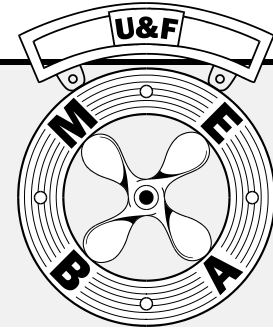


LEGISLATIVE UPDATE

DECEMBER 2019



House Votes to Re-Charter Export-Import Bank

On November 15th, the U.S. House of Representatives passed legislation to reauthorize Export-Import (Ex-Im) Bank operations for another ten years while tweaking the agency with a series of reforms. Under the legislation, the Bank would be renamed as the “U.S. Export Finance Agency” and its lending authority would be increased from \$135 billion to \$175 billion by Fiscal Year 2026. The House bill was approved largely on party lines by a vote of 235-184. While this legislation is based off a bipartisan Senate bill introduced by Senators Kevin Cramer (R-ND) and Kyrsten Sinema (D-AZ), it is unclear if and when the Senate will take formal action to reauthorize the Ex-Im Bank. In a press conference, Senate Majority Leader Mitch McConnell indicated that he would not allow a vote on the House version of the bill despite the need for immediate action.

The Ex-Im Bank is a key source of cargo for U.S.-flag shipping and enjoys strong bipartisan support. Importantly, a portion of cargo generated by the Bank is required to be transported aboard U.S.-flag ships. In addition, for transactions above \$20 million, 100% of all cargo financed by the Bank must be carried on US-flag vessels.

Short-Term Spending Bill Enacted to Avert Government Shutdown

On November 21st, President Trump signed a short-term spending bill approved by the House and Senate that funds the federal government through December 20th of this year, buying Congress and the White House four more weeks to avoid yet another government shutdown. The bill extends both the current funding levels for the Federal government and the charter of the Export-Import Bank. Negotiations toward a comprehensive funding package continue to be held up by a number of issues including the ongoing conflict to fund President Trump’s demand for a border wall, a proposal strongly opposed by congressional Democrats.