im Bank likely will have debts, assets, and contractual duties that were entered into prior to the termination date that would be valid and enforceable by and against the United States, if not the Bank itself, after the termination date.¹²²

Other provisions of Section 635f expressly authorize the Bank to continue to perform certain functions *after* its termination. Specifically, Section 635f permits the Bank to issue debt after the termination date (in the form of “notes, debentures, bonds, and other obligations”) generally for purchase by the Treasury. More significantly, Ex-Im Bank also may “continu[e] as a corporate agency of the United States” and exercise any of its functions “for purposes of an orderly liquidation,” including (but apparently not limited to) administering its assets and collecting any obligations it holds.¹²³

What is an “orderly liquidation” for the purposes of Ex-Im Bank’s Charter?¹²⁴

Section 635f of the Bank’s charter offers little guidance as to what an “orderly liquidation” entails in this context. For example, it does not address how long the Bank might continue to engage in the specified permissible functions after its termination—a potentially significant omission given that some of the Bank’s obligations have repayment periods of more than seven years.¹²⁵ “Orderly liquidation” is not a term of art with a discrete meaning under federal law. There does not appear

(...continued)

date or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury or any other purchasers, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the bank.

¹²¹ This language, which seems to be modeled after 12 U.S.C. §635d, appears to authorize the Ex-Im Bank to issue debt, generally to the U.S. Treasury.

¹²² See, e.g., Civil Rights Commission, B-246541, 71 Comp. Gen. 378, 380 (1992). The Bank’s insurance and guarantees are explicitly backed by the full faith and credit of the United States. 12 U.S.C. §635k. (“All guarantees and insurance issued by the Bank shall be considered contingent obligations backed by the full faith and credit of the government of the United States of America.”).

¹²³ 12 U.S.C. §635f.

¹²⁴ This portion of the report was written by David H. Carpenter, Legislative Attorney.

¹²⁵ See *Export-Import Bank of the United States Annual Report 2013*, at 12, Rev. Apr. 2014, available at <http://www.exim.gov/about/library/reports/annualreports/2013/annual-report-2013.pdf>.

to be any case law interpreting this term as it applies specifically to Section 635f. Furthermore, CRS is unaware of any formal Ex-Im Bank issued regulations, guidance, etc. interpreting this provision or otherwise explaining how the Bank would administer its affairs for an “orderly liquidation.”

One of the standard principles of statutory interpretation is that, in the absence of a statutory definition, courts may “construe a statutory term in accordance with its ordinary or natural meaning.”¹²⁶ The everyday meanings of the terms *orderly* and *liquidation*, however, would suggest that the Bank could undertake activities that it considers to be implicated in the methodical settlement of its affairs.¹²⁷ This likely would include the authority to, for the purposes of orderly liquidation, continue to accept payments on, and otherwise administer loans, guarantees, and other obligations and liabilities entered into prior to the termination date that had not fully matured by the termination date.¹²⁸

Notably, because the acquisition of obligations and the assumption of liabilities as a guarantor, endorser, or acceptor are not among the functions that the Bank is expressly authorized to perform after the termination date, it would appear that the Bank could not incur new obligations or assume new liabilities, such as loans and guarantees, after this date, except insofar as any new obligations¹²⁹ or liabilities might be implicated in the “orderly liquidation” of its functions.¹³⁰ However, given the dearth of statutory, administrative, and judicial guidance on the meaning of “orderly liquidation” pursuant to Section 635f, the Bank would appear to have considerable discretion in structuring its “orderly liquidation” in the absence of any relevant statutory changes to Section 635f (subject to the Bank generating sufficient revenue and receiving adequate appropriations to fund the liquidation).¹³¹

What would be the economic impact of a sunset in Ex-Im Bank’s authority?

Beyond the specific impact of a sunset on Ex-Im Bank’s day-to-day functions, there is broader debate about its implications for the U.S. economy in the long term, with stakeholders’ positions based on their views of the validity of Ex-Im Bank’s rationales (i.e., to fill in gaps in private

¹²⁶ *FDIC v. Meyer*, 510 U.S. 471, 476 (1994). Dictionary definitions are commonly used in determining the ordinary or natural meaning. *See, e.g.*, *Asgrow Seed Co. v. Winterboer*, 513 U.S. 179, 187 (1995) (relying on the dictionary definition of “marketing” in construing the Plant Variety Protection Act); *Commissioner v. Soliman*, 506 U.S. 168, 174 (1993) (similar, as to the definition of “principal” used to modify a taxpayer’s place of business for purposes of an income tax deduction).

¹²⁷ *See, e.g.*, Merriam-Webster Dictionary, available at <http://www.merriam-webster.com/dictionary/orderly> (last accessed: May 29, 2014) (defining *orderly*); Merriam-Webster Dictionary, available at <http://www.merriam-webster.com/dictionary/liquidation> (defining *liquidation*).

¹²⁸ As previously mentioned, it is unclear how long the Bank could administer its obligations and liabilities while still complying with the “orderly liquidation” requirement of 12 U.S.C. §635f. *See supra* n. 10. For example, it is unclear whether or to what extent the Bank would be required to treat a loan that matures two *days* after the statutory termination date different from one that matures seven *years* after such date.

¹²⁹ As discussed in the previous question, the Bank also would continue to be authorized to issue “notes, bonds, debentures, or other obligations”.

¹³⁰ For example, a contract is generally recognized as an obligation, and the Bank could potentially enter into a contract with another government agency under the authority of the Economy Act (31 U.S.C. §1535) that would provide for that agency to pay obligations that the Bank had incurred prior to the termination date.

¹³¹ For an understanding of how the Ex-Im Bank is funded, *see* the “Ex-Im Bank Budget” section of this report.

sector financing and offset competition from foreign ECAs). From one perspective, the absence of Ex-Im Bank financing could adversely affect particular U.S. firms or their employees that use Ex-Im Bank support in cases where they face difficulty accessing financing from the private sector at competitive terms.¹³² From another perspective, it could boost the provision of export financing by the private sector. Under this view, then, there are doubts over whether the absence of Ex-Im Bank support would affect the overall level of exports and employment in the United States.¹³³ Given the various factors that affect U.S. export and employment levels, it may be difficult to determine the precise impact of the presence or absence of Ex-Im Bank financing on the U.S. economy in the long run.

In terms of competitiveness, supporters of the Bank argue that, without Ex-Im Bank financing, it may be difficult for certain U.S. companies to compete for export contracts on a “level playing field” with foreign competitors that receive support from their government-backed ECAs or may lead to U.S. sourcing in overseas markets. They argue that a lapse in Ex-Im Bank’s authority would amount to “unilateral disarmament,” given continued operations by other countries of their ECA programs—for many of whom exports constitute a larger part of the national economy and ECAs are a core part of their national export strategies.¹³⁴ Critics argue that allowing the Bank’s authority to lapse would provide the United States with an opportunity to lead by example in efforts to eliminate government-backed ECA programs internationally, and enable the United States to focus on what they view as more effective ways to boost U.S. exports, such as through U.S. tax reform or the negotiation and enforcement of international trade agreements.¹³⁵

Historical and Current Approaches to Reauthorization

Historically, for how long has Congress extended Ex-Im Bank’s authority?¹³⁶

The primary method of continuing the Bank’s authority has been through the enactment of provisions that extend the sunset date in 12 U.S.C. 635f, most typically in authorizing laws. These laws are listed in **Appendix C** of this report, in **Table C-1**. Such extensions of the Bank’s authority during the first two decades of its existence tended to be for between about five and seven years. Since that time, the length of these extensions has varied, from periods of days or

¹³² For example, see discussion in U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *Continuing Oversight of the Recent Activities of the Export-Import Bank and the Critical Need to Reauthorize the Bank’s Charter*, 112th Cong., 2nd sess., April 17, 2012, S. Hrg. 112-585.

