

Ryan (WI)	Smith (WA)	Toomey
Ryun (KS)	Snyder	Towns
Sabo	Souder	Trafficant
Salmon	Spence	Turner
Sanchez	Spratt	Udall (CO)
Sandlin	Stabenow	Udall (NM)
Sanford	Stearns	Vislosky
Sawyer	Stenholm	Vitter
Saxton	Strickland	Walden
Schaffer	Stump	Walsh
Scott	Stupak	Wamp
Sensenbrenner	Sununu	Watkins
Serrano	Sweeney	Watts (OK)
Sessions	Talent	Weiner
Shadegg	Tancredo	Weldon (FL)
Shaw	Tanner	Weldon (PA)
Sherman	Tauscher	Weller
Sherwood	Tauzin	Wexler
Shimkus	Taylor (MS)	Weygand
Shows	Taylor (NC)	Whitfield
Shuster	Terry	Wicker
Simpson	Thomas	Wilson
Sisisky	Thompson (CA)	Wolf
Skeen	Thompson (MS)	Woolsey
Skelton	Thornberry	Wu
Slaughter	Thune	Wynn
Smith (MI)	Thurman	Young (AK)
Smith (NJ)	Tiahrt	Young (FL)
Smith (TX)	Tierney	

NAYS—55

Ackerman	Green (WI)	Olver
Baldwin	Hefley	Owens
Barrett (WI)	Hoooley	Paul
Blumenauer	Jackson (IL)	Payne
Boswell	Kind (WI)	Peterson (MN)
Brown (OH)	Kucinich	Rangel
Capuano	Lee	Rivers
Conyers	Lofgren	Sanders
Davis (IL)	Luther	Schakowsky
DeFazio	Markey	Shays
DeGette	McCarthy (MO)	Stark
Delahunt	McDermott	Upton
Deutsch	McGovern	Velazquez
Doggett	McKinney	Vento
Ehlers	Miller, George	Waters
Eshoo	Minge	Watt (NC)
Fattah	Nadler	Waxman
Filner	Oberstar	
Ganske	Obey	

NOT VOTING—7

Carson	Kennedy	Wise
Danner	McCarthy (NY)	
Jefferson	Scarborough	

□ 1146

Messrs. DAVIS of Illinois, RANGEL, and OLVER, and Ms. MCKINNEY changed their vote from "yea" to "nay."

Mrs. MEEK of Florida and Mr. UDALL of Colorado changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KENNEDY of Rhode Island. Mr. Speaker, on rollcall No. 494, the conference report on H.R. 2561, the Defense Appropriation Act of FY 2000, had I been present, I would have voted "yea."

Mrs. McCARTHY of New York. Mr. Speaker, due to circumstances beyond my control, I was unable to vote on the Defense Appropriations Conference Report. Had I been present, I would have voted "yes" on rollcall vote No. 494.

EXPORT ENHANCEMENT ACT OF 1999

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 327 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 327

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1993) to reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the bill modified by the amendments recommended by the Committee on International Relations now printed in the bill. Each section of that amendment in the nature of a substitute shall be considered as read. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 327 is a modified, open rule providing for the consideration of H.R. 1993, the Export Enhancement Act of 1999. The rule provides for one hour of general debate, equally divided between the chairman and the ranking minority member of the Committee on International Relations.

The rule makes in order the Committee on International Relations

amendment in the nature of a substitute as an original bill for the purpose of amendment.

Further, the rule provides for the consideration of only pro forma amendments and those amendments preprinted in the CONGRESSIONAL RECORD prior to their consideration, which may be offered only by the Member who preprinted it or by his designee, and shall be considered as read.

As has become standard practice, the rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce voting time to 5 minutes on postponed questions if the vote follows a 15 minute vote.

Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, I believe this is an appropriate rule for the consideration of this legislation. It is legislation to reauthorize several very important United States investment trade promotion programs, including the Overseas Private Investment Corporation known as OPIC, the Trade and Development Agency and the export functions of the International Trade Administration of the Department of Commerce.

OPIC's authority to operate lapsed on September 30, but it was extended by the continuing resolution on an emergency basis for only a few days more. This bill must pass the House and the Senate, as you know, in identical forms and be signed by the President in a very short time frame if these programs are to be able to continue uninterrupted. Therefore, I think that the preprinting requirement in this rule is an appropriate manner to allow interested Members to offer amendments while expediting the bill's consideration.

H.R. 1993, the underlying legislation, reauthorizes most commercial export promotion programs that involve the United States Government. OPIC is authorized for 4 years and continuing under this bill will be able to continue its self-sustaining operations without raising its liability ceiling, which is an improvement and a significant change over the bill that was considered in the 104th Congress.

In addition, H.R. 1993, the underlying legislation, codifies the cost-sharing and success fees of the Trade and Development Agency and provides the Agency with \$48 million, the amount requested by the President. It also provides funding for all and reauthorizes three programs of the International Trade Administration in the Commerce Department, \$202 million for the U.S. and Foreign Commercial Service, \$68 million for the Trade Development Program, and \$4 million for the Market Access and Compliance Program.

I am encouraged that the bill directs the Department of Commerce to create a special initiative to promote trade opportunities and remove market barriers in sub-Saharan Africa and in Latin America. Obviously, Latin America is a tremendous export market for

the United States and very important to the United States economy.

I believe that this is a fair rule and it brings forth a very good underlying bill. I commend my colleagues, the gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations; the gentleman from New Jersey (Mr. MENENDEZ) and the gentleman from Illinois (Mr. MANZULLO) and the others who have worked very hard on this legislation for advancing the bill. I certainly share their support for this important piece of legislation.

Mr. Speaker, House Resolution 327 is a fair rule. I would urge, and I do urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time.

This rule will allow for consideration of H.R. 1993, which is the Export Enhancement Act of 1999.

As my colleague from Florida has explained, this rule provides for 1 hour of general debate to be equally divided and controlled by the Chairman and ranking minority member of the Committee on International Relations. Under this rule, only amendments which have been preprinted in the CONGRESSIONAL RECORD will be in order.

The bill reauthorizes the Overseas Private Investment Corporation. It also authorizes appropriations for the Trade and Development Agency and the International Trade Administration of the Commerce Department.

Foreign trade is a critical element of our national economy. An estimated 12 million American jobs are directly tied to U.S. exports. The Overseas Private Investment Corporation is an important part of our government's efforts to increase exports and create American jobs; and in the past 25 years, the corporation has generated about 237,000 jobs and \$58 billion in exports. This is done through self-generating revenues, not with taxpayer-supported dollars.

This bill contains important initiatives. The Overseas Private Investment Corporation is directed to increase support for small businesses. The Commercial Service is required to station employees in at least 10 countries in sub-Saharan Africa. The International Trade Administration is required to develop an outreach program to increase exports for minority-owned businesses.

Mr. Speaker, this is a good bipartisan bill. It appears to have strong support on both sides of the aisle. Unfortunately, the rule does permit only amendments that have been preprinted in the CONGRESSIONAL RECORD. This restriction is unnecessary.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN), the chairman of the Com-

mittee on International Relations, and at the same time commend him once again for his hard work on this legislation.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

□ 1200

Mr. GILMAN. Mr. Speaker, I rise in support of the rule governs the consideration of the Export Enhancement Act of 1999, H.R. 1993. This bill reauthorizes several important U.S. investment trade promotion programs, including the Overseas Private Investment Corporation, OPIC; the Trade and Development Agency, the TDA; and the export functions of the International Trade Administration, ITA, of the Department of Commerce.

OPIC's authority to operate lapsed on September 30, but it has been extended by the continuing resolution on an emergency basis. The stop-gap funding measure will keep this important agency in operation only through the next 10 days. It is vitally important that we consider the Export Enhancement Act as soon as possible, and that we forward this bill to the President for his signature.

Reconciling its provisions with the Senate counterpart OPIC authorization will take additional time, a commodity in increasingly short supply as we approach of the end of our legislative session.

This rule, Mr. Speaker, would provide the best prospects for its prompt enactment, a goal which will boost our exports and level the competitive playing field for our companies that are facing stiff competition and exclusionary practices around the world.

For exporters, OPIC, TDA, and the ITA programs all provide practical assistance in their fight to win export sales in highly competitive overseas markets.

The act reauthorizes OPIC for 4 years, continuing its self-sustaining operations without raising OPIC's liability ceiling. OPIC provides our American companies political risk insurance and project financing for U.S. investments in developing nations and emerging economies. It has undertaken new initiatives in Africa, in Central America, in the Caribbean, and the Caspian Basin, and has stepped up efforts to help more small businesses enter the global economy.

Mr. Speaker, over the past 2½ decades OPIC has generated some 237,000 jobs and \$58 billion in exports. Producing a net income of \$139 million just in fiscal year 1998 alone, its reserves reached a record level of \$3.3 billion. It is anticipated that the OPIC agency will contribute \$204 million in fiscal year 2000 to support all the other activities and programs in the international affairs budget.

