

Questions for the Record
Nomination Hearing
Senate Committee on Banking, Housing, and Urban Affairs
October 26, 2021

Questions for Ms. Reta Jo Lewis, of Georgia, to be President of the Export-Import Bank, from Chairman Sherrod Brown:

1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

Over the course of my career, I hired and promoted diverse teams at the Department of State, the German Marshall Fund, the DC Department of Public Works and built diverse Advisory Committees at various institutions. I believe there always is room for organizations to create diverse talent pipelines that help mentor, develop and retain historically underrepresented candidates.

2. What specific measures will you use to evaluate the success of the Export-Import Bank in understanding and addressing the needs of Black, Indigenous and people of color (BIPOC)? And, will you work with the Board to keep Congress apprised, as appropriate, on the progress being made on these measures?

I believe diversity begins at the top and that diverse teams produce the best results. If confirmed as the next President of EXIM, it will be a personal priority to diversify not only our workforce but also our business lines. In order to make progress, I will hold myself, senior leadership and managers accountable for diversity initiatives. I will review relevant EXIM policies and procedures with our staff and will place a high priority on the recruitment, retention, and development of diverse talent and increased outreach to minority- and women-owned businesses.

Diversity is important but creating a culture where people from all backgrounds feel included is essential. I believe that the agency must have a formal diversity strategy and implementation plan. If confirmed, I commit to work with you, other members of the Committee and the Board to keep Congress apprised on the progress of these measures as appropriate.

3. What is your plan for creating an inclusive working environment for employees within your office?

I believe that cultivating inclusion in the workplace is an evolving process. To foster inclusion, creating an ongoing culture for employee engagement and feedback will be critical. If confirmed, I will meet with staff, at all levels, to conduct an audit and review of existing policies and procedures that impact creating an inclusive working environment.

4. In 2016, EXIM created the Environmental and Social Project Information and Concerns web portal. That portal allows for communities to submit grievances about project impacts. Financial and development institutions often review their accountability mechanisms every 4 or 5 years and solicit public input to improve their processes. The COVID-19 pandemic has limited the ability of EXIM and its contractors to undertake project assessments and monitoring.

If confirmed, do you believe that it is important for the EXIM Board of Directors to ensure project monitoring and accountability processes are robust, and do you believe that public consultation to improve EX-IM practices is important?

I believe public consultation to improve EXIM practices is important. Public input and robust stakeholder engagement present an important opportunity to allow all voices on all sides of the issue to be heard. I believe that the agency should emphasize transparency in its operations with stakeholders, including Congress. If confirmed, I look forward to an update from staff to determine what action, if any, is needed to modernize EXIM's accountability mechanisms and project monitoring processes.

Questions for Ms. Reta Jo Lewis, of Georgia, to be President of the Export-Import Bank, from Ranking Member Patrick Toomey:

Congressional Oversight

- 1) Please provide your philosophy on how the Export-Import Bank of the United States (EXIM) will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

If confirmed, I believe that EXIM should be transparent in its operations. I commit to responding to Congressional documentary requests in a timely manner and to comply with requests for information in accordance with statutory and regulatory guidance. If confirmed, I will take seriously the Congressional notification process and make sure that congressional feedback is considered as a part of the Board's decision-making process. I look forward to working with Congress and commit to making myself available to respond to Congressional requests for oral testimony should I be confirmed.

- 2) If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.

If confirmed, I will seek to be responsive to all information requests from Congress, regardless of who makes the request, consistent with all statutory and regulatory requirements.

- 3) Will you commit that, if confirmed, you will respond in a timely manner and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.

If confirmed, I commit to responding in a timely manner to requests from you, members of the Committee and the Congress, consistent with all statutory and regulatory requirements.

- 4) Will you commit that, if confirmed, you will make yourself and any other EXIM employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

If confirmed, I will make myself and my staff available consistent with all statutory and regulatory requirements.

Professional Experience

- 5) During your professional career, have you ever reviewed and approved a loan?

I have more than 25 years of leadership experience in international affairs, legal, policy, and business roles and, while I have never directly approved a loan, I am confident that I have the skills and experience to build a strong team that will enable me to effectively lead EXIM in its mission of supporting U.S. jobs through exports while being a responsible steward of taxpayer resources.