¹³³ For example, see Heritage Action for America publications, such as Zack Slingsby, *Export-Import Bank Authorization*, Heritage Action for America, April 10, 2014, <http://heritageaction.com/2014/04/export-import-bank-reauthorization/>.

¹³⁴ U.S. Chamber of Commerce, *The Export-Import Bank of the United States: Its Impact on U.S. Competitiveness, Exports, and Jobs*, October 2013, <https://www.uschamber.com/file/8234/download>.

¹³⁵ For instance, see Sallie James, *Ending the Export-Import Bank*, CATO Institute, October 2012, <http://www.downsizinggovernment.org/export-import-bank>.

¹³⁶ This response was prepared by Jessica Tollestrup, Analyst on Congress and the Legislative Process, jtollestrup@crs.loc.gov, 7-0941.

weeks, to about six years. The most recent extension, in 2012, was for a period of about two years and four months (P.L. 112-122).

Provisions in other laws, most typically appropriations acts, have also been used to provide for the continuation of Bank functions during periods when the sunset date had lapsed and not yet been extended. These laws and their relevant provisions are listed in **Appendix C** of this report, in **Table C-2**. While such provisions have varied in form, they have generally indicated congressional intent that the Bank's operations should continue during a specified time period. For example, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002, which was enacted on January 10, 2002, carried the following provision:

SEC. 588. [...] Provided, That notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through March 31, 2002.

Shorter extensions in the past arguably have given Congress the opportunity to weigh in on Ex-Im Bank operations on a more frequent basis through the lawmaking process. On the other hand, Ex-Im Bank and certain stakeholders have asserted that longer-term extensions can enhance the Bank's long-term planning ability and provide more assurance to clients of the Bank's viability.¹³⁷

How have previous continuing resolutions addressed an imminent sunset of the Bank's authority?¹³⁸

Continuing resolutions (CRs) are appropriations laws that provide temporary or full year appropriations in the absence of regular appropriations being enacted.¹³⁹ After the first CR is enacted for a fiscal year, usually by the beginning of the fiscal year, one or more additional CRs may be enacted until the annual appropriations process has concluded.

Over the past several decades, CRs have often been used to temporarily extend authorizing provisions that are scheduled to expire at the beginning of a fiscal year, or to provide authority to continue functions notwithstanding applicable sunset provisions. In the case of Ex-Im Bank, such provisions have been enacted on a number of occasions to authorize the Bank to continue its functions, either during the duration of the CR or some other specified period (see **Appendix C** of this report, **Table C-2**). This occurred most recently at the beginning of FY2012, when the Bank's authority sunsetted and an extension of that sunset date was not enacted until May 30, 2012 (P.L. 112-122). Provisions in the first CR for the fiscal year (P.L. 112-33) provided authority for the Bank to continue its functions through the duration of the CR:

¹³⁷ For example, see Ex-Im Bank, "The Facts About Ex-Im Bank," June 24, 2014, <http://www.exim.gov/newsandevents/the-facts-about-ex-im-bank.cfm>; and Vicki Needham, "Business Demands Vote on Ex-Im Bank," *The Hill*, June 23, 2014, <http://thehill.com/policy/finance/210278-chamber-demands-up-or-down-vote-on-export-import-bank>.

¹³⁸ This response was prepared by Jessica Tollestrup, Analyst on Congress and the Legislative Process, jtollestrup@crs.loc.gov, 7-0941.

¹³⁹ For general information on CRs, see CRS Report R42647, *Continuing Resolutions: Overview of Components and Recent Practices*, by Jessica Tollestrup.

Sec. 137. The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) shall be applied by substituting the date specified in section 106(3) of this Act for “September 30, 2011” in section 7 of such Act.

Further extensions of this authority were enacted in subsequent CRs for FY2012.¹⁴⁰

What are scenarios for Ex-Im Bank’s authorization status?

Congress could take a range of approaches related to Ex-Im Bank’s authorization status. At one end of the spectrum is the option of a “clean renewal” of Ex-Im Bank’s charter, with an extension of its termination date. At the other end of the spectrum is the option of a sunset in Ex-Im Bank’s authority, such as by taking no legislative action (since sunset provisions are contained in Ex-Im Bank’s charter in 12 U.S.C. §635f), or passing legislation with specific parameters for a wind-down in Ex-Im Bank’s functions. (See earlier discussion in “Sunset in Authority” section.)

In between are options including a renewal of Ex-Im Bank’s charter with limited changes (such as revising its exposure cap) or renewal with more substantive reforms (such as to its authorities, policies, and risk management practices). Reforms may be motivated by a range of reasons, including enhancing Ex-Im Bank’s ability to fill in gaps in private sector financing and offset competition from foreign ECAs; limiting its size and scope and exposure to U.S. taxpayers; and furthering efforts to eliminate all ECA activity internationally.

Other options also exist, such as reorganization of Ex-Im Bank’s functions. To this end, various proposals have been considered over time, including President Obama’s proposal in 2012 to reorganize the business- and trade-related functions of Ex-Im Bank and five other agencies into an umbrella “department of trade.”¹⁴¹ Such proposals prompt debates about whether reorganization would reduce costs and duplication and improve the effectiveness of trade policy programs, or undermine the effectiveness of federal agencies, given their differing missions, and result in the creation of a larger, more costly bureaucracy.¹⁴²

For further discussion, see CRS Report R43581, *Export-Import Bank: Overview and Reauthorization Issues*, by Shayerah Ilias Akhtar

¹⁴⁰ The final extension of the authority to operate prior to the enactment of P.L. 112-122 was provided in the Consolidated Appropriations Act of 2012 (P.L. 112-74), Division I, Title VI, through the following provision:

Provided further, That notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 6350 and section 1(c) of P.L. 103-428), the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through May 31, 2012.

¹⁴¹ The White House, “Government Reorganization Fact Sheet,” press release, January 13, 2012, <http://www.whitehouse.gov/the-press-office/2012/01/13/government-reorganization-fact-sheet>.

¹⁴² See CRS Report R42555, *Trade Reorganization: Overview and Issues for Congress*, by Shayerah Ilias Akhtar.

What were the specific provisions in the 2012 reauthorization legislation?