According to a September, 1997, GAO report to our committee, and I quote, "Historically, OPIC's combined finance and insurance programs have been

profitable and self-sustaining, including costs due to credit reform and administration."

With 12 million American jobs now directly tied to U.S. exports, there could be little doubt that the trade promotion agencies authorized in this legislation play a critically important role in our economy. Recently announced trade statistics showing declining U.S. exports underscores the urgency of promptly enacting this measure.

Mr. Speaker, according to the most recent Commerce Department reports, in 1998 U.S. exports actually declined below their level from the preceding year for the first time in over a decade. That decline, together with steadily rising imports, has contributed to a 1998 U.S. trade deficit of \$169 billion, nearly \$60 billion higher than in 1997. In current trends, this deficit is expected to top \$200 billion later on this year.

Accordingly, Mr. Speaker, I urge the adoption of this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Japan continues to violate market access commitments in the form of denying rice imports from American farmers. India denies market access to the United States motion picture industry. The European Union denies market access in so many areas it is now legend.

The gentleman from New York (Chairman GILMAN) talked about a \$167 trade deficit. Let me upgrade that for the projection for next year. The last quarter of 3 months was \$87 billion. If that is annualized, we are talking about \$340-some billion in trade deficits in 1 year, more than a third of a trillion dollars. It is unbelievable.

I have an amendment for this bill that changes section 6(d). The bill calls for a report on violations on those trade agreements we have. The Traficant amendment maintains that, but requires that report to be made to Congress. But also it requires the International Trade Administration to also tell us what is the market access of every country, and it stipulates a set of criteria specifying those countries with trade surpluses with America, and telling us what products we could be selling there, what market access is being denied, and what would that impact be on American jobs.

I know we have a lot of different trade reports, a lot of different legislation. I have talked with the respective chairmen. They may want to, at the proper time or in conference, move this into the reporting mechanism so it is not as duplicative, if it is.

However, the market access information is most important. I want the Congress to know when this amendment comes up, it does not only deal with the report to Congress on those countries that are violating our trade

agreements, but also for the International Trade Administration to tell us what is available in those countries if we opened up and got those free markets.

With that, I am hoping that the committee will look favorably upon the amendment. I am willing to tailor any language necessary to conform it with the final goals.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think that the rule is fair. The underlying legislation is obviously extraordinarily important. Mr. Speaker, I would urge support not only for the rule but for the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of H.R. 1993, the Export Enhancement Act, and specifically in support of the Overseas Private Investment Corporation. Since 1971, OPIC has worked with U.S. investors who do business overseas by supporting projects where private financing and insurance are unavailable or insufficient.

OPIC provides insurance against political risk, financing assistance through loans and loan guarantees, and financing for private investment funds that provide equity to businesses overseas.

OPIC also acts as an important advocate for American businesses in foreign countries. The facilitation of private investments overseas provides benefits for the American economy. Since 1971, OPIC has paved the way for upwards of \$58 billion in exports and the creation of over 200,000 jobs.

Today OPIC supports U.S. businesses in 140 countries. Perhaps, most importantly, this successful program is self-sustaining and operating at no cost to the American taxpayer. An important part of OPIC's work is focusing on and helping small businesses. I look forward to voting in favor of this legislation, not only the rule but the underlying bill, that will reauthorize the program through 2003. I urge my colleagues to do the same.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman for yielding time to me.

As one of the cosponsors with the gentleman from Illinois (Mr. MANZULLO) on this legislation, I want to rise to support the rule and also support the legislation. This is one of those pieces of legislation that has been worked on in a bipartisan effort. It has many Democrat cosponsors on it. It is one that brings us together on the issue of trade because it is about

creating American jobs at home and making sure that America is competitive abroad.

I know that during the debate we will hear different views of that, but the fact of the matter is that this is an agency that gives money to the Federal Treasury, that ultimately promotes American interests abroad, that creates jobs at home, and at the end of the day, also serves America's national foreign policy interests by having our entrepreneurs abroad engage in those economies.

So for all of those reasons, I urge adoption of the rule, and I urge adoption of the underlying legislation.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, again supporting the rule, supporting the underlying legislation, I also yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 327 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, (H.R. 1993).

□ 1210

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1993) to reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from New Jersey (Mr. MENENDEZ) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Chairman, I rise in support of the Export Enhancement Act of 1999, H.R. 1993, and I would like to commend the gentleman from Illinois (Mr. MANZULLO), the author of this important legislation, and the ranking minority member, the gentleman from Connecticut (Mr. GEJDENSON), and the gentleman from New Jersey (Mr. MENENDEZ) for their support.

This bill reauthorizes several U.S. investment and trade promotion programs, including the Overseas Private Investment Corporation, OPIC; the

Trade and Development Agency, TDA; and the export functions of the International Trade Administration, ITA, all of the Department of Commerce.

OPIC's authority to operate lapsed September 30, but it has been extended by the continuing resolution on an emergency basis. That stopgap funding measure will keep this important measure in operation only through the next 10 days, until October 22. It is vitally important that we consider the Export Enhancement Act as expeditiously as possible and that we submit this bill to the President for his signature. Reconciling its provisions with the Senate counterpart OPIC authorization will take additional time, a commodity that is in increasingly short supply as we approach the end of our legislative session.

For exporters, OPIC, TDA, and ITA programs all provide practical assistance in their fight to win export sales in highly competitive overseas markets. The administration fully supports enactment of this measure, and has just released a statement of administration position pointing out its substantial benefits for our American workers.

The Act reauthorizes OPIC for 4 years, continuing its self-sustaining operations without raising OPIC's liability ceiling. OPIC provides American companies political risk insurance and project financing for U.S. investments in developing nations and in an emerging economies. It has undertaken new initiatives in Africa, in Central America, and in the Caribbean and the Caspian Basin, and has stepped up our efforts to help more small businesses enter the global economy.

Over the past 2½ decades, OPIC has generated some 237,000 jobs and \$58 million in exports. Producing a net income of \$139 million just in the last fiscal year of 1998, its reserves have now reached a record level of \$3.3 billion. It is anticipated that the OPIC agency will contribute over \$200 million in fiscal year 2000 to support all the other activities and programs in the international affairs budget.

According to a September 1997 GAO report to our committee, "Historically, OPIC's combined finance and insurance programs have been profitable and self-sustaining, including cost due to credit reform and administration."

Over its 28-year history, the OPIC agency generated some \$14 billion in U.S. exports generated by New York State companies.

□ 1215

It has supported more than 55,000 American jobs created by New York State projects alone. In the last 5 years, OPIC has identified \$672 million in foods and services that they will buy from New York State suppliers, 57 percent of which are small New York businesses.

These alone will create more than 2,000 local jobs for New Yorkers. New York businesses are seeking possible

OPIC support for some 151 future projects, representing a potential \$12 billion of investment, and all of these for just one State, not to mention all the other States that are being benefited by this program.

For those Members concerned about how OPIC operates overseas, permit me to point out that OPIC operates a comprehensive program to monitor every project that it assists for impact on our U.S. economy, on our environment, on workers' rights and on host company development. Each year, each investor must complete detailed information about the actual financial flows associated with the project, information on financial issues and host country development aspects of the project.

OPIC has criteria for detailed, on-site project monitoring for all projects that impact potentially sensitive U.S. economic sectors, all environmentally sensitive projects and a group selected through random sampling theory. Each project that receives an on-site visit is evaluated for impact on the United States and host country economies and employment, impact on the environment and conformance with internationally recognized workers' rights.

With 12 million American jobs now directly tied to U.S. exports, there can be little doubt, Mr. Chairman, that the trade promotion agencies authorized in this legislation do play a critically important role in our Nation's economy. Recently announced trade statistics showing declining U.S. exports underscores the urgency of promptly enacting this kind of a measure. According to the most recent Commerce Department reports, in 1998 U.S. exports actually declined below their level from the preceding year for the first time in a decade. That decline, together with steadily rising imports, has contributed to a 1998 U.S. trade deficit of \$169 billion, nearly \$60 billion higher than the deficit in 1997. At current trends, this trade deficit is expected to top \$200 billion later this year.

During the general debate, I will also ask the gentleman from Illinois (Mr. MANZULLO) to offer a technical and perfecting amendment on my behalf. It takes into account the concerns of my committee colleagues about the provisions of the Urban Initiative of the International Trade Administration. Accordingly, Mr. Chairman, I urge my colleagues to support this important legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. MENENDEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are taking a very important step to help reverse the trade deficit and support American companies by reauthorizing the Overseas Private Investment Corporation, the Trade Development Agency, and the International Trade Administration programs. I want to take a moment to thank the distinguished chairman of the full committee, the gen-

tleman from New York (Mr. GILMAN), for his work and his support, as well as my ranking Democrat on the committee, the gentleman from Connecticut (Mr. GEJDENSON), for his encouragement and support in bringing us through the committee and to the floor today, and my coauthor of the legislation, the gentleman from Illinois (Mr. MANZULLO). Working together, we have fashioned a bipartisan bill that promotes America's interests at home and abroad.