- 6) Have you ever served as a President of a federal governmental entity?

I have more than 25 years of leadership experience in international affairs, legal, policy, and business roles and, while I have never served as the president of a federal agency, I am confident that I have the skills and experience to build a strong team that will enable me to effectively lead EXIM in its mission of supporting U.S. jobs through exports while being a responsible steward of taxpayer resources.

- 7) Have you ever served as the Chair of a Board of Directors?

I have more than 25 years of leadership experience in international affairs, legal, policy, and business roles, and while I have never served as the chair of a board of directors, I am confident I have the skills and experience to build a strong team that will enable me to effectively lead the Board of Directors and fulfill EXIM's mission of supporting jobs through exports.

Private Sector Financing

- 8) How will you ensure that EXIM is not competing with private lenders in facilitating financing for exporters of all sizes, but particularly large exporters who have access to private capital?

I understand that EXIM's former Chairman Kimberly Reed led a review of the agency's procedures to review transactions to ensure that they are consistent with EXIM's mandate of supplementing and not competing with private capital. Under her leadership, the agency conducted a public review and the Board approved revised procedures. If confirmed, I would look forward to reviewing these procedures, as well as each individual transaction that comes before the Board of Directors to determine that EXIM is acting in accordance with its statutory requirements.

- 9) EXIM's charter states that "[i]t is also the policy of the United States that the Bank in the exercise of its functions should supplement and encourage, and not compete with, private capital."
- a. Will you commit to working with me and this Committee to ensure that large corporations who have access to private capital do not turn to EXIM financing without first exhausting all efforts to obtain credit elsewhere?

If confirmed, I would be pleased to work with you and this Committee to ensure that

the agency is fulfilling its statutory requirement of supplementing and not competing with private capital as it works to support U.S. jobs through exports.

10) During the October 26, 2021 Banking Committee hearing for your nomination, Senator Jon Ossoff (D-GA) asked you: “[W]ill you commit, please Ms. Lewis, to working with my office so companies like Thrush Aircraft in Albany and Gulfstream Aerospace in Savannah can export more Georgia made products around the world?” You responded, “I will commit to working with you Senator, and other members of this Committee on those types of issues.”

- a. Thrush Aircraft has received EXIM financing numerous times. Gulfstream Aerospace has as well, including for sales to China. The EXIM board has a responsibility to ensure its loan, loan guarantee, and insurance approvals are financially sound, done strictly as a lender of last resort, and free from political interference. How will the commitment you made here impact future EXIM Board decisions involving Gulfstream Aerospace or Thrush Aircraft?

In my comments to Senator Ossoff, I was committing, if confirmed, to work with him and the members of this Committee to ensure that EXIM is being responsive to the needs of all U.S. exporters, in accordance with all applicable statutory and policy requirements.

- b. If your response to the previous question entails there will not be an impact, what does your commitment to Senator Ossoff, along with other Senators of this Committee, entail when specific companies are referenced in the commitment?

If confirmed, I would seek to work with the members of this Committee to ensure that EXIM is being responsive to the needs of all U.S. exporters, in accordance with all applicable statutory and policy requirements. If the agency staff is not efficiently or effectively engaging with U.S. exporters or foreign buyers, I would seek to resolve those issues. If the agency’s policies or procedures are not sufficiently responsive to the needs of U.S. exporters, I would seek to better understand what steps, if any, the agency should take to ensure it is effectively fulfilling its mandate in accordance with all applicable statutory requirements.

COVID-19 Temporary Measures

11) In March 2020, EXIM adopted four “temporary” measures that put the U.S. taxpayers at greater risk, such as increasing the guaranteed coverage option to 95 percent. These measures were extended for an additional year to April 30, 2022. However, in FY2020, only two out of the 131 transactions took advantage of the 95 percent coverage option.

- a. If confirmed, will you commit to letting the temporary measures that EXIM adopted during the pandemic expire on April 30, 2022?

If confirmed, I commit to reviewing the temporary measures that EXIM's Board adopted and determining if they have been effective in supporting U.S. exporters facing challenges due to the effects of the COVID-19 pandemic and whether they are still needed. I would look to work with you and the members of this Committee to better understand if there are specific concerns about the temporary measures that EXIM's Board has adopted.