The Export-Import Bank Reauthorization Act of 2012 (P.L. 112-122) extended Ex-Im Bank's authority to the close of business on September 30, 2014. The reauthorization legislation also included, among other things, provisions to:

- increase the Bank's lending authority to \$120 billion in FY2012, \$130 billion in FY2013, and \$140 billion in FY2014—with the increase in lending authority for FY2013 and FY2014 contingent on the Bank maintaining a “default rate” of less than 2% and on submitting various reports;
- require the Bank to monitor and report to Congress on the “default rate” of its financing, and, in the event that the rate exceeds 2%, to submit a report to Congress on a plan to reduce it to less than 2%;
- develop guidelines for its economic impact analysis, and review its domestic content policy; require the Bank to develop a Business Plan estimating appropriate exposure limits for 2012, 2013, and 2014, as well as an analysis of the potential for increased or decreased risk of loss to the Bank as a result of the estimated exposure limit;
- require the GAO to report on the Bank's risk management practices and jobs calculation methodology; and
- require the Secretary of the Treasury to conduct international negotiations to reduce and eliminate official export credits.

What bills have been introduced in the 113th Congress related to Ex-Im Bank reauthorization?

In the 113th Congress, stand-alone legislation has been introduced, for example, to provide a largely “clean reauthorization” of Ex-Im Bank (H.R. 4950); to reauthorize it with various reforms (S. 2709); and to terminate its authority (H.R. 2263 and S. 1102). In addition, a temporary FY2015 CR, H.J.Res. 124, includes a provision that would extend Ex-Im Bank's authority through June 30, 2015. Congress also is considering proposals to reform the Bank, including a discussion draft of a bill which addresses the Bank's risk management practices, among other provisions.¹⁴³

What is the Administration's legislative proposal for reauthorization?

In April 2014, the Obama Administration submitted a legislative proposal to Congress requesting a five-year renewal of Ex-Im Bank's authority (to FY2019) and an increase in its exposure cap

¹⁴³ For example, see Rep. Campbell's discussion draft of a bill, http://campbell.house.gov/uploads/CAMPBE_016_xml!%20Second%20Draft.pdf.

incrementally to \$160 billion by FY2018.¹⁴⁴ In addition to certain amendments characterized as “technical corrections,” other provisions include the following:

Small business support: The Administration’s legislative proposal includes an amendment to 12 U.S.C. Section 635(b)(1)(E)(v) that would change how Ex-Im Bank reports its support for small business jobs, with respect to its 20% small business target. Currently, Ex-Im Bank only includes *direct* support to small business exporters as counting toward its 20% statutory goal of small business support. The legislative support would also allow U.S. goods and services *supplied* by small businesses (i.e., *indirect* support) to count towards the statutory goal.

Ex-Im Bank’s authority: The Administration’s legislative proposal would eliminate the following language in 12 U.S.C. Section 635f related to Ex-Im Bank’s functions allowed in the event of a sunset of its authority:

[...]or from issuing, either prior or subsequent to such date, for purchase by the Secretary of the Treasury or any other purchasers, its notes, debentures, bonds, or other obligations which mature subsequent to such date or from continuing as a corporate agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the bank.

Default rate: The Administration’s legislative proposal includes an amendment to 12 U.S.C. Section 635g(g) that revises the calculation of the default rate reported to Congress to a net loss rate. Under the proposal, the default rate would be calculated by “the net loss rate obtained by dividing (i) the total amount of the (i) required payments that are overdue less the total amount of fees received in connection with the (ii) financing involved by (ii) the total amount of financing involved.”

¹⁴⁴ The Administration’s legislative proposal, as posted on the website of the House Financial Services Committee, is accessible at http://financialservices.house.gov/uploadedfiles/2014_exim_reauth_bill_language_final_4-23-14.pdf.

Appendix A. Selected CRS Resources

General Resources

CRS Report R43581, *Export-Import Bank: Overview and Reauthorization Issues*, by Shayerah Ilias Akhtar.

CRS In Focus IF00021, *Export-Import Bank (Ex-Im Bank) Reauthorization (In Focus)*, by Shayerah Ilias Akhtar.

CRS Insight IN10097, *Export-Import Bank Reauthorization Debate*, by Shayerah Ilias Akhtar.

International and Market Context

CRS Report RS21128, *The Organization for Economic Cooperation and Development*, by James K. Jackson.

CRS Report R42744, *U.S. Implementation of the Basel Capital Regulatory Framework*, by Darryl E. Getter.

Budget and Appropriations

CRS In Focus IF00039, *Export-Import (Ex-Im) Bank and the Federal Budget (In Focus)*, by Mindy R. Levit.

CRS Report R42632, *Budgetary Treatment of Federal Credit (Direct Loans and Loan Guarantees): Concepts, History, and Issues for Congress*, by Mindy R. Levit.

CRS Report R42098, *Authorization of Appropriations: Procedural and Legal Issues*, by Jessica Tollestrup and Brian T. Yeh.

Federal Export Promotion Programs

CRS Report R41495, *U.S. Government Agencies Involved in Export Promotion: Overview and Issues for Congress*, coordinated by Shayerah Ilias Akhtar.

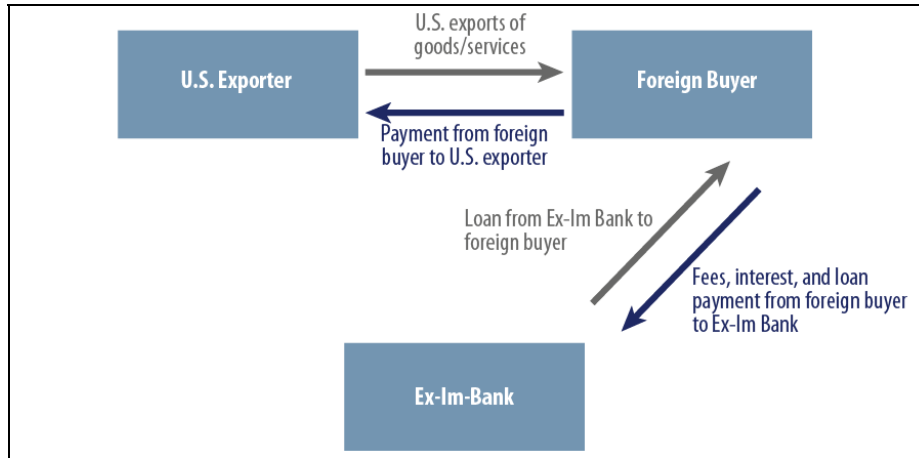
CRS Report R43155, *Small Business Administration Trade and Export Promotion Programs*, by Sean Lowry.

CRS Report 98-567, *The Overseas Private Investment Corporation: Background and Legislative Issues*, by Shayerah Ilias Akhtar.

CRS Report R42555, *Trade Reorganization: Overview and Issues for Congress*, by Shayerah Ilias Akhtar.