With the U.S. trade deficit reaching record highs, \$24.6 billion in June, America needs to take immediate steps to reverse the deficit by helping American companies to export American products. This bill begins that process by reauthorizing these agencies and by looking at new ways in which we can help American companies, small, medium and large, to harness the opportunities of emerging markets throughout the world, particularly in Africa and Latin America.

At a time when the Congress is striving to adhere to the constraints of a balanced budget, when we talk about the reauthorization of OPIC, it stands apart as a revenue-earning program. OPIC's budgetary contributions are returned to the Function 150 or the International Affairs account and help offset the deep cuts that have been made to our foreign aid and development programs. That is a fitting relationship, as OPIC was created by President Nixon to complement our foreign aid programs. OPIC not only complements our foreign aid programs, it is helping to sustain them while simultaneously providing a much needed service and market opportunity to American businesses.

Let me give an example. In my home State of New Jersey, OPIC has provided more than a billion dollars in financing and insurance, generating \$3 billion in U.S. exports, items that were created here, manufactured here, and exporting them abroad, and created over 10,288 jobs. From Newark to Camden to Princeton, OPIC has supported New Jersey companies and their suppliers, and that is only one small example of the many places across the country for which that is a reality as well.

Turning to the International Trade Administration, among the branches of the International Trade Administration is the U.S. and foreign commercial services. These offices overseas and at home provide real hands-on assistance to small- and medium-sized companies that need help getting started in the export arena. We have to face it, we are living in a global trading economy. The fact of the matter is, we want to engage more of our companies in the opportunities to be able to export their products and services abroad. The U.S. foreign commercial service helps us do that.

TDA is also an important complement to ITA and OPIC's efforts. TDA is often the crucial factor between a project going to an American com-

pany or to a foreign company. By funding feasibility studies, orientation visits, specialized training grants, business workshops and various forms of technical assistance, TDA enables American businesses to compete for infrastructure and industrial projects in middle income and developing countries.

So when we are there creating the standard and helping to create that standard, the reality is we are creating an American standard and in creating an American standard we create the opportunity for American companies to succeed abroad.

So as we seek to address our trade deficit and maintain our competitive edge in the global market, we need to look to programs like these which yield big benefits for small costs. We need to understand that American exports mean American jobs here at home, and that the U.S. exports of goods and services are estimated to support more than 12 million domestic jobs. Each one billion in dollars in U.S. goods and services exports supports some 13,000 U.S. jobs. We want to increase those. We want to create more jobs at home. We want to improve the profitability of American companies. We ultimately receive revenues from that and everybody prospers.

So I urge Members to support the bill. These programs are not corporate welfare. They are opportunities for American firms to compete on a level playing field with our global competitors, and their success means a lower American trade deficit and more American jobs. That is ultimately what this bill is all about.

Mr. Chairman, I reserve the balance of my time.

Mr. MANZULLO. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I rise in support of the Export Enhancement Act. We are reaching the point where we are at an all-time historic high of a trade deficit, and even the free trade economists such as Alan Greenspan are concerned about the implications of such massive trade deficits.

The trade deficit is extremely important to narrow in order to assure a robust American economy. U.S. exports are barely keeping even with last year's level. It is encouraging that the number of small companies that have entered the export area have grown dramatically from 1987 to 1997, as shown by this chart.

In addition, nearly two-thirds of all U.S. exporters had less than 20 employees, as is evidenced on this chart here, so we can see that more and more small businesses are becoming involved in exporting. Most small businesses are only casual exporters, that is, they export to just a handful of countries as opposed to several countries, and thus broaden the base of the small business exporting community. Nearly two-thirds of small exporters sold just to one foreign market and posted total exports of less than \$1 million. If more

casual small business exporters became active exporters, our exports could go up by \$40 billion, according to the Commerce Department estimates.

Yes, any large reductions in the trade deficit will come from macro-economic forces. Yet our government's export promotion programs and services should reinforce these larger trends in order to increase exports and reduce the trade deficit. The Export Enhancement Act before us today takes this direction.

The legislation is comprised of four main elements: reauthorization of the Overseas Private Investment Corporation, OPIC, for 4 years, without exposing taxpayers to further risk by not changing the ceiling on OPIC's maximum contingent liability; two, reauthorization of the Training Development Agency; three, reauthorization and reforming of the export promotion functions of the International Trade Administration at the Department of Commerce; and, four, reflection in the most efficient ways possible the efforts of the trade promotion coordinating committee.

Let me talk just about OPIC. OPIC sells political risk insurance and project finance for U.S. overseas investments. Where U.S. overseas investments go, U.S. exports usually follow. Between one-fourth and one-third of our exports go to overseas subsidiaries of U.S. companies.

OPIC makes money for our Government. \$204 million is expected for 1999 from the premiums and fees it charges U.S. companies for the use of its services. This is unique. This is a Government agency that actually makes money for the taxpayers.

OPIC projects contributed \$58 billion in U.S. exports and 237,000 jobs since its creation in 1971.

OPIC competes, and this is very important, OPIC competes against 37 other foreign equivalents to the Overseas Private Investment Corporation. OPIC contributes to our foreign policy goals by helping countries move up the development ladder. OPIC is not perfect. There are some areas in need of improvement, particularly in the area of helping more small businesses.

OPIC is making progress towards this goal, and H.R. 1993 will make sure that OPIC keeps on target.

Mr. Chairman, I reserve the balance of my time.

Mr. MENENDEZ. Mr. Chairman, I yield 6 minutes to the gentleman from Connecticut (Mr. GEJDENSON), the distinguished ranking Democrat of the full committee.

Mr. GEJDENSON. Mr. Chairman, let me first commend the gentleman from Illinois (Mr. MANZULLO) and the gentleman from New Jersey (Mr. MENENDEZ) for the fine work they have done on this and so many other pieces of legislation in their committee. So often there seems to be a partisan divide that is solely political in its nature in the debate here; and it is clear that in this instance there are differences, but

they are not based on a political orientation. It is a philosophical orientation. I think that is the way the debate actually ought to run here, and particularly in this case the work is hard and we have two excellent people leading the effort here, my good friend, the gentleman from New Jersey (Mr. MENENDEZ), and the gentleman from Illinois (Mr. MANZULLO).

The gentleman from New Jersey (Mr. MENENDEZ) has done an excellent job on this subcommittee working with the gentleman from Illinois (Mr. MANZULLO), and I have a particular affinity for this subcommittee in that I used to chair it at an earlier time.

It is easy often to get caught up in the rhetoric and forget about our goal here. Our goals here are very simple. Our goal is to make sure that American economic and foreign policy interests are met and that American workers are not disadvantaged. We have seen that in so many places, where competing with the French, the Japanese, the Germans, that their corporate and government cooperation puts Americans at a great disadvantage. Time and time again, we see their regulatory authorities coming in trying to choke out American business.

I think we have just had a great success where the European Union tried to block American jet engines, not based on the decibel level. They said it was a noise issue, and if they were really concerned about noise, of course, they would set a decibel standard, but what they did was they talked about the manufacturing process, trying to give European-made engines an advantage.

□ 1130

To that end, I offered, and we were able to pass in committee an amendment that adds additional personnel in the EU to make sure we watch the regulatory process.

The Trade and Development Agency that is also authorized in this legislation is critical. The Europeans are starting to beat us worldwide because they now have over 300 million of the wealthiest people on the planet, and they have got a single standard.

Now, they established that standard trying to give European industry an advantage. Whether it is telecommunications or electricity or almost any field, they try to use the European standard to, not just provide health and safety or efficiency or confidence in the equipment, but really to block American products.

What does TDA do? TDA provides the funding that takes a look at the needs of the project and really gives Americans a fair shot at that project.

Now, OPIC has made money, billions of dollars for the American Treasury. It is really a cash cow in many ways. But that is not its primary goal. Its primary goal, and it has been successful at this, is to make sure that American industry can compete successfully.

Now, we think a private insurance program would threaten the private in-

surers. To the contrary, the program has been so effectively designed that it is complementary to the private insurance that companies can get.

I will give my colleagues some of the examples where we have used OPIC, especially as emerging democracies have come out of years of oppression. We have used OPIC, instead of taxpayer money, we have used this fund generated from the fees paid by private corporations to help American products be sold into these countries.

It does several things. If an American company is building a facility, they tend to buy American generators, American parts. That means long-term American products are sent there. Replacement parts are American. That gives us the edge.

Oftentimes, as these countries are developing, the first companies in end up controlling the technology. So if we were even to shut OPIC down for a short period of time, we might lose entire countries to European competition. Now, we have the strongest economy in the world. But we also have a massive trade deficit.

I want to again commend both gentlemen for their focus on the fact that this is one of the tools we have to compete with our European competitors and our Asian competitors. These people are allies, but they are very tough competitors.