- b. If confirmed, will you commit to ensuring these "temporary" measures do not become permanent policies of EXIM?

If confirmed, I commit to reviewing EXIM's programs to determine how the agency can best support U.S. jobs through exports, while being a responsible steward of taxpayer resources.

China Program

12) In December 2020, the EXIM Board of Directors unanimously approved lowering the domestic content policy for its Program on China and Transformational Exports (CTEP) to 51 percent, with the potential to be even lower.

- a. What is the lowest domestic content percentage that you would personally support? Please provide a numerical percentage.

At this time, I do not have a predetermined view on EXIM's domestic content policy. If confirmed, I would look to better understand what EXIM's existing policy is, what effect that policy has on the agency's ability to support U.S. jobs, and consider the views of various stakeholders, including the members of this Committee and Congress.

- b. The EXIM Advisory Committee recommended a U.S. content minimum of 20-30 percent to purportedly better level the playing field with foreign competitors. Would you support a 20 percent domestic content for a loan guarantee? If so, can you explain how this fits within EXIM's mission statement of supporting U.S. jobs when 80 percent of the product will be made elsewhere?

At this time, I do not have a predetermined view on EXIM's domestic content policy. If confirmed, I would look to better understand what EXIM's existing policy is, what effect that policy has on the agency's ability to support U.S. jobs, and consider the views of various stakeholders, including the members of this Committee and Congress.

13) During the October 26, 2021 Banking Committee hearing for your nomination, Senator Chris Van Hollen (D-MD) asked you: "[A]s EXIM continues to implement the China and Transformational Exports Program, the CTEP program, to help U.S. exporters compete abroad

especially in the face of China's Belt and Road Initiative. What are some of the metrics that you would look to in measuring how we're faring against China in this competition?"

- a. After your response, Senator Van Hollen requested additional information from you on some of the metrics that you will be looking at in response. Can you elaborate what those metrics are?

At this point, I do not have sufficient information about the China and Transformational Exports Program to have a definitive view about the appropriate metrics to evaluate its effectiveness. As a general matter, I believe it will be important to understand whether U.S. exporters see the program as helping them compete against Chinese government-backed export financing, the volume of financing the program is doing, and the performance of EXIM's financing activity under the program.

EXIM Priorities as President and Chair

14) During the October 26, 2021 Banking Committee hearing for your nomination, Senator John Kennedy (R-LA) asked you: "Tell me one change you plan to make at EXIM if you're confirmed." In your response, you did not provide any changes.

- a. What is one change you plan to make at EXIM if you're confirmed?

If confirmed, one of my top priorities would be to expand EXIM global business development efforts. The agency has a critical role to play for businesses that are looking to reduce the risk of exporting and need access to capital. Congress has directed EXIM to expand and increase its presence and outreach in rural states, with veterans, women and minorities and persons with disabilities to ensure American exporters and foreign buyers know about the services EXIM provides. I would look forward to drawing upon my years of experience and national network working with all types of businesses and associations to ensure businesses, especially small businesses and those underrepresented in exporting, are aware of and have access to EXIM services.

- b. Have you had any discussions with either White House or EXIM staff about potential changes or modifications to any existing EXIM policies? If so, please identify what policies and explain what the potential changes and modifications are?

I have not had any discussions with either the White House or EXIM staff about any potential changes or modifications to any existing EXIM policies.

Answering Questions for the Record

15) Please describe with particularity the process by which you answered these questions for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

I prepared my questions for the record and worked with EXIM's Office of Congressional and Intergovernmental Affairs to ensure that I was fully complying with the information requested.

Questions for Ms. Reta Jo Lewis, of Georgia, to be President of the Export-Import Bank, from Senator John Kennedy:

President Biden’s Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, directs the Secretaries of State, Treasury, and Energy to work with the Export-Import Bank “to identify steps through which the United States can promote ending international financing of carbon-intensive fossil fuel-based energy while simultaneously advancing sustainable development and a green recovery.”

In response to the Executive Order, the Treasury Department announced guidance in August of this year restricting support for financing of natural gas projects overseas. Treasury’s guidance further confounds the uncertainty surrounding President Biden’s support for U.S. LNG exports and thousands of high-paying jobs here in the United States.