Appendix B. Examples of Ex-Im Bank Financial Product Structures

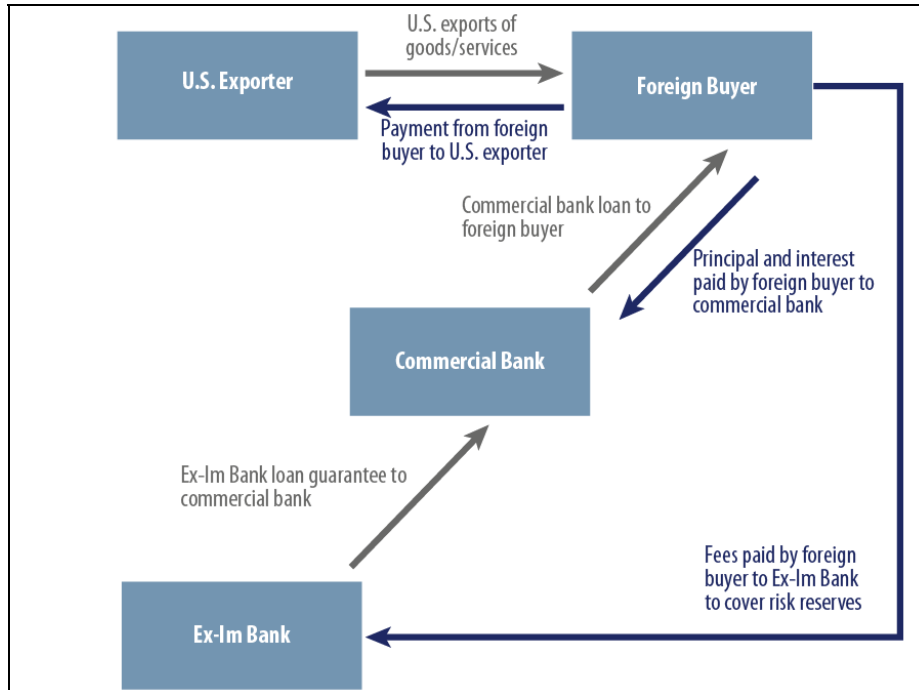
Figure B-1. Ex-Im Bank Direct Loan Structure



Source: CRS, based on Ex-Im Bank information.

Notes: This diagram is a general representation of Ex-Im Bank direct loans. Specifics vary by transaction.

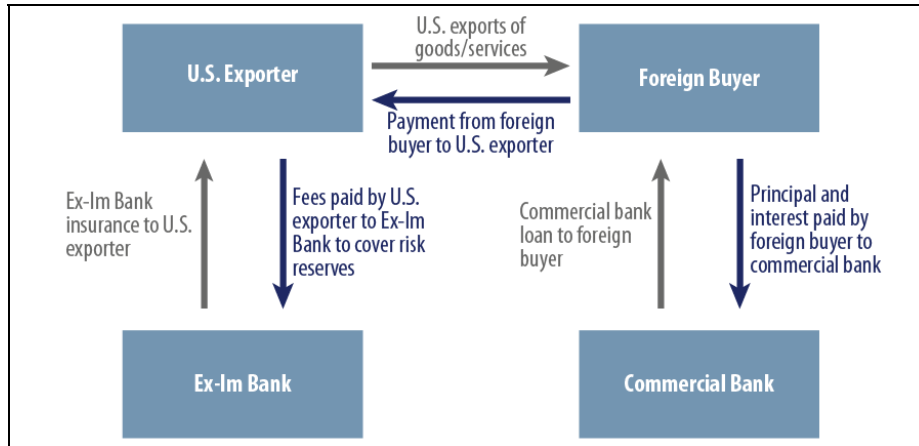
Figure B-2. Ex-Im Bank Loan Guarantee Structure



Source: CRS, based on Ex-Im Bank information.

Notes: This diagram is a general representation of Ex-Im Bank loan guarantees. Specifics vary by transaction.

Figure B-3. Ex-Im Bank Exporter Insurance Structure



Source: CRS, based on Ex-Im Bank information.

Notes: This diagram is a general representation of Ex-Im Bank exporter insurance. Specifics vary by transaction.

Appendix C. Laws and Final Legislative Action Related to the Sunset Date of Ex-Im Bank Functions

The tables below list the public laws that created the Ex-Im Bank and extended its authority.¹⁴⁵ The tables include the specific statutory text as well as the new sunset date set by the amending act. **Table C-1** contains the original law and amendments that were identified through analysis of the statutory notes to 12 U.S.C. Section 635f. Specifically, they are the laws listed in the “Amendments” section. In contrast, in some cases, particularly in the modern era, an extension of the authority of the Export-Import Bank was provided through an appropriations act, such as a consolidated appropriations bill or a continuing resolution.¹⁴⁶ **Table C-2** reflects these provisions. As such, it contains provisions allowing the Export-Import Bank to continue to exercise its functions as described in the “Continuation of Bank Functions” section of the statutory notes accompanying 12 U.S.C. Section 635f, as well as some additional such provisions that were independently identified by CRS and the *Wall Street Journal*. While CRS has made every attempt to be comprehensive, it is possible that some laws that extended the Bank’s authority did not come up in our search.

The final two columns of both tables contain information on the last action taken by the Senate and House, respectively, on the legislative vehicle that became law. If the action was taken by roll call vote, the number of yea and nay votes, as well as the number of Members not voting, is also presented. (The one instance that a bill was approved through a division vote is also noted.)¹⁴⁷ Additional actions, including roll call votes, might have occurred during other stages of consideration of these measures, for example, House and Senate votes on earlier versions of these measures prior to action on resolving differences, such as through a conference report. In addition, legislative vehicles proposing to extend the authority of Ex-Im Bank that did not become law are also not listed in the table.

Information on final disposition of the measure in each chamber since the 93rd Congress (1973-1974) was gathered from the Legislative Information System (LIS). Information for the period not in LIS was collected from the *Congressional Record*, and page citations are provided in the table.

¹⁴⁵ In some instances, the sunset date may have been extended retroactively.

¹⁴⁶ For more information on continuing resolutions, including historical examples, see CRS Report R42647, *Continuing Resolutions: Overview of Components and Recent Practices*, by Jessica Tollestrup.

¹⁴⁷ H.R. 3771 (79th Cong.). Division votes are official votes that are counted without a roll call. For information on forms of voting, see CRS Report 98-228, *House Voting Procedures: Forms and Requirements*, by Walter J. Oleszek, and CRS Report 98-227, *Voting in the Senate: Forms and Requirements*, by Walter J. Oleszek.

