

**WRITTEN TESTIMONY OF
KIMBERLY REED
PRESIDENT AND CHAIRMAN, EXPORT-IMPORT BANK OF THE UNITED STATES
BEFORE THE SENATE COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS**

“Oversight and Reauthorization of the Export-Import Bank of the United States”
June 27, 2019

Chairman Crapo, Ranking Member Brown, and distinguished Members of the Committee, thank you for inviting me to testify before you today. It is an honor to be here again with you exactly seven weeks after I was sworn in as President and Chairman of the Board of Directors of the Export-Import Bank of the United States (EXIM).

This is my third time to come before this Committee. In 2017 and 2018, I testified before you as an EXIM nominee. I thank you for your three favorable bipartisan votes in support of my nomination to be the first woman and first West Virginian to lead EXIM.

I also thank you for your leadership when I came before the full United States Senate on May 8, where I was confirmed by the United States Senate with an overwhelming bipartisan majority vote. I was especially struck by the gracious comments that several of you and other Senators made on the Senate floor. It has been a long two-and-a-half-year journey towards Senate confirmation and I am now honored to be leading EXIM.

My two fellow Board Members, Spencer Bachus and Judith Pryor, also thank the Chairman, the Ranking Member, and the other Members of this Committee for your support. We look forward to welcoming the President’s final two Board nominees pending Senate action: First Vice President and Vice Chairman designee Paul Shmotolokha and Board Member designee Claudia Slacik.

The Chairman has specifically asked that I update the Committee on matters that have been awaiting the consideration of the Board, my priorities for EXIM going forward, the reforms that we have previously discussed, as well as my views relating to the Committee’s consideration of EXIM’s reauthorization. I am pleased to do just this.

Let me first set the stage by sharing with you the priorities that I shared with the nearly 400 talented and dedicated EXIM employees on my first day of work exactly 49 days ago: I am committed to fully reopening, reforming, and reauthorizing EXIM, thereby providing positive results for America’s workers and businesses, while protecting America’s taxpayers.

RESTORING A FULLY FUNCTIONING EXIM

EXIM is the official export credit agency (ECA) of the United States with the mission, as mandated by Congress, of promoting and supporting American jobs and growing the U.S. economy. EXIM provides competitive export credit to support U.S. exports and U.S. workers. EXIM achieves this primarily by providing financing for the purchase of U.S. exports, insuring U.S. exporters from the risk of non-payment by foreign buyers, and extending working capital loan guarantees that enable U.S. businesses to fill export orders. All transactions are required to meet the statutory threshold of a reasonable assurance of repayment.

As mandated by Congress, EXIM offers financing at rates and on terms that are competitive with government-backed export financing available from other countries. The goal of EXIM financing is to ensure U.S. exporters and workers can compete on the quality and price of their goods and services – and not lose business to foreign competitors because of their government-backed financing.

When it is fully functioning with a board quorum, EXIM is self-sustaining because of the fees and interest it charges to foreign buyers for the use of its programs. Since 1992, when the Federal Credit Reform Act became effective, EXIM has generated \$9.6 billion in revenues above what the Bank has received after providing for all expenses, loan-loss reserves, and administrative costs.

In the last ten years, EXIM has supported more than one and a half million private-sector American jobs. As you might imagine, EXIM has a backlog of applications that need Board consideration. Today, EXIM has approximately \$40 billion worth of transactions at various stages in its pipeline for Board-level review that would support an estimated 230,000 U.S. jobs. EXIM staff is working diligently through the reviews of these applications with respect to EXIM policies and all applicable statutory requirements.

But as we fully reopen, EXIM is reemerging to a dramatically more competitive environment in officially supported export credit as compared to when it was last fully functional. There are now 113 foreign ECAs in other countries – up from 96 when I testified before you in 2017, and I know first-hand that more nations are in the process of establishing their own ECAs.

Over the past four years, the U.S. exporting community has reported that while EXIM's foreign buyer financing programs remained essentially dormant, foreign ECAs have become more flexible, agile, and responsive as they seek to sell their own country's goods to support their workers, manufacturers, and economies. The Administration – including the President's National Economic Council Chairman Larry Kudlow – has underscored that economic security is national security, and that EXIM plays an important role in promoting U.S. exports.

