

## **Export-Import Bank Reauthorization Section-by-Section Analysis**

**Section 1. Support for Small Business.** The proposed amendment allows the Bank to change how it reports its support for small business jobs by including the U.S. goods and services supplied by small businesses that are included in Bank-supported exports.

**Section 2. Technical Correction.** The proposed amendment eliminates an obsolete section referring to the FCIA. The Bank has not done business with the FCIA since 1992. In addition, the proposed amendment eliminates an obsolete reference to a program to support exports in connection with the SEED Act.

**Section 3. Marxist-Leninist Countries.** The proposed amendment removes Afghanistan, China, Vietnam and Tibet from the list of prohibited Marxist-Leninist countries. The proposed amendment also eliminates a provision that requires a duplicative and time-consuming special Presidential Determination for each Bank loan to a listed country, even after there has been a general Presidential Determination for transactions with a listed country.

**Section 4. Defense Articles.** The proposed amendment permits the Bank to report its support for certain defense articles that are to be put to civilian use annually rather than quarterly. The Bank's support for such articles is uncommon and a very small part of its authorizations. Changing this reporting obligation to an annual cycle will help the Bank be more efficient.

**Section 5. Technical Correction – Defense Articles.** The proposed amendment makes a technical correction to reflect the change in funding process.

**Section 6. Sub-Saharan Africa Advisory Committee.** The proposed amendment extends the sunset date of the Sub-Saharan Africa Advisory to September 30, 2019 to match the extension of authority of the Bank.

**Section 7. Prohibition relating to Angola; Prohibition relating to Russian transfers of certain missile systems; Prohibition on Assistance to Develop or Promote Certain Railway Connections and Railway-Related Connections.** The proposed amendment eliminates obsolete provisions relating to:

- (i) a prohibition on transaction supporting exports to Angola, which prohibition has not been effective since 1992 pursuant to a Presidential report in compliance with this provision;
- (ii) a prohibition added in 1997 relating to Russian transfers of SS-N-22 missile systems to China; and
- (iii) a prohibition on providing support for exports to a railway connecting Baku, Azerbaijan, Tbilisi, Georgia, and Kars, Turkey. This railway has been completed without Bank support.

**Section 8. Procedures to Reduce Adverse Effects of Loans and Guarantees on Industries and Employment in United States.** The proposed amendment eliminates the need

to post an amended Federal Register notice regarding a transaction for which the Bank is conducting a detailed economic impact analysis if the amount of the transaction is decreased. This will eliminate a potential delay arising from a decreased change in amount of support. This change makes the requirement to post an amended notice consistent with the notice provisions for transactions in excess of \$100 million in section 3(c)(10) of the Charter.

**Section 9. Terms of Directors.** The proposed amendment adds a clarification that the four-term of members of the Board of Directors begins on January 21 and ends on January 20 of the relevant year.

**Section 10. Authority to Use Portion of Bank Administrative Funds to Update Information Technology Systems.** The proposed amendment extends the authority of the Bank to use amounts made available to the Bank for administrative expenses, including fees for systems infrastructure, to update its information technology systems, in an amount not to exceed \$45 million through the remainder of the Bank's authorization period. This continued investment in information technology will enable the Bank to continue to improve its information flow, data management, operational capacity and risk management capabilities.

**Section 11. Technical Correction.** The proposed amendment eliminates a provision as a technical correction to reflect the change in funding process.

**Section 12. Limitation on Outstanding Loans, Guarantees, and Insurance.** The proposed amendment increases the Bank's limit on its aggregate loan, guarantee and insurance exposure by \$5,000,000,000 each fiscal year starting in FY2015 through FY 2018 to \$160,000,000,000. The Bank's exposure limit remains at \$160,000,000,000 thereafter.

**Section 13. Technical Correction.** The proposed amendment eliminates a provision as a technical correction to reflect the change in funding process.

**Section 14. Extension of Authority.** The proposed amendment extends Ex-Im Bank's authority through September 30, 2019. In addition, the proposed amendment strikes language requiring the Bank to liquidate following a lapse in authorization, rather than following a more typical winding down process followed by other agencies in the event of a lapse of authorization.

**Section 15. Monitoring of Default Rates on Bank Financing; Reports on Default Rates.** The proposed amendment revises the calculation of the default rate reported to Congress to a net loss rate that accurately reflects any losses to the Bank by including the fees collected by the Bank.

**Section 16. Technical Correction.** The proposed amendment eliminates an obsolete provision relating the Enterprise for the Americas Initiative, established in 1990, which is no longer in effect.

**Section 17. Dual Use Exports.** The proposed amendment makes a conforming change to related legislation extending the authority of the Bank to support dual use exports to September 30, 2019.