Table C-1. Original Act and Amendments to the Sunset Date of Export-Import Bank Functions

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 79-173 (H.R. 3771), 59 Stat. 526</p> <p>Export-Import Bank Act of 1945</p> <p>July 31, 1945</p>		<p>Passed on July 20, 1945 (91 Cong. Rec. 7841)</p>	<p>Passed by division vote on July 13, 1945; Yeas 102, Nays 6 (91 Cong. Rec. 7548)</p>
<p>P.L. 80-89 (S. 993), §3, 61 Stat. 131</p> <p>Export-Import Bank Reincorporation</p> <p>June 9, 1947</p>	<p>June 30, 1953</p> <p><i>SEC. 3. The Export-Import Bank Act of 1945, as amended, is hereby amended by striking out section 8 therefrom and substituting in lieu thereof a new section 8 as follows:</i></p> <p><i>"SEC. 8. Export-Import Bank of Washington shall continue to exercise its functions in connection with and in furtherance of its objects and purposes until the close of business on June 30, 1953, [...]."</i></p>	<p>Passed on April 21, 1947 (93 Cong. Rec. 3711)</p>	<p>Passed on June 2, 1947 (93 Cong. Rec. 6214)</p>
<p>P.L. 82-158 (S. 2006), §1(c), 65 Stat. 367</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>October 3, 1951</p>	<p>June 30, 1958</p> <p><i>That the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), is hereby amended in the following particulars:</i></p> <p><i>(c) By deleting from section 8 the date "June 30, 1953" and substituting in lieu thereof the date "June 30, 1958".</i></p>	<p>Passed on September 7, 1951 (97 Cong. Rec. 11062)</p>	<p>Passed on September 25, 1951; Roll #182, Yeas 259, Nays 69, Not Voting 102 (97 Cong. Rec. 12077)</p>
<p>P.L. 85-55 (H.R. 4136), 71 Stat. 82</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>June 17, 1957</p>	<p>June 30, 1963</p> <p><i>That section 8 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635f), is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1963".</i></p>	<p>Passed on June 5, 1957 (103 Cong. Rec. 8376)</p>	<p>Passed on April 9, 1957 (103 Cong. Rec. 5389)</p>
<p>P.L. 88-101 (H.R. 3872), §2, 77 Stat. 128</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>August 20, 1963</p>	<p>June 30, 1968</p> <p><i>Sec. 2. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30, 1963" and inserting in lieu thereof "June 30, 1968".</i></p>	<p>Conference Report agreed to on August 15, 1963 (109 Cong. Rec. 15183)</p>	<p>Conference Report agreed to on August 19, 1963 (109 Cong. Rec. 15315)</p>
<p>P.L. 90-267 (S. 1155), §1(f), 82 Stat. 49</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>March 13, 1968</p>	<p>June 30, 1973</p> <p><i>SECTION 1. The Export-Import Bank Act of 1945 is amended-</i></p> <p><i>(f) By changing, in section 8 of that Act, "June 30, 1968" to read "June 30, 1973".</i></p>	<p>Conference Report agreed to on February 21, 1968 (114 Cong. Rec. 3836)</p>	<p>Conference Report agreed to on February 27, 1963 (114 Cong. Rec. 4308)</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 92-126 (S. 581), §1(b)(4), 85 Stat. 345</p> <p>Export Expansion Finance Act of 1971</p> <p>August 17, 1971</p>	<p>June 30, 1974</p> <p><i>(b) The Export-Import Bank Act of 1945 (12 U.S.C. 635 and following) is amended as follows:</i></p> <p><i>(4) Section 8 of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974", [...]</i></p>	<p>Conference Report agreed to on August 2, 1971 (117 Cong. Rec. 28810)</p>	<p>Conference Report agreed to on August 5, 1971; Roll #246; Yeas 219, Nays 140, Not Voting 74 (117 Cong. Rec. 29795)</p>
<p>P.L. 93-331 (S.J.Res. 218), 88 Stat. 289</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>July 4, 1974</p>	<p>July 30, 1974</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30" and inserting in lieu thereof "July 30".</i></p>	<p>Passed on June 26, 1974</p>	<p>Passed on July 1, 1974; Roll #358; Yeas 238, Nays 115, Not Voting 80, Present 1</p>
<p>P.L. 93-374 (S.J.Res. 229), 88 Stat. 445</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>August 14, 1974</p>	<p>September 30, 1974</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "July 30" and inserting in lieu thereof "September 30".</i></p>	<p>Agreed to House amendment on August 7, 1974</p>	<p>Passed with an amendment on August 5, 1974; Roll #447; Yeas 271, Nays 113, Not Voting 50</p>
<p>P.L. 93-425 (S.J.Res. 244), 88 Stat. 1166</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>September 30, 1974</p>	<p>October 15, 1974</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".</i></p>	<p>Passed on September 24, 1974</p>	<p>Passed on September 25, 1974</p>
<p>P.L. 93-450 (S.J.Res. 251), 88 Stat. 1368</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>October 18, 1974</p>	<p>November 30, 1974</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "October 15, 1974" and inserting in lieu thereof "November 30, 1974": [...].</i></p>	<p>Passed on October 10, 1974</p>	<p>Passed on October 15, 1974</p>
<p>P.L. 93-646 (H.R. 15977), §9, 88 Stat. 2336</p> <p>Export-Import Bank Amendments of 1974</p> <p>January 4, 1975</p>	<p>June 30, 1978</p> <p><i>SEC. 9. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "November 30, 1974" and inserting in lieu thereof "June 30, 1978".</i></p>	<p>Third Conference Report agreed to on December 19, 1974; Record Vote #575; Yeas 71, Nays 24, Not Voting 5</p>	<p>Third Conference Report agreed to on December 18, 1974; Roll #711; Yeas 280, Nays 96, Not Voting 58</p>
<p>P.L. 95-143 (H.R. 6415), §4, 91 Stat. 1211</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>October 26, 1977</p>	<p>September 30, 1978</p> <p><i>SEC. 4. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30" and inserting in lieu thereof "September 30", [...].</i></p>	<p>Conference Report agreed to on September 23, 1977</p>	<p>Conference Report agreed to on October 14, 1977; Roll #654; Yeas 281, Nays 62, Not Voting 91</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 95-407 (H.J.Res. 1140), 92 Stat. 882</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>September 30, 1978</p>	<p>December 31, 1978</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "September 30" and inserting in lieu thereof "December 31".</i></p>	<p>Passed on September 29, 1978</p>	<p>Passed on September 28, 1978</p>
<p>P.L. 95-630 (H.R. 14279), Title XIX, §1906, 92 Stat. 3725</p> <p>Financial Institutions Regulatory and Interest Rate Control Act of 1978; Title XIX - Export-Import Bank Act Amendments of 1978</p> <p>November 10, 1978</p>	<p>September 30, 1983</p> <p><i>SEC. 1906. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "December 31, 1978" and inserting in lieu thereof "September 30, 1983".</i></p>	<p>Concurred in House amendments to Senate amendments on October 14, 1978</p>	<p>Passed on motion to suspend the rules and agree to a resolution providing that the House concur in Senate amendments with amendments on October 14, 1978; Roll #930; Yeas 341, Nays 32, Not Voting 48, Present 9</p>
<p>P.L. 98-109 (H.J.Res. 366), §6, 97 Stat. 746</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>October 1, 1983</p>	<p>October 31, 1983</p> <p><i>SEC. 6. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "September 30, 1983" and inserting in lieu thereof "October 31, 1983".</i></p>	<p>Passed with an amendment on September 29, 1983</p>	<p>Agreed to Senate amendment September 30, 1983.</p>
<p>P.L. 98-143 (S.J.Res. 189), 97 Stat. 916</p> <p>Export-Import Bank Act of 1945, Amendment</p> <p>November 1, 1983</p>	<p>November 18, 1983</p> <p><i>That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "October 31, 1983" and inserting in lieu thereof "November 18, 1983".</i></p>	<p>Passed on October 28, 1983</p>	<p>Passed on October 31, 1983</p>
<p>P.L. 98-181 (H.R. 3959), Title VI, §611, 97 Stat. 1254</p> <p>Supplemental Appropriations Act, 1984; Title VI - Export-Import Bank Act Amendments of 1983</p> <p>November 30, 1983</p>	<p>September 30, 1986</p> <p><i>SEC. 611. Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking out "November 18, 1983" and inserting in lieu thereof "September 30, 1986".</i></p>	<p>Concurred in House amendment to a Senate amendment reported in disagreement from conference with an amendment containing the Export-Import provision and other matters on November 17, 1983; Record Vote #374; Yeas 67, Nays 30, Not Voting 3</p>	<p>Agreed to a resolution providing that the House concur in the Senate amendment to the House amendment to the Senate amendment reported in disagreement from the conference on November 18, 1983; Roll #532; Yeas 226, Nays 186</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 99-472 (H.R. 5548), §14, 100 Stat. 1204</p> <p>Export-Import Bank Act Amendments of 1986</p> <p>October 15, 1986</p>	<p>September 30, 1992</p> <p><i>SEC. 14. EXTENSION OF CHARTER.</i></p> <p><i>Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking out "September 30, 1986" and inserting in lieu thereof "September 30, 1992".</i></p>	<p>Conference Report agreed to on October 7, 1983</p>	<p>Conference Report agreed to on October 2, 1983</p>
<p>P.L. 102-429 (H.R. 5739), Title I, §§102, 121(c)(2), 106 Stat. 2187, 2199</p> <p>Export Enhancement Act of 1992</p> <p>October 21, 1992</p>	<p>September 30, 1997</p> <p><i>SEC. 102. EXTENSION OF AUTHORITY.</i></p> <p><i>Section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "1992" and inserting "1997".</i></p> <p><i>SEC. 121. ELIMINATION OF OUTDATED PROVISIONS.</i></p> <p><i>(C) REPEAL OF CERTAIN OUTDATED SECTIONS.-The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended-</i></p> <p><i>(2) by redesignating sections 6 through 9 as sections 5 through 8, respectively;</i></p>	<p>Conference Report agreed to on October 8, 1992</p>	<p>Conference Report agreed to on October 6, 1992; Roll #483; Yeas 332, Nays 44, Not Voting 56</p>
<p>P.L. 105-46 (H.J.Res. 94), §122, 111 Stat. 1158</p> <p>Continuing Appropriations for FY1998</p> <p>September 30, 1997</p>	<p>October 23, 1997</p> <p><i>SEC. 122. Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C.635f) is amended by striking "1997" and inserting "October 23, 1997".</i></p>	<p>Passed on September 30, 1997; Record Vote #261; Yeas 99, Nays 0</p>	<p>Passed on September 29, 1997; Roll #461; Yeas 355, Nays 57, Not Voting 21</p>
<p>P.L. 105-121 (S. 1026), §2(a), 111 Stat. 2528</p> <p>Export-Import Bank Reauthorization Act of 1997</p> <p>November 26, 1997</p>	<p>September 30, 2001</p> <p><i>SEC. 2. EXTENSION OF AUTHORITY.</i></p> <p><i>(a) IN GENERAL.-Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "until" and all that follows through "but" and inserting "until the close of business on September 30, 2001, but".</i></p>	<p>Conference Report agreed to on November 8, 1997</p>	<p>Conference Report agreed to on November 9, 1997</p>
<p>P.L. 107-189 (S. 1372), §3, 116 Stat. 699</p> <p>Export-Import Bank Reauthorization Act of 2002</p> <p>June 14, 2002</p>	<p>September 30, 2006</p> <p><i>SEC. 3. EXTENSION OF AUTHORITY.</i></p> <p><i>Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "2001" and inserting "2006".</i></p>	<p>Conference Report agreed to on June 6, 2002</p>	<p>Conference Report agreed to on June 5, 2002; Roll #210; Yeas 344, Nays 78, Not Voting 12</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 109-438 (S. 3938), §2, 120 Stat. 3268</p> <p>Export-Import Bank Reauthorization Act of 2006</p> <p>December 20, 2006</p>	<p>September 30, 2011</p> <p><i>SEC. 2. EXTENSION OF AUTHORITY.</i></p> <p><i>Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "2006" and inserting "2011".</i></p>	<p>Concurred in House amendment on December 6, 2006</p>	<p>Passed with an amendment on December 6, 2006</p>
<p>P.L. 112-122 (H.R. 2072), §2, 126 Stat. 350</p> <p>Export-Import Bank Reauthorization Act of 2012</p> <p>May 30, 2012</p>	<p>September 30, 2014</p> <p><i>SEC. 2. EXTENSION OF AUTHORITY.</i></p> <p><i>Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "2011" and inserting "2014".</i></p>	<p>Passed on May 15, 2012; Record Vote #96; Yeas 78, Nays 20, Not Voting 2</p>	<p>Passed on motion to suspend the rules and pass the bill as amended on May 9, 2012, Roll #224; Yeas 330, Nays 93, Not Voting 8</p>