One of my top priorities is ensuring that we are clearly communicating to U.S. exporters and foreign buyers that EXIM is fully operational and ready to begin moving board-level transactions forward. After nearly four years awaiting EXIM to be restored to full functionality, I am pleased to say that EXIM staff is working very hard with the applicants to finalize applications and conduct the necessary due diligence to bring these transactions before the EXIM Board.

Among the core requirements in EXIM's analysis of transactions is a review of the "Five C's" of credit: Character, Capacity, Capital, Collateral, and Conditions. EXIM must evaluate the trustworthiness and reliability of the parties to a transaction; the cash-flow, debt burden, and financial stability of those parties; the source of the down-payment; the quality of the collateral; and the limitations on the use of the requested financing. This analysis is critical to how EXIM conducts its determination that a transaction adheres to the statutory requirement of a reasonable assurance of repayment. Based on those reviews, EXIM considers what additional risk mitigants may be necessary to enhance the quality of the credit and to better protect the U.S. Government from the risk of default.

EXIM is mandated by its Charter to supplement and not compete with private capital in its transactions. As part of its review, EXIM looks at why the parties to a transaction are seeking EXIM financing, what limitations exist in the availability or terms of private capital, and the availability and terms of competing financing offered by a foreign export credit agency. All transactions are processed in accordance with EXIM policies, such as those on U.S. content, U.S. flag shipping requirements, and economic and environmental impacts.

EXIM's Environmental and Social Due Diligence Procedures and Guidelines require heightened reviews for certain transactions with the potential for adverse effects. EXIM reviews environmental and social impact assessments, analyses of alternatives, and proposed mitigation plans to determine their sufficiency and identify what additional steps may be necessary to address potential shortcomings. These assessments are readily available on EXIM's website for public review. Transactions are further reviewed for compliance with the Organization for Economic Cooperation and Development's (OECD) Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, and the Equator Principles, as well as guidelines based on the International Finance Corporation's Performance Standards and the Environmental, Health and Safety Guidelines of the World Bank Group.

Certain transactions further require EXIM to undertake more in-depth economic impact assessments, which involve both an interagency review process and a public comment period. All applications for financing that equal or exceed \$100 million also require congressional notifications and Federal Register postings before EXIM is able to make a final commitment.

Like any pipeline or deal funnel, not all transactions may come to fruition for reasons outside of EXIM's control. These are highly complex transactions and legal and commercial considerations are not always finalized at the time EXIM receives an application. New issues may arise that require further negotiation before a transaction is ready for Board consideration. In fact, U.S. exporters lost approximately \$13.3 billion of sales during the four years in which EXIM lacked a quorum.

At this point, EXIM staff estimate that transactions worth more than \$20 billion will be ready for consideration by the Board in the first year of full functionality. We expect the Board will vote on some of these applications this summer.

The plan is to work through the applications at a reasonable and prudent pace. Though we want to make our way through the pipeline, we take our obligation to protect the interests of U.S. taxpayers very seriously. EXIM has averaged a default rate of less than half of a percent over the past decade because of the care and thoughtfulness that goes into the review and structuring of these transactions. EXIM also takes seriously its responsibility to ensure we're only supporting transactions that cannot obtain a volume or tenor of financing in the market sufficient to realize economic viability. While we are anxious to move transactions forward, we cannot rush through the necessary reviews. Moving through the applications in a responsible way will be a huge victory in our collective efforts to support American exporters, businesses, and workers. EXIM also expects an influx of new applications to support foreign purchases of U.S. goods and services. As I underscored at my two confirmation hearings, EXIM can and must support businesses of all sizes that the private sector will not adequately finance, *especially small- and medium-sized businesses*, and I will comment more on small business later in my testimony. No matter the size or type of transaction, EXIM must be guided by the requirements of its Charter and ensure it is carrying out its Congressionally-mandated mission in a thoughtful and responsible way.

INSTITUTING REFORMS AND OTHER PRIORITIES AT EXIM

I am committed to working with this Committee and the Congress to transform EXIM, which is particularly important as we head into reauthorization.