I had a company in my district come in and tell me that the Japanese, in a number of instances, had come in and offered an outright cash grant in order to secure a contract for one of the companies in their country. We do not use taxpayer money. We use the power of OPIC to make sure that we can be successful for American workers.

Oftentimes, it is hard to separate the rhetoric from the reality. But when it comes to OPIC, not only can we take a look at its tremendous reserves in excess of \$3 billion, but we can focus on the jobs it has created.

It has \$2.7 billion in reserves it has created as a result of its exports, and it has facilitated 225,000 jobs in the country. In my State alone, it has helped 15,000 jobs. People that go to work every day in each of our communities are working today because of the work that has been done by OPIC and TDA. With the passage of this bipartisan bill, it will make it even better.

I plan to offer later today legislation to toughen the environmental standards to make sure that American policy furthers international environmental standards.

I want to commend the gentlewoman from California (Ms. LEE) for the great work we have done together. I understand there is an additional amendment by the gentleman from California (Mr. ROHRBACHER) which will seek the same goals. I think that it is important that we marry these issues together.

Mr. MANZULLO. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROHRBACHER).

Mr. ROHRBACHER. Mr. Chairman, I rise in opposition to this authorization bill. We have heard over and over

again repeated in this debate that OPIC is in some way responsible for these number of thousands of jobs being created and this amount of competitiveness for America in relationship to its competitors overseas. I have only three things to say about that analysis, and it is called baloney, baloney, baloney.

There is no other institution that so blatantly is corporate welfare at the expense of the well-being and expense of the taxpayers than OPIC. The bottom line is that, if OPIC can operate as a private organization and is not costing the taxpayers any money, so be it. Let them operate in the private sector as a private operation.

Why do we need to have congressional backing behind OPIC? Well, let me point out what OPIC does, and then my colleagues will see why it has to be part of the government. Because no one, no one in the private sector would be as screwball as this in order to undermine the well-being of the people who were picking up the tab.

Yes, we have heard it created this number of jobs here or this number of jobs there. What we have not heard is how many American jobs have disappeared by the fact that we are subsidizing the investment of American dollars overseas to create manufacturing units overseas that will then hire those foreigners to do jobs that could be done here in the United States of America.

Now, I have an amendment. If people object to what I am saying here and say, well, that is not really true, we are not doing that, I would invite those who are objecting to that to support my amendment. My amendment which comes up with this authorization bill simply says that none of the money from OPIC will go to establish a manufacturing unit overseas.

Now, what does it do when we use taxpayer dollars to guarantee a businessman who would rather set up a manufacturing unit, let us say in Communist Vietnam, rather than in Chicago or rather than in New Jersey or rather than in some other place in the United States? Well, if we are taking the risk, he is more likely to make that investment over there, so it is more likely he will invest money there rather than create jobs here.

Number two what we have done is, once that manufacturing unit is set up overseas, what happens? Supposedly that manufacturing unit is helping our exports. Well, all too many times what we found out is, no, it is not helping American exports at all. It is taking the place of American exports.

We have OPIC money being used to guarantee businessmen going overseas, they call it political insurance, in order to create jobs for these people which then, whoever they are overseas, they are manufacturing these projects, not to sell in their own country, but to re-export to the United States. This is adding insult to injury.

First, we put our people out of work; we charge them money through their

taxes to subsidize this investment; and now they are going to have those products exported to the United States so that what they are manufacturing in the United States is no longer necessary because this cheap foreign labor is being used.

This is a ridiculous scenario. It is a betrayal of the people of the United States. The arguments that this in some way creates jobs in the United States is baloney. It makes jobs disappear in the United States. By the way, if that is not true, I would invite those people who disagree with me to vote for my amendment that ensures that we are not using taxpayer money to subsidize manufacturing units.

I have another amendment dealing with the environment. I am glad that this coincides with the gentleman from Connecticut (Mr. GEJDENSON). But the worst part about this is there is no restriction on where we are placing this money, where these businessmen will be able to set up the manufacturing units.

So our manufacturers, these people, these businessmen are attracted to what? They are attracted to tyrannies. They are attracted to dictatorships like Vietnam and China. We have no provision in here at all that says, if one wants to have a government, a taxpayer guarantee, one is going to have to set up in a democratic country.

Thus, we have businessmen who should be attracted to countries like the Philippines if they want to invest overseas and take advantage of labor that is cheaper overseas.

They are attracted to the very worst pits of tyranny throughout the world in order to invest. Because now they have political protection provided by the taxpayers of the United States of America. That is a travesty.

It is not true that it is creating jobs. It is making jobs disappear. Again, if my colleagues disagree with that, I would expect that they would be supporting my amendment to make sure that we are not setting up manufacturing units overseas. Because by definition, manufacturing units cost American jobs.

I intend to vote against this reauthorization, and I ask for support of these two amendments.

Mr. MENENDEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to rise in support of the legislation and commend the authors of it for taking a positive approach in enhancing our ability to export goods and jobs overseas. I am also here to lend my strong support to an amendment that will be offered a bit later in the debate by the gentleman from Ohio (Mr. TRAFICANT) to, I think, improve the legislation before us.

Unfortunately, U.S. companies simply cannot compete in foreign markets

if they are denied market access and forced to brave horrible conditions. There are a number of examples that we are all familiar with. The gentleman from Ohio (Mr. TRAFICANT) earlier this year and I introduced legislation to try to improve these circumstances. An element of that bill is going to be offered as an amendment to ensure that we have the necessary information to open markets for companies and workers in the United States.

Priority will be given, as far as those investigations and studies to countries which have a trade deficit with the U.S., priority will be given to markets which will result in significant employment benefits for U.S. producers. Priority will be given to critical technology sectors.

Too often, I think, we do focus on ensuring that people play fairly in the U.S. market. It is time we ensure they play fairly in their own home markets so we can enhance and increase our exports in job opportunities. I want to thank the gentleman from Ohio (Mr. TRAFICANT) in his initiative and join strongly in supporting his amendment as well as this legislation.

Mr. MANZULLO. Mr. Chairman, I yield 6 minutes to the gentleman from Alabama (Mr. CALLAHAN).

(Mr. CALLAHAN asked and was given permission to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Chairman, let me just tell my colleagues that, if they just look at the simple title of the agency we are talking about, the Overseas Private Investment Corporation, and if they look at the history of OPIC, they simply see that it is an organization that was formed in 1971, to do exactly what it is doing, to provide our American people the opportunity to sell products overseas.

The gentleman from California (Mr. ROHRBACHER) said we are exporting jobs. We are not. We are exporting projects. We are exporting products that are made in America for the most part, made in America, 137,000 jobs that was created last year. Just because American business had the same opportunity as Japanese businesses, as French businesses, as every other country does.

The Overseas Private Investment Corporation basically does one simple thing. It says that, if we go into a country, and we do support a facility there that is manned by Americans that is utilizing projects manufactured in the United States, if that project or any of the property is expropriated by that government, then OPIC underwrites the insurance program of that.

They tell the investors in those countries, if that project is taken away from them by some unscrupulous dictator in some country, then simply the United States of America will collect their money for them. No private insurance company can do that. No private insurance company can go in and say to them we are an agency of the United States of America; they are not going to treat our citizens this way.

To think that we have people in OPIC that are so unqualified as they would do things to discourage the very thing they were created to do, and that is to create American jobs, is ludicrous. That is not the case. OPIC makes money. They made \$137 million last year.

Next year they are projected to make \$200 million. It costs about \$50 million to operate it. I do not know how anyone in their right mind could possibly say this is not good for American businesses because it is. It gives us the opportunity to play on a level playing field with countries that we are competing against in order to acquire the opportunity for foreign investment to that particular country.

Now, my colleagues can talk about these Third World countries. They can talk about these bad countries. They can talk about all of these things they want. But they have to look at the history. They have to look at the millions of jobs it has created in the last 30 years.

They have to look at the million units of dollars, hundreds of millions of dollars that they have generated. They have to, most importantly, look at the fact that, without this agency, our business people in the United States of America would have no opportunity to compete with the French, no opportunity to compete with the Japanese, no opportunity to compete with most countries because they are doing the same thing.

So we do have a good agency that is doing a good job. They are making money. They are contributing to our problems of spending because they are contributing more than they are spending.

□ 1245

And at the same time they are creating these hundreds of thousands of jobs. So I am here today to encourage my colleague to reauthorize this. Let us not muddy it up by saying let us do it for 1 year. Let us not muck it up by saying let us restrict them; let us not let them do business in countries that we do not personally like. Let us let this professional group of OPIC people who are doing a great job continue to operate and continue to operate without the fear of being sunsetted in 1 year.

It is a simple reauthorization of a good project that is doing a lot of good for American businesses. It is doing a lot of good to create exports. It is doing a lot of good to create jobs here in the United States.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, I can understand the argument of the gentleman that this is good for American business because there is only a certain number of people in this country that own businesses.