Source: Compiled by CRS from 12 U.S.C. §635f, ProQuest Congressional, HeinOnline, and the Legislative Information System (LIS).

Table C-2. Provisions Providing for the Continuation of Export-Import Bank Functions

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 102-391 (H.R. 5368), Title IV, 106 Stat. 1655¹⁴⁸</p> <p>Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993</p> <p>October 6, 1992</p>	<p><i>The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, [...].</i>"</p>	<p>Conference Report agreed to on October 5, 1992</p>	<p>Conference Report agreed to on October 5, 1992; Roll #470; Yeas 312, Nays 105, Not Voting 15</p>
<p>P.L. 105-64 (H.J.Res. 97), 111 Stat. 1343</p> <p>Further Continuing Appropriations, FY1998</p> <p>October 23, 1997</p>	<p>November 7, 1997</p> <p><i>That section 106(3) of P.L. 105-46 is amended by striking "October 23, 1997" and inserting in lieu thereof "November 7, 1997", and each provision amended by sections 118, 122, and 123 of such public law shall be applied as if "November 7, 1997" was substituted for "October 23, 1997".</i></p>	<p>Passed on October 23, 1997; Record Vote #276; Yeas 100, Nays 0</p>	<p>Passed on October 22, 1997</p>
<p>P.L. 105-68 (H.J.Res. 101), 111 Stat. 1453</p> <p>Further Continuing Appropriations, FY1998</p> <p>November 7, 1997</p>	<p>November 9, 1997</p> <p><i>That section 106(3) of P.L. 105-46 is further amended by striking "November 7, 1997" and inserting in lieu thereof "November 9, 1997", and each provision amended by sections 122 and 123 of such public law shall be applied as if "November 9, 1997" was substituted for "October 23, 1997".</i></p>	<p>Passed on November 7, 1997</p>	<p>Passed on November 7, 1997</p>
<p>P.L. 105-69 (H.J.Res. 104), 111 Stat. 1454</p> <p>Further Continuing Appropriations, FY1998</p> <p>November 9, 1997</p>	<p>November 10, 1997</p> <p><i>That section 106(3) of P.L. 105-46 is further amended by striking "November 9, 1997" and inserting in lieu thereof "November 10, 1997", and each provision amended by sections 122 and 123 of such public law shall be applied as if "November 10, 1997" was substituted for "October 23, 1997".</i></p>	<p>Passed on November 9, 1997</p>	<p>Passed on November 9, 1997</p>

¹⁴⁸ Identified by CRS from information available from Michael R. Crittenden, "Ex-Im Bank Was An Easy Vote in Past Years," *Wall Street Journal Online*, June 27, 2014, at <http://blogs.wsj.com/washwire/2014/06/27/ex-im-bank-was-an-easy-vote-in-past-years/>.