During my July 19, 2018, confirmation hearing before this Committee, we discussed the future direction of EXIM. I was asked six specific questions:

- Will you work with me and other Members of this Committee and the Senate to increase transparency at the Bank to the greatest extent that is practicable without divulging confidential business information?

- Will you work with me and the Committee to strengthen taxpayer protections against losses from deals that go badly?
- Will you work with me and Members of the Committee to improve protection for domestic companies from economic harm that might arise from EXIM Bank financings with foreign competitors?
- Will you work with us to ensure that EXIM Bank is not crowding out private financing options that would otherwise be available but for EXIM Bank's involvement?
- Will you work with me and the Committee to crack down on bad actors, whether they are employees of the Bank or its customers who should not be dealing with the Bank?
- Will you work with all of us and the Administration to meet the statutory requirement that we work to reduce the reliance on ECAs globally?

I answered each of these questions in the affirmative and am following through on these commitments as we work to transform EXIM.

For example, immediately after being sworn in, I traveled to China to participate in the annual Group of 12 Member Nations (G12) Heads of Export Credit Agencies Meeting. I had the pleasure of meeting and engaging with my counterpart heads of foreign ECAs. I heard from the leaders of these organizations on what foreign ECAs having been doing while EXIM was not fully operational, including the strategic role that they are playing to further their countries' own national interests. I sought to revitalize U.S. leadership in negotiations, as Congress has specified in the EXIM Charter, to reduce subsidized export financing programs, enhance transparency, and level the playing field. While the Treasury Department leads these negotiations, under my leadership, EXIM will coordinate closely with Congress and Treasury through full and frank technical insights. As an outcome of the meeting, we secured the support of the G12 for the United States to host the 2020 G12 Meeting here in Washington, D.C. I would like to thank my ECA counterparts again for their commitment to cooperation and collaboration.

Not long after I returned from China, President Trump designated me to lead the United States Presidential Delegation to South Africa to attend the inauguration of South Africa's President, Cyril Ramaphosa. While there, I was able to help advance another critical Congressional mandate with many sub-Saharan government and business leaders. I made it clear that EXIM is fully functional and ready to facilitate greater support for trade with sub-Saharan Africa.

EXIM held its first board meeting just three weeks after the board quorum was confirmed by the U.S. Senate. This was the first time that the EXIM Board has met since July 2015. EXIM *ex officio* Board Member U.S. Secretary of Commerce Wilbur L. Ross, Jr., and Ambassador

Jeffrey D. Gerrish, Deputy U.S. Trade Representative for Asia, Europe, the Middle East, and Industrial Competitiveness, also participated.

At this meeting, the Board satisfied the remaining legislative reforms outstanding from the Export-Import Bank Reform and Reauthorization Act of 2015 (P.L. 114-94) that could not be completed without a Board quorum. We confirmed the appointments of a Chief Risk Officer and a Chief Ethics Officer. These roles are critical to carrying out the reforms mandated under the 2015 reauthorization, by elevating EXIM's focus on managing risk and adhering to the highest ethical standards.

The Board enhanced EXIM's ability to efficiently and responsibly process transactions under \$25 million. Specifically, in accordance with the intent of Congress as set forth in 2015, the Board delegated authority for short- and medium-term transactions up to \$25 million to senior EXIM officers.

As we look at our EXIM programs and potential reforms, it is also important to receive input from diverse experts outside of government. As such, we have just launched the process to reestablish the Congressionally-mandated Advisory Committee and the Sub-Saharan Africa Advisory Committee. We are currently accepting nominations for members to be considered for both committees. Applications will be accepted until July 24, 2019, and more details can be found on the EXIM website or through the Federal Register. These committees are charged with providing feedback to EXIM and to Congress on how to ensure the design and operations of EXIM programs are meeting the needs of United States exporters for competitive financing.

EXIM also must supplement and enhance – not compete with – private sector financing. As I pledged to you in my 2018 testimony, I have now begun internal discussions to review and strengthen the adequacy of EXIM's "additionality" criteria to ensure that EXIM is playing a complementary and necessary role in mobilizing private sector financing to assist U.S. companies operating in an increasingly competitive global marketplace.