Mr. CALLAHAN. Mr. Speaker, reclaiming my time, let me respond to that now.

There may be a certain number of people that just own businesses, but those people that own businesses hire thousands of people to work for them and those are the people that I am concerned about. I do not want to abolish jobs. I want to create jobs.

Mr. ROHRABACHER. Mr. Speaker, that is correct. But the question is, these people that hire thousands of people, as my colleague is saying, how can it possibly be in the benefit of those thousands of people that we are giving a guarantee for businessmen to instead build a factory overseas where they will not be hiring those people?

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, because the factory is going to be built overseas anyway; and, primarily, all we are doing is providing insurance. We are saying, if indeed a government expropriates that property that the United States of America is going to go after that country. A private insurance company, if it went in there, those dictators and those crazy people in some of those crazy countries would just say, drop dead. But if they walk in there saying, I am from the United States, they have taken this property away from an American investor and we are going to demand that they pay it.

The very fact that their losses are about one percent ought to tell us about the success of this.

Mr. ROHRABACHER. Mr. Chairman, if the gentleman will continue to yield, but does that not encourage the investment and creation of those jobs overseas?

Mr. CALLAHAN. Mr. Speaker, we have the opportunity in this country to do the same thing. We have the Small Business Administration. We encourage it here, too. But we have got to recognize we are in a global economy now.

If they want the Japanese and French and every other foreign country to take total control of exports, if they want to deny us the ability of exporting our products, exporting our ability to make a profit and create American jobs, yes. But just look at the very title, Overseas Private Investment Corporation.

Mr. MENENDEZ. Mr. Chairman, I would like to inquire how much time I have remaining.

The CHAIRMAN. The gentleman from New Jersey (Mr. MENENDEZ) has 1 minute remaining. The gentleman from Illinois (Mr. MANZULLO) has 8 minutes remaining.

Mr. MANZULLO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the gentleman from Alabama (Chairman CALLAHAN), who is chairman of the Appropriations Subcommittee on Foreign Operations, for the tremendous work that he has provided for OPIC.

Mr. MANZULLO. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I have never voted for a foreign aid bill

since I have been in the Congress because I always felt that our country needed that support, but I came very close this last time under the leadership of the gentleman from Alabama (Chairman CALLAHAN). I believe many of the reforms being made in foreign aid are good for the world and good for our country, and I am going to have to give it serious thought.

While the chairman is here, I have a twofold message. The only company in America to invest in a project with OPIC in the Gaza Strip was one of my companies; and they stole the money, stole their equipment, and forced my company to take them to court.

Now, a Federal judge ruled that the bank in Gaza participated in a pattern of conspiracy and racketeering and stealing money and stealing the equipment and had a finding against them.

But I want to say this to the chairman because I think he will feel good about this: OPIC was good and it changed my thinking a little bit and OPIC stood there with my company. And that matter now is being delineated at the highest levels after the finding from that court.

If the court of last resort does not make any difference with the Palestinian activities so involved, I will be coming to the chairman for the ultimate relief of an American company, that is, Congress.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, that is the very point and the rationale behind OPIC. OPIC does not have the authority to go in and threaten anyone on the Gaza Strip or any other country, but the very fact that we are saying, we are the United States of America, we demand that you treat our citizens fairly and that this property not be expropriated is the very reason we need OPIC.

Mr. TRAFICANT. Reclaiming my time, Mr. Chairman, I feel very comfortable with the remarks of the gentleman from Alabama (Chairman CALLAHAN), and I am sure that what he says is heard also around the world.

I hope I have enough time to finish my statement. I just want to make this statement to the Congress.

The gentleman from New York (Chairman GILMAN) says we have a \$167 billion trade deficit, another record. My colleagues, that is not the half of it. The new trade deficit reports for the first quarter of this year \$87 billion for 3 months, close to \$350 billion annualized if it maintains the way it is, that is 7 million jobs.

Now, I have not voted for any of this legislation because, quite frankly, I do not think it is really doing what it is set out to do. But I am going to vote for the modest reforms that are attempted to be made in OPIC this year.

I want to commend the chairman involved and the ranking member because it is, at least, a valid attempt.

But my amendment says one other thing: do not just tell us who is violating trade agreements. Tell us what the status of the market access is in those countries. Do not just tell us they are denying or they are violating trade agreements.

Under the Traficant amendment, it tells us what is the situation on market access and, if they are denying us market access, what are the products they are denying from America and what is the marketplace that exists there so we can export more of our product. This is absolutely necessary.

I am for free trade. But, by God, if they are denying us access, we do not just need continuing reports telling us what they are denying us access about and what is the Trade Rep, what is the International Trade Administration, what is Department of Commerce going to do about it.

I know the gentleman from California (Chairman ROHRABACHER) has an amendment coming up, and I am probably going to support his amendment.

I only have a little bit of time left, but let me say this: I want to know what they are denying to American producers. And I think we have to keep their feet to the fire.

Mr. MANZULLO. Mr. Chairman, I reserve the balance of my time.

Mr. MENENDEZ. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding me the time.

I would just, Mr. Chairman, make a few observations. Number one, when we talk about a record-breaking trade deficit, that should suggest to every Member of this body that it is high time to make fundamental changes in our trade policy with regard to NAFTA, GATT, and Most Favored Nation status.

There is something very, very wrong when major American corporations are investing tens of billions of dollars throughout the world, including countries like China, where workers are paid 20 cents an hour and have no democratic rights; and yet it is very, very hard to get these same companies to invest in Vermont or New England or any other State in this country.

The second point that I would make is that we have heard some of our friends here say, let us have a level playing field. Let the United States do what countries in Europe are doing. I would suggest that if we follow that line of reasoning, the United States of America would institute a national health care system guaranteeing health care to all people. That is what they do in Europe.

I would suggest that the United States Government would provide free college education to all of our kids. That is what they do in many countries in Europe. I would suggest that the United States Congress would mandate 4 or 5 weeks' paid vacation for all of our workers. That is what they do in Europe.

So I find it strange that some of our friends here are saying let us have a level playing field in one area, but let us not have a level playing field in other areas.

Lastly, I would commend my friend, the gentleman from California (Chairman ROHRABACHER), who makes a very sensible point. Why are we encouraging American corporations to take manufacturing jobs out of this country, lay off American workers, and take those jobs abroad, often to countries where the environmental standards are limited, where workers do not have freedom to stand up for their rights, to form a union, and where they are paid very, very limited wages? So I think that amendment makes a lot of sense.

I would also point out to those people who talk about the booming American economy to understand that American workers today are working 160 hours a year more than they did 20 years ago. I would point out to those people who talk about the booming economy that the average American worker today in real inflation accounted for wages is making less than was the case 25 years ago.

So I think, while OPIC is the tip of the iceberg, it makes no sense to me that we put taxpayers' money at risk in what clearly amounts to a corporate welfare situation.

Mr. MENENDEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the statements of several of our colleagues. I just want to put them in some context in this general debate.

I want to address some of the arguments that have been made because they make good sound bytes, but I am not sure they hold up under scrutiny.

We are not talking about, I say to our colleagues who are listening back at their offices and those that are here on the floor, it is not about trade agreements, it is not about Most Favored Nation trading status, it is not about other trading issues that are sometimes divisive in these chambers.

This is not about that. So let us get that straight. I know many people will try to bring in those issues in this debate, but the legislation being considered today is not about that. It is about creating the opportunities in the context of the reality of the world today to have American companies that create American jobs here at home and that export American products to those manufacturing plants in other parts of the world to have opportunity.

Now, there are those that have questioned, why does OPIC not become a private entity? Why the hell do we need the United States Government to be engaged? Well, the full faith and credit of the United States is a powerful tool, and it is a tool that is not available to private insurers. For a job as big as this, this is a tool we need.

It is not that these projects are not a good risk, because they are. But we,

the United States, have an incentive to provide this insurance that private insurers do not. We are leveraging the full faith and credit of the United States to create American jobs, to improve American profitability. That is an American interest. That is a function that benefits all Americans, and it is a proper role of Government.

Now, if a factory is going to be built overseas, it is going to be built overseas. OPIC already, in its law which we reauthorize here, is statutorily prohibited from supporting any project that is likely to have a significant negative effect on the U.S. economy. And a business which receives OPIC's support must agree not to transfer U.S. jobs overseas.

The question is, if a factory that does not exist here is going to be built overseas, is it going to be a plant that requires American parts, American manufacturing skills, and creates demands for American products overseas; or is it going to be a French factory or a Japanese factory or a German factory that is not going to be buying any American parts made here at home and sold abroad but which American workers are making and gaining salaries from?

So we should not advocate these jobs to other nations. We should not advocate these emerging markets to other nations. As I said, OPIC's charter prohibits any financing for projects that could cause Americans job loss here at home. Those projects actually mean more American jobs.