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 105-71 (H.J.Res. 105), 111 Stat. 1456</p> <p>Further Continuing Appropriations, FY1998</p> <p>November 10, 1997</p>	<p>November 14, 1997</p> <p><i>That section 106(3) of P.L. 105-46 is further amended by striking "November 10, 1997" and inserting in lieu thereof "November 14, 1997", and each provision amended by sections 122 and 123 of such public law shall be applied as if "November 14, 1997" was substituted for "October 23, 1997".</i></p>	<p>Passed on November 10, 1997</p>	<p>Passed on November 10, 1997</p>
<p>P.L. 105-84 (H.J.Res. 106), 111 Stat. 1628</p> <p>Further Continuing Appropriations, FY1998</p> <p>November 14, 1997</p>	<p>November 26, 1997</p> <p><i>That section 106(3) of P.L. 105-46 is further amended by striking "November 14, 1997" and inserting in lieu thereof "November 26, 1997", and each provision amended by sections 122 and 123 of such public law shall be applied as if "November 26, 1997" was substituted for "October 23, 1997".</i></p>	<p>Passed on November 13, 1997</p>	<p>Passed on November 13, 1997</p>
<p>P.L. 107-44 (H.J.Res. 65), §§107, 115, 115 Stat. 255, 256</p> <p>Continuing Appropriations, FY2002</p> <p>September 28, 2001</p>	<p>October 16, 2001</p> <p><i>SEC. 107. Unless otherwise provided for in this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) October 16, 2001, whichever first occurs.</i></p> <p><i>SEC. 115. Activities authorized by section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, may continue through the date specified in section 107(c) of this joint resolution.</i></p>	<p>Passed on September 25, 2001</p>	<p>Passed on September 24, 2001; Roll #350; Yeas 392, Nays 0, Not Voting 38</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 107-48 (H.J.Res. 68), 115 Stat. 261</p> <p>Continuing Appropriations, FY2002</p> <p>October 12, 2001</p>	<p>October 23, 2001</p> <p><i>That P.L. 107-44 is amended by striking "October 16, 2001" in section 107(c) and inserting in lieu thereof "October 23, 2001";</i></p> <p><i>[...] by striking section 115 and adding the following:</i></p> <p><i>"SEC. 115. Notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through the date specified in section 107(c) of this joint resolution.";</i> and adding the following new section:</p>	<p>Passed on October 12, 2001</p>	<p>Passed on October 11, 2001</p>
<p>P.L. 107-53 (H.J.Res. 69), 115 Stat. 269</p> <p>Continuing Appropriations, FY2002</p> <p>October 22, 2001</p>	<p>October 31, 2001</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "October 31, 2001".</p>	<p>Passed on October 17, 2001</p>	<p>Passed on October 17, 2001</p>
<p>P.L. 107-58 (H.J.Res. 70), 115 Stat. 406</p> <p>Continuing Appropriations, FY2002</p> <p>October 31, 2001</p>	<p>November 16, 2001</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "November 16, 2001".</p>	<p>Passed on October 25, 2001</p>	<p>Passed on October 25, 2001</p>
<p>P.L. 107-70 (H.J.Res. 74), 115 Stat. 596</p> <p>Continuing Appropriations, FY2002</p> <p>November 17, 2001</p>	<p>December 7, 2001</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "December 7, 2001"; and by striking the date specified in section 123 and inserting in lieu thereof "December 1, 2001".</p>	<p>Passed on November 15, 2001</p>	<p>Passed on November 15, 2001</p>
<p>P.L. 107-79 (H.J.Res. 76), 115 Stat. 809</p> <p>Continuing Appropriations, FY2002</p> <p>December 7, 2001</p>	<p>December 15, 2001</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "December 15, 2001".</p>	<p>Passed on December 5, 2001</p>	<p>Passed on December 5, 2001</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 107-83 (H.J.Res. 78), 115 Stat. 960</p> <p>Continuing Appropriations, FY2002</p> <p>December 15, 2001</p>	<p>December 21, 2001</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof "December 21, 2001".</p>	<p>Passed on December 14, 2001</p>	<p>Passed on December 13, 2001</p>
<p>P.L. 107-97 (H.J.Res. 79), 115 Stat. 960</p> <p>Continuing Appropriations, FY2002</p> <p>December 21, 2001</p>	<p>January 10, 2002</p> <p>That P.L. 107-44 is further amended by striking the date specified in section 107(c) and inserting in lieu thereof 'January 10, 2002'; and by striking the date specified in section 123 and inserting in lieu thereof 'January 1, 2002'.</p>	<p>Passed on December 20, 2001</p>	<p>Passed on December 20, 2001</p>
<p>P.L. 107-115 (H.R. 2506), §588, 115 Stat. 2174</p> <p>Foreign Operations, Export Financing, and Related Programs Appropriations Act, FY2002</p> <p>January 10, 2002</p>	<p>March 31, 2002</p> <p><i>SEC. 588. [...] Provided, That notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through March 31, 2002.</i></p>	<p>Conference Report agreed to on December 20, 2001</p>	<p>Conference Report agreed to on December 19, 2001; Roll #505; Yeas 357, Nays 66, Not Voting 11</p>
<p>P.L. 107-156 (S. 2019), §1, 116 Stat. 117</p> <p>Export-Import Bank Act of 1945, Extension</p> <p>March 31, 2002</p>	<p>April 30, 2002</p> <p><i>SECTION 1. EXTENSION OF EXPORT-IMPORT BANK</i></p> <p><i>Notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through April 30, 2002.</i></p>	<p>Passed on March 14, 2002</p>	<p>Passed on March 19, 2002</p>
<p>P.L. 107-168 (S. 2248), §1, 116 Stat. 131</p> <p>Export-Import Bank Act of 1945, Extension</p> <p>May 1, 2002</p>	<p>May 31, 2002</p> <p><i>SECTION 1. EXTENSION OF EXPORT-IMPORT BANK.</i></p> <p><i>Notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through May 31, 2002.</i></p>	<p>Passed on April 24, 2002</p>	<p>Passed on April 30, 2002; Roll #118; Yeas 318, Nays 92, Not Voting 24</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 107-186 (H.R. 4782), §1, 116 Stat. 589</p> <p>Export-Import Bank Act of 1945, Extension</p> <p>May 30, 2002</p>	<p>June 14, 2002</p> <p><i>SECTION 1. EXTENSION OF EXPORT-IMPORT BANK</i></p> <p><i>Notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of P.L. 103-428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through June 14, 2002.</i></p>	<p>Passed on May 22, 2002</p>	<p>Passed on May 21, 2002</p>
<p>P.L. 109-289 (H.R. 5631), Div. B, §106, 120 Stat. 1313</p> <p>Department of Defense Appropriations Act, 2007</p> <p>Division B-Continuing Appropriations Resolution, 2007</p> <p>September 29, 2006</p>	<p>November 17, 2006</p> <p><i>SEC. 106. Unless otherwise provided for in this division or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this division shall be available until whichever of the following first occurs: (1) the enactment into law of an appropriation for any project or activity provided for in this division; (2) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity; or (3) November 17, 2006.</i></p>	<p>Conference Report agreed to on September 29, 2006; Record Vote #261; Yeas 100, Nays 0</p>	<p>Conference Report agreed to on September 26, 2006; Roll #486; Yeas 394, Nays 22, Not Voting 16</p>
<p>P.L. 109-369 (H.J.Res. 100), 120 Stat. 2642</p> <p>Further Continuing Appropriations, FY2007</p> <p>November 17, 2006</p>	<p>December 8, 2006</p> <p><i>That the Continuing Appropriations Resolution, 2007 (P.L. 109-289, division B) is amended by striking the date specified in section 106(3) and inserting "December 8, 2006".</i></p>	<p>Passed on November 15, 2006</p>	<p>Passed on November 15, 2006</p>
<p>P.L. 109-383 (H.J.Res. 102), 120 Stat. 2678</p> <p>Further Continuing Appropriations, FY2007</p> <p>December 9, 2006</p>	<p>February 15, 2007</p> <p><i>That the Continuing Appropriations Resolution, 2007 (P.L. 109-289, division B) is further amended by striking the date specified in section 106(3) and inserting "February 15, 2007".</i></p>	<p>Passed on December 9, 2006</p>	<p>Passed on December 8, 2006; Roll #540; Yeas 370, Nays 20, Not Voting 43</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 112-33, (H.R. 2017) §§106(3), 137, 125 Stat. 364, 368 Continuing Appropriations Act, 2012 September 30, 2011</p>	<p>October 4, 2011</p> <p><i>SEC. 106. Unless otherwise provided for in this Act or in the applicable appropriations Act for fiscal year 2012, appropriations and funds made available and authority granted pursuant to this Act shall be available until whichever of the following first occurs: (1) the enactment into law of an appropriation for any project or activity provided for in this Act; (2) the enactment into law of the applicable appropriations Act for fiscal year 2012 without any provision for such project or activity; or (3) October 4, 2011.</i></p> <p><i>Sec. 137. The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) shall be applied by substituting the date specified in section 106(3) of this Act for “September 30, 2011” in section 7 of such Act.</i></p>	<p>Passed with an amendment and an amendment to the Title on September 26, 2011</p>	<p>Passed on a motion to agree to the Senate amendments on September 29, 2011</p>
<p>P.L. 112-36, (H.R. 2608), §106, 125 Stat. 387 Continuing Appropriations Act, 2012 October 5, 2011</p>	<p>November 18, 2011</p> <p><i>Sec. 106. Unless otherwise provided for in this Act or in the applicable appropriations Act for fiscal year 2012, appropriations and funds made available and authority granted pursuant to this Act shall be available until whichever of the following first occurs: (1) the enactment into law of an appropriation for any project or activity provided for in this Act; (2) the enactment into law of the applicable appropriations Act for fiscal year 2012 without any provision for such project or activity; or (3) November 18, 2011.</i></p>	<p>Concurred in the House amendment to the Senate amendment on September 26, 2011; Record Vote #153; Yeas 79, Nays 12, Not Voting 9</p>	<p>Agreed to the Senate amendment to the House amendment to the Senate amendment on October 4, 2011; Roll #745; Yeas 352, Nays 66, Not Voting 15</p>
<p>P.L. 112-55 (H.R. 2112), Div. D, §101, 125 Stat. 710 Consolidated and Further Continuing Appropriations Act, 2012 Division D—Further Continuing Appropriations, 2012 November 18, 2011</p>	<p>December 16, 2011</p> <p><i>Sec. 101. The Continuing Appropriations Act, 2012 (P.L. 112-36) is amended by striking the date specified in section 106(3) and inserting “December 16, 2011”.</i></p>	<p>Conference Report agreed to on November 17, 2011; Roll #208; Yeas 70, Nays 30</p>	<p>Conference Report agreed to on November 17, 2011; Roll #857; Yeas 298, Nays 121, Not Voting 14</p>