I also am committed to improving EXIM's transparency to the greatest extent that is practicable without divulging confidential business information. EXIM has made important progress in recent years in the area of transparency, but we always can do more. Greater transparency will increase the confidence of EXIM's stakeholders that we are pursuing our mission appropriately while protecting taxpayers. As just one part of this commitment, I will seek to improve EXIM's documentation of its additionality determinations and publish these determinations so that the bases for these decisions are available to all of our stakeholders.

Supporting small business is vital to EXIM's mission and I am committed to doing even more. Twenty-five years ago, EXIM established its Small Business Division focused entirely on ensuring that small businesses have access to the trade finance tools they need to succeed in

markets around the world. Since that time, the global market for U.S. exporters has changed dramatically. Throughout the global financial crisis and its aftermath, EXIM stood by small businesses, helping to fill the gap in private sector financing.

While the loss of a Board quorum affected businesses of all sizes, EXIM's dedicated staff continued to work with small businesses, their lenders, and brokers, on how EXIM's working capital loan guarantee and export credit insurance programs could help these companies grow their sales globally. Between Fiscal Years 2016 and 2018, EXIM approved more than 7,000 transactions in direct support of small businesses.

The first event I hosted at EXIM was a small business roundtable with business leaders from Pennsylvania, Maryland, and West Virginia who also are EXIM small business customers. Their concerns are top-of-mind for me and the other members of EXIM's new Board. No transaction is too small. We know how important every sale is for businesses that operate on thin margins and how a single sale can affect an owner's ability to make payroll or bring a new employee on board.

Still, I want to make it clear that we can and must revitalize EXIM's commitment to small businesses. For that to happen, we must strengthen EXIM's ability to meet U.S. small businesses that cannot access adequate commercial financing where they are with the tools they need.

Among our first priorities will be to dramatically strengthen our relationship with private sector lenders and brokers – as well as with federal, state, and local government agencies that regularly communicate with U.S. businesses large and small – through a forward-leaning, proactive strategy focused on providing improved resources that will help them more effectively communicate to small businesses about how EXIM financing solutions can make a difference in boosting their sales while protecting their bottom line.

We will develop new opportunities to better track how EXIM works with individual small businesses, making sure that they are taking full advantage of their EXIM policies to maximize sales, and helping to answer any questions they have about how EXIM – or other federal resources – can help them boost their competitiveness.

When small businesses look beyond our shores to reach new global markets that commercial lenders tend to avoid, EXIM can help reduce the risk of selling products in emerging and frontier markets. Yet, too many people today simply do not know what EXIM is or how our products can work for them. That is why I am committed to dedicating new resources to help EXIM reach more small businesses across various channels, whether it is through the internet, social media, trade associations, industry publications, chambers of commerce, or trade shows.

We are currently developing outreach strategies that will improve EXIM's outreach to small businesses in underserved communities, rural and urban areas, tribal communities, and the territories.

Another key issue that I am focusing on is identifying new ways EXIM can support the agricultural sector. EXIM already provides enhanced coverage and payment terms for exports of bulk agricultural commodities under its export credit insurance policy. For the many farmers who may not directly export themselves, but instead sell their goods to a buyer who then serves as the exporter, EXIM's working capital program supports these indirect exporters to increase their access to credit.

I am committed to building on EXIM's outreach efforts to amplify our message to rural communities so that more farmers and ranchers can learn about how EXIM can work for them. We are also looking at better aligning our underwriting teams to enhance our industry expertise. This will help facilitate improved processing times that will benefit agricultural exporters.

As we continue our efforts to strengthen our programs for this important sector, I will work with my colleagues in the U.S. Department of Agriculture, including Secretary of Agriculture Sonny Perdue and Under Secretary for Trade Ted McKinney, to ensure that we are complementing, not duplicating, their efforts and delivering effective solutions for our farmers and ranchers.

In addition, I take seriously the statutory and overarching mandate of EXIM's Inspector General to improve the efficiency and effectiveness of EXIM's programs and operations while preventing and detecting fraud, waste, and abuse. The Inspector General accomplishes its mission through the conduct of audits, investigations, inspections, and evaluations. I believe a strong Inspector General is key to protecting the American taxpayers.