It is in that context that I want our colleagues to think about this debate. This is not about overall trade issues. This is about helping American companies who find themselves competing with companies of other countries abroad whose countries are investing enormous amounts of money to make their contracts possible. The Germans, the French, the Japanese all over the world, they are helping their companies make it possible. How could we disarm American companies, which means American workers, from having the opportunity to compete in that global marketplace? That is what is at stake in this legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. MANZULLO. Mr. Chairman, I yield the balance of our time to the gentleman from Nebraska (Mr. BEREUTER).

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

□ 1300

Mr. BEREUTER. Mr. Chairman, as vice chairman of the authorizing committee and a cosponsor of H.R. 1993, I rise in strong support of the Export Enhancement Act.

I wish that one of our sage Founding Fathers, Benjamin Franklin, were here today. He would find the discussion here interesting and reminiscent. He said over 200 years ago, "No Nation was ever ruined by trade." Indeed, that is

true. International trade is a significant part of American economic growth and prosperity today. The programs of OPIC, the Trade and Development Agency and the International Trade Administration are an integral part of our trade promotion system. We need to protect it. They have a proven record of strengthening trade and promoting American exports, and they certainly warrant reauthorization by this Congress.

Since it was created in 1971, OPIC has backed projects worth \$121 billion and helped create approximately 230,000 new U.S. jobs and \$56 billion in exports. More than \$2.8 billion in American exports were generated by OPIC-supported projects in 1998 alone. More than half of the identified suppliers to OPIC-backed projects around the world are U.S. small businesses. In this Member's State alone, OPIC projects have generated about \$869 million in exports from the State generating 2,662 jobs. Examples like that can be given from every State.

OPIC is certainly cost beneficial to the American taxpayer. In addition to the American jobs OPIC projects create, 100 percent of OPIC's operating costs are covered by user fees to the individual clients, meaning these administrative costs are not a burden to the taxpayer. In fact, OPIC generates revenue and has generated over \$3.3 billion to deficit reduction and other international affairs accounts. It is anticipated that in this fiscal year, OPIC will generate an additional \$200 million to deficit reduction.

OPIC, then, is a win-win program that is successful in mobilizing the private sector investment in support of U.S. foreign policy objectives at no operating expense to the American taxpayer. OPIC promotes U.S. best practices, too, by requiring projects to adhere to international standards on the environment, workers rights and human rights. OPIC projects help improve the stability in developing countries and emerging economies by providing an economic boost to the efforts of reform-minded governments. For example, Hungary's opening to the West allowed OPIC to support U.S. investment there in 1990. These investments at this critical time of transition certainly helped accelerate the kind of positive economic and political reforms in Hungary that transformed that country from a captive Warsaw Pact satellite into a free NATO ally.

To those who express concern about OPIC-supported investments abroad luring jobs from America to foreign countries, this Member recommends they examine closely what kind of investments OPIC is supporting and what kind of so-called foreign jobs are being created. For example, the United States cannot supply raw electrical power to Egypt. However, we can supply American-made power generating equipment and services. How can selling power generating equipment made in the U.S. by American workers and

subsequently selling American-made spare parts and services for this equipment for many years to come be considered taking jobs away from Americans? If we do not sell the Egyptians these power plants, then the Europeans, Japanese, Canadians or other foreign competitors certainly will sell them and their economies will benefit at the expense of ours.

The United States does not grow tea. Therefore, how does investing in a tea plantation in Rwanda steal American jobs? Indeed, it supports U.S. jobs insofar as that tea operation needs tools, machinery, trucks and other services. These are products and services provided by American firms and produced by American labor.

The United States is not home to the African savannah, and giraffes, zebras and baboons are not our native wildlife. Therefore, how does supporting the eco-tourism industry in Botswana by investing in new hotels and tour operations take away American jobs? On the contrary, this tourism type of development requires all kinds of infrastructure, construction materials, furnishings, vehicles and a wide range of services, everything from financing to marketing. These are goods and services that Americans produce and can now sell to a new market in Botswana.

All of America's economic competitors, including Japan, Germany and France, offer a comprehensive array of export and overseas investment support. They far outstrip what we offer. They certainly recognize the overwhelming benefit to their own economies of such assistance. Indeed, the U.S. spends less per capita as a percentage of GNP and in dollar terms on supporting private sector investment in developing countries than any other major competitor country.

Mr. Chairman, the claims have been made that OPIC is corporate welfare and has eliminated American jobs. Opponents of OPIC, and the Chairman will like this one, have cited Caterpillar Corporation as one of those "fat cats" benefiting from OPIC. Caterpillar makes much of its tractors and heavy equipment in Peoria, Illinois, the epitome of an American city, and, of course, in other American cities. This Member suspects he would be very hard pressed to find among Caterpillar workers assembling tractors any of them who would believe that they are the fat cats that are benefiting from OPIC.

These are hardworking Americans. At no cost to the taxpayer, OPIC helps to promote the sale of tractors and earth-moving equipment that they make. Given the significant support foreign competitors receive from their governments, without OPIC, America's Caterpillar Corporation and its employees are in many instances at a real disadvantage to Japan's Komatsu or Korea's Hyundai Corporation.

To those who claim that OPIC is unnecessary or competes against private sector insurance providers, this Mem-

ber would point out that OPIC does not insure against commercial risk or currency devaluation. While OPIC is run like a profitable private business, it still needs to provide long-term political risk insurance that is not fully available in the private sector. For example, with the assurance provided by \$1.8 million of OPIC political risk insurance, Agro Management, a minority-owned small business from California, is now able to work with Ugandan farmers to produce African chrysanthemums from which oil is extracted and used as a natural nontoxic and environmentally-friendly insecticide. This is just one example of many investments that will contribute to the estimated \$9 billion in increased trade with sub-Saharan Africa that likely would not occur if it were not for OPIC insurance.

Similarly, the Trade and Development Agency has a successful record of promoting American business involvement in infrastructure projects in developing and middle income countries. Since its inception, the TDA has generated over \$12 billion in American exports. This equates to \$32 in U.S. goods and services exported for every \$1 spent on TDA projects. And for every dollar that TDA invests, the agency receives another 50 cents in cost-sharing.

Last year alone, over \$1.8 billion in U.S. exports were associated with TDA activities. Eighty percent of those exports were comprised of manufactured goods, illustrating the strong link between TDA projects and U.S. job creation.

The International Trade Administration and Foreign Commercial Service is also re-authorized in this bill. This funding supports the actual personnel stationed at U.S. embassies and U.S. commercial offices around the globe who successfully promote American goods and services abroad and provide assistance to American businessmen seeking new international trade opportunities.

Mr. Chairman, H.R. 1993, the export enhancement legislation before us, re-authorizes a successful American export and trade promotion system. The economic benefits of this cost-effective system to American businessmen, workers and farmers have proven to be overwhelming.

I urge my colleagues to give strong support to this legislation.

Mr. WU. Mr. Chairman, I rise today on behalf of my home state of Oregon, and in strong support of H.R. 1993, the Export Enhancement Act.

Quite simply, trade is one of the critical drivers behind Oregon's current economic prosperity; and trade is expected to grow in importance in the years ahead. The Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and the International Trade Administration (ITA) have played a key role in the promotion of Oregon exports. I strongly urge my colleagues to support this important legislation.

Mr. Speaker, OPIC, TDA, and ITA play an important part in the promotion of American exports. They are good for American workers, good for American businesses, and good for the American economy. Each of these very

worth agencies requires a relatively small investment. But they certainly reap big results for Americans.

Mr. Speaker, I strongly urge my colleagues to support American exports and support this important bill.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute consisting of the bill modified by the amendments printed in the bill shall be considered by section as an original bill for the purpose of amendment, and each section is considered read.

No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

Ms. ROS-LEHTINEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this bill before us encompasses three agencies which are at the heart of the U.S. strategy to expand its export opportunities and to ensure greater access for American companies, big and small.

As passed by the Committee on International Relations, it helps make the Trade and Development Agency more self-sufficient by requiring companies and entities benefiting from its programs to share in the costs and to reimburse for projects secured, even if the project is not the original one pursued.

It establishes congressional guidelines and recommendations on the operations of these agencies to seek and use more private sector resources, and to place greater emphasis on the promotion of small businesses and make them more export competitive.

This bill also provides for greater accountability and oversight as it calls for independent auditors to report annually on the level of OPIC's reserves and requires that greater emphasis and resources be dedicated to assisting small businesses compete in the global arena.

Further, it establishes reporting requirements for ITA and focuses on the work of the Market Access and Compliance unit of the International Trade Administration which, along with the other units, monitors, investigates and evaluates foreign compliance with over 250 U.S. trade agreements; helps resolve company and industry-specific market access problems in country and regional markets; identifies market

and nontrade barriers to better prepare and educate U.S. companies about developing markets.

Their list of accomplishments is long, having succeeded in resolving serious compliance problems relating to discriminatory regulations and barriers faced by American industries.

While not a perfect bill, it does provide certain safeguards for the American taxpayer and it does afford the opportunity for careful oversight by this committee and the Congress in general. I ask my colleagues to support this bill this afternoon.