I am concerned that other federal financing agencies, such as the EX-IM Bank may seek to implement similar policies that discriminate against projects involving U.S. LNG.

Ms. Lewis, section 2(k) of the EX-IM Bank’s Charter prohibits the Bank from:

- (1) denying an application for financing based solely on the industry, sector or business the application concerns; or
- (2) promulgating or implementing policies that discriminate against an application based solely on the industry, sector or business that it concerns.

This clearly does not comport with the administration’s efforts to limit financing mechanisms for U.S.-led LNG projects overseas.

1. Ms. Lewis, if confirmed do you commit to strictly uphold the EX-IM Bank’s non-discrimination policy against any industry, sector or business, including the natural gas industry of the United States?

I believe that EXIM has an important role in supporting industries and workers in accordance with all statutory and policy requirements. EXIM must review every transaction using the criteria set forth in its Charter and Congress has mandated that EXIM cannot discriminate solely on the basis of industry, sector, or business.

If confirmed, I commit to upholding this legal requirement and working with you and other members of the Committee to ensure EXIM is fulfilling its mission to support U.S. jobs through exports.

2. What assurances can you provide to this Committee today that you will not allow partisan policies that discriminate against the U.S. LNG industry to influence the EX-IM Bank’s financing policies?

I believe that EXIM has an important role in supporting industries and workers in our country in accordance with all statutory and policy requirements, including non-discrimination solely on the basis of fuel source. EXIM must review each transaction using the criteria set forth in its Charter.

I have significant experience working in a bipartisan manner and, if confirmed, I intend to continue that practice in my leadership of the agency. I do not believe that partisan policies should play any role in the agency's financing policies.

3. Ex-Im Bank was given authority under the China and Transformational Exports Program to level the playing field directly against the People's Republic of China [Sec. 2(l)(1) of the Bank's Charter]. Are you prepared to aggressively finance projects for US exporters that face Chinese competition?

If confirmed, I am prepared to uphold the EXIM mission to support U.S. jobs through exports and believe the China and Transformational Exports Program can support that mission, especially in the face of Chinese competition. I recognize that the Chinese government has aggressively worked to support their exporters and I agree that the EXIM must stand ready to support U.S. exporters who are confronting this reality in markets around the world.

If confirmed, I look forward to learning more about the status of the Program and working with you and your staff on how the agency can further support U.S. jobs and workers, while being a responsible steward of taxpayer resources.

4. Exporters tell me that Ex-Im Bank loan officers spend over fifty percent of their time training and answering questions from the Inspector General versus working on transactions for US exporters to compete against China. The Inspector General's office at Ex-Im Bank spends six percent (6%) of the agency's budget, employs ten percent (10%) of the agency's employees, and has more investigators than the Bank has loan officers. As of last year, the agency's loan volume is down eighty percent (80%) since the IG office grew so large. Will you work with the IG to properly size their office so that exporters can get their deals approved and we can level the playing field against China?

I recognize that EXIM's Office of the Inspector General has an important role to play in providing an independent and objective review of the agency. If confirmed, I would look to build a constructive relationship with the Office of the Inspector General to eliminate fraud, waste, and abuse, and improve agency operations. I will work with the EXIM staff, the Office of the Inspector General, and Congress to ensure the agency can best fulfill its mission of supporting U.S. jobs through exports, including in sectors where there is direct competition against the Chinese.

Questions for Ms. Reta Jo Lewis, of Georgia, to be President of the Export-Import Bank, from Senator Robert Menendez:

1) The most recent EXIM competitiveness report found, “an increased role of foreign export credit agencies in supporting domestic companies with no export footprint during COVID-19.” In other words, EXIM’s foreign peers invested in their own domestic, non-export, companies. Potentially, this creates an opportunity for U.S. exporters.

- a. As foreign export credit agencies focus on their non-export domestic companies, is this an opportunity for EXIM to more aggressively provide support to U.S. export companies and help the U.S. be more competitive?

EXIM has a statutory mandate to level the playing field for U.S. exporters. If U.S. exporters are being put at a competitive disadvantage, I believe that EXIM has an obligation to determine how it can best level the playing field for U.S. exporters, in accordance with its statutory requirements.