While EXIM's mission has always been helping to grow the U.S. economy and American jobs through exports, it is increasingly clear that EXIM has a role to play in supporting U.S. strategic interests and critical industries. My recent conversation with Iraq's Ambassador to the United States underscored yet again the importance of EXIM in advancing broader policy objectives. The Ambassador told me that increasing the involvement of the U.S. private sector in rebuilding Iraq through EXIM support would not only accelerate technological advancement, but also would improve security in Iraq and in the region.

This is just a glimpse of all that has been going on at EXIM in just the past seven weeks. These developments would not be possible without our exceptional EXIM staff. In addition to seeing EXIM brought to full capacity, one of my immediate priorities is to improve the employee experience. To assist with developing a plan of action, I have brought on board an expert with many years of experience in employee engagement, change management, and organizational

development to identify opportunities and address employee concerns. We are collaborating with several employee-driven task forces that convened over the last several years to analyze EXIM's annual Federal Employee Viewpoint Survey (FEVS) results. The FEVS survey that looks back over the past year was launched as I arrived and will serve as a benchmark for us to work from as we go forward to make EXIM one of the best places to work in the Federal government.

REAUTHORIZING EXIM

As I previously testified before this Committee, I believe that free-market principles are the best way to foster economic opportunity for all Americans. Throughout my twenty-three year career, I have embraced these principles to make a positive difference for our nation's businesses and workers while also protecting the American taxpayer. Still, there is room for improvement to keep America on this road to prosperity, and EXIM is no exception. The global competitive landscape facing our nation's economy and U.S. exporters has changed dramatically since EXIM was first established, and our stakeholders have reported to us that competition has intensified during EXIM's four years of limited operations, but the critically important EXIM mission has not. EXIM still supports American jobs through exports.

The Administration looks forward to working with this Committee and the Congress to advance reauthorization legislation that ensures that EXIM is fully able to continue its vital mission, as a reliable partner to exporters' efforts to secure foreign customers. A robust and reformed EXIM can help the world to "Buy USA," preserve domestic manufacturing supply chains, combat what our stakeholders have reported as increasingly aggressive efforts by foreign governments to undercut the competitiveness of U.S. exporters, further America's national and economic security objectives by facilitating U.S. exports to markets around the world, and protect the U.S. taxpayer.

INTENSIFYING GLOBAL COMPETITION

For decades, the United States has worked through the OECD to establish a level playing field, a framework – the OECD Arrangement on Officially Supported Export Credits ("the Arrangement") – for the provision of official export credit, including risk-based pricing. The focus of the Arrangement has been to restrict foreign export credit subsidies and encourage global export competition based on the quality and price of goods and services exported, rather than predatory financing terms. The Arrangement is a living document. Over the years EXIM has contributed its technical expertise and experience to support the U.S. in establishing market-oriented rules based on best – not trade distorting – export credit practices. The Arrangement is also a "gentleman's agreement," and is only as good as the commitment of the Participants to its guidelines.

As required under its Charter, EXIM submits an annual Competitiveness Report to Congress by June 30 of each year. The report reviews the actions of EXIM in providing financing on terms and conditions “which are fully competitive” with those offered by other governments, and the progress of efforts to minimize competition in government-supported export financing. It also includes a survey of all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with the United States. For many years, this was largely done by looking at how EXIM’s programs compared with that of other Participants to the Arrangement and the extent to which the Arrangement was succeeding in achieving its goals of minimizing market distortions and fostering transparency.

EXIM’s soon-to-be released annual Competitiveness Report examines how deeply, widely, and fundamentally officially supported export financing has changed over the last 10 to 15 years. The most significant development has been the loss of a level playing field. Emerging markets now import fewer goods and services and instead have their own robust ECAs to promote their exports onto global markets. The ECAs of China, India, and other countries that do not participate in the OECD Arrangement operate without regard to the basic standards of transparency and fairness established among Arrangement Participants.