The CHAIRMAN. The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Enhancement Act of 1999".

The CHAIRMAN. Are there amendments to section 1?

The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Since it began operations in 1971, the Overseas Private Investment Corporation (in this Act referred to as "OPIC") has sold investment services and mobilized private sector resources to assist developing countries and emerging democracies in the transition from nonmarket to market economies.

(2) In an era of declining Federal budgetary resources, OPIC has consistently demonstrated an ability to operate on a self-sustaining basis to support United States companies and promote economic reform in emerging economies in Africa, the newly independent states of the former Soviet Union, Latin America, and the Caribbean.

(3) OPIC has played an important role in reinforcing United States foreign policy goals and in strengthening the United States economy by creating jobs and promoting exports.

(4) Over the past 28 years, projects supported by OPIC have generated over \$58,000,000,000 in United States exports, mobilized \$121,000,000,000 of United States private sector investment, and created more than 237,000 United States jobs.

(5) OPIC has been run on a sound financial basis with reserves totaling approximately \$3,300,000,000 and with an estimated net budget contribution to the international affairs account of some \$204,000,000 in fiscal year 2000.

(6) OPIC has maintained a claims recovery rate of 95 percent, settling 254 insurance claims for \$541,000,000 and recovering all but \$29,000,000 since 1971.

(7) OPIC programs have served to rectify market failures, including limited market information in developing countries and underdeveloped capital markets, by insuring United States firms against economic and market uncertainties.

(8) The Trade and Development Agency (in this Act referred to as "TDA") promotes United States business involvement in infrastructure projects in developing and middle income countries.

(9) TDA has generated \$12,300,000,000 in exports since its inception, with every \$1 in spending for TDA projects leading to the sale of \$32 in United States goods and services overseas.

(10) The United States and Foreign Commercial Service (in this Act referred to as

the "Commercial Service") plays an important role in helping United States businesses identify export opportunities and develop reliable sources of information on commercial prospects in foreign countries.

(11) The Congress has, on several occasions, encouraged the Commercial Service to focus its resources and efforts in countries or regions in Europe and Asia to promote greater United States export activity in those markets.

(12) The Congress supports the expansion of the Rural Export Initiative by the International Trade Administration (in this Act referred to as the "ITA") of the Department of Commerce, particularly those elements related to the use of information technology and electronic commerce techniques.

(13) The Congress is encouraged by the success of the Market Access and Compliance Unit of the ITA and supports the Unit's efforts to develop mobile teams to resolve market access problems and ensure compliance by United States trading partners with trade agreements and commitments.

(14) The Congress acknowledges the demands upon the Market Access and Compliance Unit of the ITA and recommends that priority be given to funding for this unit to ensure that adequate resources are available for it to fully implement its mission.

The CHAIRMAN. Are there amendments to section 2?

The Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. POLICY RECOMMENDATIONS.

The Congress makes the following declarations:

(1) OPIC should set its fees at levels sufficient to cover all operating costs, repay any subsidy appropriations, and set aside adequate reserves against future losses.

(2) OPIC should maintain a conservative ratio of reserves to contingent liabilities and limit its obligations in any one country in its worldwide finance or insurance portfolio.

(3) Projects supported by OPIC should not displace commercial finance or insurance offerings and should encourage private sector financing and insurance participation.

(4) Independent auditors should report annually to the Congress on the level of OPIC's reserves in relation to its liabilities and provide an analysis of the trends in the levels of reserves and liabilities and the composition of its insurance and finance portfolios, including OPIC's investment funds.

(5) OPIC should double the dollar value of its support for small businesses over the next four years.

(6) In administering the programs and activities of the ITA, the Secretary of Commerce should give particular emphasis to obtaining market access for United States firms and to securing full compliance with bilateral and multilateral trade agreements.

(7) The ITA should facilitate the entrance of United States businesses into the countries of sub-Saharan Africa and Latin America.

(8) The Commercial Service, within the ITA, should consider expanding its presence in urban areas and in urban enterprise areas.

AMENDMENT NO. 9 OFFERED BY MR. TERRY

Mr. TERRY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. TERRY:

Page 6, insert the following after line 21:

(9) OPIC must address concerns that it does not promptly dispose of legitimate claims brought with respect to projects insured or guaranteed by OPIC. The Congress

understands the desire of OPIC to explore all possible arrangements with foreign parties. However, OPIC must be aware that private parties with legitimate claims face financial obligations that cannot be deferred indefinitely.

Mr. TERRY. Mr. Chairman, I rise today to offer this amendment in hopes that I can bring much needed accountability to OPIC's operations. I believe that government should exercise a high degree of discretion in becoming involved in essentially private sector business functions. At the same time, I understand that OPIC exists to fill a void by providing political risk insurance in countries where private insurers may hesitate to go. The appropriate balance is for an agency such as OPIC to be scrupulous in maintaining a businesslike approach to its dealings, yet be constantly aware of its duty to maintain public confidence and trust.

The House Foreign Operations Committee has noted, "OPIC must be aware that private parties with legitimate claims face financial obligations that cannot be deferred indefinitely." Companies that have disputes before OPIC have the right to know where they stand. It is reasonable for businesses to have a full understanding of the status of their claims.

Mr. Chairman, my amendment adds a statement of policy that OPIC should be more sensitive about the impact of its delays on private businesses. I urge its approval.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise, I think, in support of the amendment offered by the gentleman from Nebraska (Mr. TERRY), and I rise also to engage in a colloquy with him, to tell him that there are ways that we can get OPIC to respond, if indeed they are not responding as my colleague or some of his parties of interest may think they ought to respond. I would invite the gentleman, if he would like, to bring his concerns to me as chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, the committee that funds OPIC, albeit we do not need to fund them; we take their 200 million, and we give them back 50, and that is sort of a plus for my committee.

But the gentleman is absolutely right. If OPIC is not responding in a professional, timely manner, then this ought to be brought to my attention, and I will support the gentleman's amendment and at the same time encourage the gentleman from Nebraska (Mr. TERRY) to bring his concerns to me, and I will call the proper officials from OPIC to my office, and we will get a quick response to any problem he may have.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Nebraska.

Mr. TERRY. Mr. Chairman, I thank the gentleman from Alabama for that offer, and I should have offered him the

courtesy. A member of the gentleman's committee has been participating in several discussions of which I have been involved with Mr. Munoz and OPIC concerning the status of several claims and their unwillingness to deal with them in a timely manner, and I will meet with the gentleman as soon as this colloquy and amendment are over, and I will give him the details of that, and I apologize for not doing that in advance.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do rise in strong support of the amendment offered by my colleague from Nebraska (Mr. TERRY). Mr. TERRY has been very much engaged in this issue as, in fact, his predecessor and the whole Nebraska delegation has been engaged for some period of time. There were an unfortunate series of things that happened with the collapse of the economy in Indonesia that affected many American firms, including an energy facility firm in our State. We have worked at length on this matter with OPIC, Treasury, and the Indonesian Government without much success. I believe that in all probability these kinds of things would not happen again, but with the support of the chairman of the Committee on Foreign Operations, Export Financing and Related Programs, and with the continued tenacity and diligence of my colleague from Omaha, I believe that this amendment should be adopted as a sense of the House. It is an important sense of the Congress to convey to OPIC so that in fact a very good OPIC program is improved and American businesses not disadvantaged.

In fact, Mr. Chairman, I think of course to some extent we can reform our agencies to the maximum extent, and they are doing excellent work, but when we have a foreign government that basically collapsed with an involvement of the IMF as well, sometimes American business is disadvantaged.

So I thank my colleague and commend him, and I urge support for his amendment.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would accept the amendment offered by the gentleman from Nebraska (Mr. TERRY), Number 9.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

First of all, I rise in support of this amendment, and obviously there is a lot of fixing that we need to do on any government program and obviously sending a message out that we want the program officers to be efficient and effective and on time is certainly a good message. I would like to remind us, as we debate this particular amendment, that there is a question, of course, as to whether or not the very fundamentals of OPIC deserve even an amendment like this. While I support

the amendment, let us again look at the validity of the organization itself.

We have heard today, for example, a question, and unfortunately this type of debate we only get a couple chances to go back and forth, and I did not get a chance to ask my colleagues, but we heard the declaration that what harm does it do to have U.S. tourist dollars poured into a certain country? Mr. Chairman, I do not know what States these people come from, but tourism means a lot to the people of my area. I would like us to have, rather than having Americans, businessmen, investing and luring tourist dollars away from the United States, I would like those tourist dollars to come to Orange County, California, and to stay in the hotels and to use the facilities in my area, and if my colleagues do not want them in their areas, that is fine. But the fact is that building up the infrastructure to attract tourist dollars to a foreign country does impact on American jobs and, in fact, hurts the very lowest employees, the people who make the least in our society.