Law (Bill Number)	Sunset Date	Final Legislative Action	
		Senate	House
<p>P.L. 112-67 (H.J.Res. 94), 125 Stat. 769</p> <p>Further Continuing Appropriations Act, 2012</p> <p>December 16, 2011</p>	<p>December 17, 2011</p> <p><i>Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Continuing Appropriations Act, 2012 (P.L. 112-36) is further amended by striking the date specified in section 106(3) and inserting ``December 17, 2011''.</i></p>	<p>Passed on December 16, 2011</p>	<p>Passed on December 16, 2011</p>
<p>P.L. 112-68 (H.J.Res. 95), 125 Stat. 770</p> <p>Further Continuing Appropriations Act, 2012</p> <p>December 17, 2011</p>	<p>December 23, 2011</p> <p><i>Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Continuing Appropriations Act, 2012 (P.L. 112-36) is further amended by striking the date specified in section 106(3) and inserting ``December 23, 2011''.</i></p>	<p>Passed on December 17, 2011</p>	<p>Passed on December 16, 2011</p>
<p>P.L. 112-74 (H.R. 2055), Title VI, 125 Stat. 1191</p> <p>Consolidated Appropriations Act, 2012</p> <p>Title VI – Export and Investment Assistance</p> <p>December 23, 2011</p>	<p>May 31, 2012</p> <p>TITLE VI - EXPORT AND INVESTMENT ASSISTANCE</p> <p><i>Provided further, That notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 6350 and section 1(c) of P.L. 103-428), the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through May 31, 2012.</i></p>	<p>Conference Report agreed to on December 17, 2011; Record Vote #235; Yeas 67, Nays 32, Not Voting 1</p>	<p>Conference Report agreed to on December 16, 2011; Roll #941, Yeas 296, Nays 121</p>

Source: Compiled by CRS from 12 U.S.C. §635f, ProQuest Congressional, HeinOnline, the Legislative Information System (LIS), and the Wall Street Journal Online.

Author Contact Information

Shayerah Ilias Akhtar, Coordinator
Specialist in International Trade and Finance
siliaskhtar@crs.loc.gov, 7-9253

David H. Carpenter
Legislative Attorney
dcarpenter@crs.loc.gov, 7-9118

Mindy R. Levit
Specialist in Public Finance
mlevit@crs.loc.gov, 7-7792

Julia Taylor
Section Head - ALD Section
jtaylor@crs.loc.gov, 7-5609