Today, China is the largest provider of official export credit, which it uses to increase the scale, technology, and market position of its manufacturers as global leaders. In 2018 alone, EXIM estimates China provided more than \$39 billion in medium- and long-term export credit financing—more than the next top three ECAs combined. While this number is very large, it is dwarfed by the \$481.4 billion of short-term export credit China provided in 2018.¹ This helps China penetrate the complex supply chains of global manufacturing.

Since 2012, the United States has been trying to work with China and other governments through the International Working Group on Export Credits to establish a new international framework for a level playing field among all major providers of medium- and long-term official export finance.

While those discussions continue, OECD members are taking practical actions to address the very real threat that China poses to their overall industrial competitiveness. OECD ECAs have reported introducing and expanding programs and capabilities outside of the scope of the Arrangement that are focused on achieving strategic goals and forging business partnerships to establish a long-term footprint in key markets.

¹ EXIM Report to the U.S. Congress on Global Export Credit Competition, June 2019.

A growing number of ECAs and their governments have chosen a proactive approach that puts export finance at the center of trade policy. No longer reactive or the lender of last resort, foreign ECAs have reported that they are increasingly seeking out transactions, putting financing packages in place, and identifying ways to maximize the number of domestic suppliers or exporters involved in the global supply chain of strategic sectors, often engaging in “match-making” efforts between their suppliers and foreign buyers. They report that they are using official export credit to support robust domestic supply chains, enhance efficient shipping and logistics, open the door to follow-on exports, deepen economic ties, and develop engineering and technological expertise in key sectors.

Consequently, financing provided under the terms of the Arrangement represented just 36 percent of total government-backed export and trade-related financing in 2018, including development financing.²

China has been very explicit in its efforts to extend its economic influence through its export credit and investment support for the Belt and Road Initiative. More than 60 countries are discussing or developing projects with China now. Estimates show China could spend as much as \$1.3 trillion by 2027 on investments throughout the Belt and Road Initiative region.³

At the same time, China has outlined its “Made in China 2025” strategy—a strategy designed to transform China into a manufacturing superpower and in which China’s ECAs play an important role⁴—to develop domestic industries in sectors of key strategic importance. By developing critical infrastructure expertise, China can establish footholds in strategic geographic regions, control power generation, the electrical grid, and telecommunications networks, and reshape its economic footprint to align with its global ambitions.

China is known to provide export and trade-related financing through at least three different entities to turn these aspirations into reality. China Export and Credit Insurance Corporation (also known as Sinosure), the Export-Import Bank of China, and the China Development Bank all provide export credits and, in doing so, have played central roles in helping Chinese companies gain international strength and move up global value supply chains. Through this whole-of-government approach, these Chinese entities are boosting projects throughout Asia and Africa that primarily utilize Chinese technology, engineering, and services.

In addition to the rise in export credit products and providers, exporters have reported that, today, some foreign buyers include ECA financing as a condition of a bid in their requests

² EXIM Report to the U.S. Congress on Global Export Credit Competition, June 2019.

³ Chatzky, Andrew and James McBride. “China’s Massive Belt and Road Initiative.” Council on Foreign Relations, 21 February 2019, <https://www.cfr.org/background/chinas-massive-belt-and-road-initiative>.

⁴ For example, on its website, Sinosure says that it “has taken an active role in fulfilling the Made in China 2025 Initiative.” <http://www.sinosure.com.cn/en/Responsibility/smic/index.shtml>

for proposals (RFPs). Some RFPs not only clearly state a requirement or preference for ECA financing specifically, but also that the exporter's financing proposal is equal in importance to the technical proposal.

In the face of these changes, the U.S. export community has strongly expressed the need for a fully functioning EXIM that is empowered to level the playing field for American companies in this increasingly competitive international marketplace. In fulfilling its mission and in accordance with Charter requirements, EXIM can ensure U.S. exporters have the opportunity to win export sales, including in strategically important projects in key markets around the world, while serving as a market-oriented counterweight to China. As President Trump often says, "economic security equals national security."

CONCLUSION

Over the past two years, this Administration has ensured EXIM is adhering to its statutory mandates and has addressed and closed many recommendations from the Office of the Inspector General and the Government Accountability Office, elevated its deterrent efforts to stop third parties seeking to defraud the U.S. Government, and improved the data analytics and risk management of its portfolio.

