

Ranking Member Pat Toomey (R-Pa.)
Opening Statement
Full Committee Hearing: Nomination Hearing
October 26, 2021 at 10:00 AM

Mr. Chairman, thank you.

Ms. Bhargava and Ms. Lewis, welcome. I commend you both for your longstanding commitment to public service.

First, Ms. Bhargava has been nominated to serve as Assistant Secretary for Administration at HUD. HUD would play a central role in the Democrats' \$3.5 trillion reckless tax-and-spend bill.

Their plan includes \$300-plus billion for housing programs. Billions of this aid is not targeted.

Some of these programs have weak means testing and loopholes. And there are no work requirements—even for able-bodied childless adults. They, and many people of above-average income, will do quite well under some of these programs.

Let's consider several of the bill's flawed housing provisions. Start with the bill's \$80 billion for renovating public housing.

The Biden administration didn't even request this amount. It requested only \$40 billion. So why does this bill have \$80 billion?

Well, it just so happens that the New York City Housing Authority wanted \$40 billion for itself. But our Democrat colleagues can't pass a bill that sends 100 percent of public housing money to New York City. That would be a bit of a problem for the 48 Democratic senators who don't represent New York.

So instead, Senator Schumer promised to “double down” on the administration's proposal and “use all of my power as majority leader ... to secure a funding package that can restore and transform [the New York City Housing Authority].” And lo and behold, we now have \$80 billion, substantially all of which will not be distributed using the existing formula but rather by executive fiat.

This certainly looks a lot like Senator Schumer securing a \$40 billion earmark, or “Schu-mark.” As a result, it appears half of all the bill’s public housing dollars will go to a housing authority plagued by scandals, bribery, and chronic mismanagement.

It’s concerning to see Democrats spending billions on outdated public housing projects. Public housing projects concentrate poverty and crime and trap families in generational cycles of dependency and despair.

Two decades ago, both parties recognized their flaws. That’s why Congress, placed a cap on the number of public housing units with the Faircloth amendment. Now, Democrats’ reconciliation bill would effectively repeal this sensible law so new public housing units can go up.

There’s also the bill’s \$9 billion in down payment assistance for “first time” and “first generation” homebuyers. You can qualify for this money even if you or your parents previously owned a home. So much for “first time” and “first generation.”

And you don’t have to be low income to qualify. In areas like Washington, DC, a person earning \$180,000 a year could qualify, including members of Congress.

Worst of all, this program is a thinly-disguised attempt to give assistance to homebuyers based more on the color of their skin than their financial need—something that’s very likely unconstitutional.

Democrat Chairwoman Maxine Waters has said the objective of this program is to “help address the racial wealth and homeownership gaps.” Thus, the bill text directs HUD to allocate funds in part based on “racial disparities in homeownership rates.”

Increasing wealth and homeownership rates amongst minorities is a fine goal. But designing race-based policies and benefits is not.

Now turning to the Export-Import Bank. Ms. Lewis has been nominated to serve as President and Chair of EXIM. I continue to remain deeply skeptical of EXIM and its role in the global economy.

Taxpayers ultimately bear the consequences of undue risk taking at EXIM. If we want to promote domestic manufacturing and increase competitiveness of U.S. exports, we need to create a favorable climate by

maintaining low taxes, provide regulatory certainty, and cut red tape to attract capital formation.

To claim that EXIM is needed to achieve these goals defies the facts. The vast majority of American exports get done without EXIM support.

We have reviewed annual export data from 2007 through 2020. In that period, the highest percent of U.S. exports using EXIM financing was in 2012 and it was only 2.3 percent. And that was when EXIM had everything going for it. It was fully operational, had a quorum on its board, and had not reached its lending limit.

The reality is: we're the world's second largest exporter of goods behind only China. We lead the world in value-added exports. And we do it almost entirely without EXIM financing.

Not only is EXIM financing not needed, but it's often nothing more than crony capitalism providing taxpayer-financed subsidies to some of the world's largest companies who have access to private capital.

Consider EXIM's recent deal guaranteeing an \$82 million loan from JP Morgan to Qantas for the purpose of buying jet engines from GE. JP Morgan is the largest bank in America. Qantas is the largest airline in Australia. And GE is one of the largest industrial companies in the world. They do not need American taxpayers to subsidize this deal.

Mr. Chairman, I look forward to hearing from today's nominees.