2) In past recessions, EXIM has typically expanded its support as private commercial banks scale back their trade financing. For example, in fiscal year 2009, during the Great Recession, EXIM’s credit assistance grew 46 percent over the prior year, and much of that new assistance was in support of American small businesses.

- a. If confirmed, what steps will you take to ensure EXIM is responding to the needs of small exporters during the COVID recovery?

It is my understanding that EXIM has taken some initial steps to support small business exporters during the COVID pandemic. Should I be confirmed I would look forward to reviewing the actions that have already been taken and understanding their effectiveness in meeting the unique needs of small businesses.

Also, it seems that one of the major barriers to using EXIM financing is knowledge of the tools and resources EXIM can provide, especially among minority and women-owned businesses that may have been particularly hard-hit during the pandemic. Therefore, if confirmed I would place a high priority on education and outreach through in-person outreach, digital engagement, and engagement with amplifier networks to ensure small businesses are aware of how EXIM can support them during COVID recovery and beyond as they seek to grow their sales through exports.

- b. What lessons can EXIM take from the COVID-19 response to improve our resiliency to future pandemics and other shocks that cause global trade disruptions?

EXIM has important tools that support liquidity needs of businesses, especially during times of economic uncertainty. Through EXIM’s Working Capital Loan Guarantee Program, small businesses can access capital to support a variety of pre-export needs,

such as salaries, raw materials, and more. Such liquidity can be an important buffer against trade disruptions. EXIM's Export Credit Insurance can allow exporters to offer open account terms, allowing goods time to get to foreign markets. To help these tools support the current recovery and improve resiliency for future trade shocks, I believe that EXIM must expand business development and outreach so that businesses, especially small businesses or those new to exporting, become aware of how EXIM can support them.

As I am not at the agency, I am unable to determine how effective EXIM's response to the COVID-19 pandemic has been and what lessons, if any, should be drawn from the experiences of the agency and U.S. exporters. However, I am aware that there have been broader conversations about whether EXIM can play a role in strengthening U.S. leadership in the development and manufacturing of critical goods. I look forward to learning more about these efforts and, if confirmed, I would be pleased to further discuss this issue with you and your office.

- 3) As the United States increases its focus on clean energy and creating good-paying green tech jobs here at home, there has been some public criticism that EXIM has inadequately done its part to reach out to the clean energy industry, educate them about the opportunities EXIM provides, develop a clean tech project pipeline, and in turn create competitive American made climate tech industries and jobs.
 - a. If confirmed, will you commit to engaging directly with the clean energy industry to ensure that they have a robust understanding of the opportunities provided by EXIM?

I believe there is tremendous opportunity for growth in the renewable and clean energy sectors, especially through EXIM's China and Transformational Exports Program. If confirmed, I would make it a priority to ensure businesses in these industries are aware of how the U.S. Government can help them export their products. I look forward to working with EXIM staff to partner with colleagues across the U.S. Government, state and local elected leaders, state economic development entities, and amplifier groups such as industry trade organizations to spread the word about EXIM tools and resources.

Questions for Ms. Lewis from Sen. Warren:

1. Please describe your plans to implement the provisions of EXIM's reauthorization with an emphasis on clean technology and renewable energy, including how you plan to reach out to industry and educate them on the opportunities EXIM provides and create competitive, American-made clean tech jobs.

EXIM must be committed to supporting the energy solutions of the future and ensuring that clean, renewable energy and the products and innovations that drive it are American made. If confirmed, I will work to increase EXIM's global business development efforts to ensure that businesses of all sizes are aware of and have access to EXIM's services.

If confirmed, I would work with the EXIM team to strengthen EXIM's interagency coordination with the Departments of Energy, Commerce, and State and the Small Business Administration, U.S. Trade and Development Administration, Millennium Challenge Corporation, and U.S. International Development Finance Corporation as part of a whole-of-government approach to identifying export opportunities, developing U.S. manufacturing, and winning overseas contracts.

I would also seek to foster enhanced relationships with business leaders, trade associations, state and local leaders, and other amplifier organizations to ensure U.S. companies and foreign buyers are aware of the products and services EXIM provides. I believe there is tremendous opportunity for growth in the renewable energy and clean technology sectors, especially through EXIM's China and Transformational Exports Program, and should I be confirmed I would make it a priority to ensure businesses in these industries are aware of how the U.S. Government can help them export their products.