EXIM has demonstrated responsible portfolio management, with an average default rate of less than half of a percent over the past decade—a period of significant market turbulence, including the global financial crisis and the European debt crisis. As I previously underscored, since 1992, EXIM has generated \$9.6 billion after covering its administrative and program expenses and setting aside reserves.

EXIM has enabled thousands of businesses across the country to pursue new opportunities in reaching customers around the world. As we all know, 95 percent of potential customers are outside of the U.S. Yet, today, it is estimated that fewer than 1 percent of America's 30 million small businesses export. Many of those exporters only export to one country.

To remain truly competitive in today's global markets, we have to do better. EXIM must work with its partners at the federal, state, and local levels to provide coordinated support for U.S. businesses that have the potential to tap new markets but cannot access adequate commercial financing. While the largest transactions may receive the most attention, EXIM cannot lose sight of the critical role that small and medium-sized businesses play in communities across this country.

Over the course of the past four years, export credit agencies report that they are using the availability of export credit financing to entice U.S. businesses to shift their supply chains outside of the United States and increase the foreign content of their exports. These efforts might potentially negatively affect the largest U.S. exporters as well as the thousands of small- and medium-sized American businesses, as well as many American workers throughout our nation, that make up their supply chains.

I look forward to working closely with Congress on how the U.S. can best combat the aggressive tactics of foreign ECAs, provide certainty to U.S. exporters and the thousands of companies that make up their supply chains, and help more businesses grow their global market share and support U.S. workers.

In closing, I again want to thank President Trump for his support of EXIM and me. On May 30, I was fortunate enough to have a ceremonial swearing-in at the Oval Office—and while I was there, the President asked me to “do great things.” He asked me to “fight to give American workers a level playing field and to expand foreign markets for American-Made goods” and reinvigorate EXIM to “help create even more great-paying jobs.” That is exactly what I intend to do: transform EXIM to deliver results for America’s workers and businesses, while also protecting the United States taxpayer.

The President also said that the world needs to “see more products stamped with those four beautiful words: MADE IN THE USA.” Now, more than ever, our nation and our workers need the United States Congress to reauthorize EXIM to help make this happen, and I stand ready to assist you in this process.

Thank you for this opportunity to testify and I look forward to your questions.

Biography of Kimberly Reed
President and Chairman of the Board of Directors
Export-Import Bank of the United States

Kimberly A. Reed was sworn in as President and Chairman of the Board of Directors of the Export-Import Bank of the United States (EXIM) on May 9, 2019, the day after she was confirmed by the United States Senate with an overwhelming bipartisan majority of votes. She is the first woman and first West Virginian to lead EXIM.

Reed has spent her 23-year career working in the public and private sectors and has led efforts focused on American job creation, trade, economic development, food and agriculture, and government reform.

Reed most recently served as President of the International Food Information Council (IFIC) Foundation where she collaborated with the U.S. Departments of Agriculture and State to increase acceptance of U.S. exports in emerging market countries. At the U.S. Department of the Treasury, Reed headed the Community Development Financial Institutions Fund, where she oversaw the award of \$4 billion in tax credits, loans, and grants to financial institutions and economic development groups investing in distressed communities across the nation. She also served as Senior Advisor to U.S. Treasury Secretaries John Snow and Henry Paulson. As counsel to three committees in the U.S. House of Representatives—Ways and Means, Government Reform and Oversight, and Education and the Workforce Committees—she focused on oversight and reform of federal agencies. Reed was Vice President for Financial Markets Policy Relations at Lehman Brothers in New York.

Recognized as one of the “100 Women Leaders in STEM,” Reed previously served as a Member of the Boards of the Alzheimer’s Association, Alzheimer’s Impact Movement, American Swiss Foundation, National Coalition for Food and Agriculture Research, Tax Coalition, and West Virginia Wesleyan College. She was the first woman elected as Chair of the Republican National Lawyers Association.

Originally from Buckhannon, West Virginia, Reed earned her J.D. from West Virginia University College of Law and B.S. from West Virginia Wesleyan College. She is a Certified Association Executive (CAE), earned a Professional Certificate in Finance from the New York Institute of Finance, and has spent time in more than one hundred countries.