I happen to have earned a living when I was younger scooping ice cream at Marineland Snack Bar, which was a tourist attraction. Yes, I would rather those tourists come there, provide me that work, than having American dollars being guaranteed to build tourist attractions overseas to create jobs overseas.

I am sorry, those tourist dollars do take away from American jobs.

And what about this great tractor factory in Illinois that we heard about? Well, okay. My amendment suggests that OPIC will never be able to guarantee the building of a tractor factory.

I would suggest to the gentleman from Illinois (Mr. MANZULLO) and the gentleman from Nebraska (Mr. BEREUTER) who had this tractor factory in their district, they should support my amendment which will prohibit the building of tractor factories with taxpayer guarantees overseas. So I would ask the gentleman from Nebraska and the gentleman from Illinois and others who have such factories, or if my colleagues have any factories in their districts, let us make sure we do not guarantee the investment of building such factories overseas. We are not doing very good work for our constituents if we do.

And what about that investment on the West Bank that we heard from the gentleman from Ohio (Mr. TRAFICANT) about? Do we really want the taxpayers to guarantee people who will invest in places like the West Bank, or should they have to take their own risk? Why is it that we let people have a guarantee of U.S. tax dollars for their investment in far-off countries where there are risky investments, but we will not give people investing in the United States those type of guarantees when they come into our areas that are a little bit risky or they are going into a risky-type business? Here we are giving them this perverse incentive to invest overseas rather than invest here.

Now we could talk, and we have heard about this over and over, jobs, jobs, jobs. I hope people have gotten down to the next level rather than just this rhetoric. We are talking about the loss of jobs. We are talking about an organization whose very purpose, as we have heard time and again, to build tractor factories overseas, to build tourist attractions overseas, to let these American businessmen take risky investments and have the American Government stand right besides them. I do not want the American Government standing besides people who are investing capital and creating jobs overseas. I do not want the American Government to help them. I want the American Government either to stay neutral or to create the jobs here in the United States of America.

Whose side are we on? Well, OPIC certainly is on the side of the American worker; but we have heard it over and over again that, yes, this helps business. Well, everything that helps business does not necessarily help the American working people, and I hope that by what I have said I have helped people understand how, yes, it does help a couple of investors make some big bucks by investing in risky ventures, sometimes in dictatorships overseas like Vietnam and Communist China; but it dramatically hurts the American working person.

The gentleman from Ohio (Mr. TRAFICANT) over there told us about how he was so concerned about this huge deficit that we have. How much of that deficit is due to the fact that OPIC has been encouraging people to invest overseas? And those factories are not necessarily selling overseas, but what they are doing is re-exporting to the United States. How much of that, I ask the gentleman from Ohio (Mr. TRAFICANT) comes from there?

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Speaker, I am listening to the debate here today, and I hope that we have some degree of context as we are moving forward dealing with what I think is a very important program for America and for people in the State that I represent, Oregon.

I have been trying to understand the gist behind the amendments from the gentleman from Nebraska (Mr. TERRY). I have talked to OPIC; I have tried to get a feeling for what it is, in fact, we should be doing.

Along with the gentleman from Nebraska (Mr. BEREUTER) I had the opportunity to spend some time earlier this year in Indonesia, and as we hear the two speakers that have addressed themselves to this amendment now and where it takes us, I feel that it is important to take a deep breath. I have no objection I guess per se to the language that has been offered, but there is the subtext here that somehow OPIC is not being responsive; that somehow that these things can simply be moved along very slick and easy; and that

somehow someplace off in the bureaucracy there is somebody who is inappropriately holding things up.

It seems to me that when we are dealing with OPIC's ability to process claims, which is the concern, I think, that has prompted the gentleman from Nebraska's amendment, or maybe there may be more here, that one has to appreciate what OPIC has to do in order to be fair to the businesses that are involved, to be fair to the taxpayer, because as has been pointed out by our other friend from Nebraska, this is an operation that, in fact, has not lost any taxpayer money at all, and in fact this year is going to be surplusing money.

Mr. Chairman, part of what they have done in terms of hitting the balance has been careful processing of claims of this nature. They have got something like a 95 percent recovery rate. I think it is important that we not assume that the people in the organization are not, in fact, processing these in an orderly fashion, that dealing with a country like Indonesia where we have multiple interests and our friends at OPIC are not just dealing with one company, but they are dealing with fashioning a record in a country that is in turmoil, and I am sure they are being pushed on by people from other agencies, from the State Department or from Treasury. We have issues that people on this floor have been concerned with, and we have other national interests that we are trying to do in stabilizing the situation in Indonesia to try and play that in a sophisticated and thoughtful fashion.

Mr. Chairman, I would just hope that, as we are dealing with this language that people are making assertions about the behavior of our friends at OPIC, that taking a step back, taking a deep breath, appreciating the difficult position they are in, caught between people on one hand who refuse to acknowledge the positive contributions that this makes to our economy and economies around the world and then interfering with an appreciation of what they have to do to try and be a loyal soldier and an arm of the United States Government and advancing others of our interests.

I will be prepared to talk at greater length about that at another time. Mercifully, Mr. Chairman, I am prepared to yield back the balance of my time at this point, but I do hope that we do not have sort of cardboard cut outs when we are considering amendments like this and appreciate the difficult task that they have been given and some appreciation for the balancing of the interests that they have to have.

Mr. GEJDENSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just yield to the gentleman from California (Mr. ROHRABACHER) to answer one small question. He keeps referencing China, as I understand it. How much business has OPIC done in China?

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, I understand OPIC is not doing business in China.

Mr. GEJDENSON. Reclaiming my time, it is important that we recognize reality from what we would like reality to be. There is no investments in China. Even if they wanted to now as a result of, I think, a bipartisan effort, we have put in language because of Tiananmen Square; they rightly cannot do business in China.

So, reclaiming my time, we are going to have plenty of time to go over this debate further.

□ 1330

Mr. RANGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take this opportunity to express my support of the work that OPIC is doing. It is always an emotional thing when we think that in dealing with foreigners, we are going to lose American jobs. And, coming from a community like mine who still suffers unemployment and underemployment, I would like to spend my time on the floor doing all that I can to encourage investments in my community and similar communities within the United States.

But I think we all have come to understand that trade and commerce involves exports and that the exporting industry creates jobs, many in my district. I have had the opportunity to make several trips to sub-Saharan Africa and to work with OPIC and the Ex-Im Bank and American businesses.

And so often we hear that with these developing countries that we cannot give them fish, but we have to give them the tools to teach them how to fish. And so many times we see in these developing countries, well, it is not just a question of American businesses getting the protection of OPIC, but it is the question of American businesses being able to export to these American businesses that are located in these countries.

I would hope that the gentleman from California (Mr. ROHRABACHER) will continue to have enlarged tourist activities in his district. But in order to do this, people have to have jobs, they have to have money, and many of them are able to enjoy tourism here because they have jobs that are here.

So there are enough restrictions to show that the investment is not going to be a direct challenge to our manufacturing operation; that is written into the law. But it would seem to me that it would be a terrible thing to put such restrictions on OPIC that those people, and they are people who have the courage to take the risks, to go overseas, that America goes with them as partners and say that we want investment in this part of the world, we want people to be economically independent, we want to make certain that

we preserve democracy, because democracy without economic support cannot last that long.

So it just seems to me that we can take a deep breath about these things when it involves foreign countries. We say foreign and all of the vital juices fly up. But God knows, I believe that we ought to stamp out communism wherever we find it, yet we find the majority of people here think we should do business with China and with North Vietnam and North Korea, and then we have a little island right out there in the Caribbean. It seems as though we get so upset when we try just to remove the embargo, even though I do not know about Castro trying to do anything to overthrow our government; still, we are very selective when we start getting angry with Communists.

But since there are so many other countries that do have democracies and these are the countries that certainly do not cause us political problems, I hope that my friends on this side and the other side of the aisle would find some worthwhile projects where we can say we want to encourage investments in these areas, we want that American flag to be waving with capitalism and investment, and that we want jobs on this side of the ocean as well, which will come as a result of forming these types of economic partnerships.

So I just want to say that I want to thank people on both sides of the aisle for putting together a bill that we can say is bipartisan, and let us give OPIC a chance to do the job that they have been created to do. I will be opposing the Rohrabacher amendment, but I certainly will be giving my strong support for the bill.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

I can empathize with the gentleman from California (Mr. ROHRABACHER). But he mentioned some of my comments and my company, and I just want to make a couple of points here.

OPIC is worth about \$200 million a year to us; and we give \$50 million to promote its activities, so that is about \$150 million gain. One of the qualifications for an OPIC investment is there are stringent qualifications to the impact of jobs lost and not one job can be lost pursuant to an OPIC investment.

Now, without OPIC, my company, at the request of this administration, made an investment in Gaza, trying to open up that whole opportunity and bring them in as a neighbor of the great world community. If it were not for OPIC and the insurance and protection of Uncle Sam and our government, my company would be laid out, washed out, could possibly be belly up. We provide an opportunity for America to make investments, reasonable investments to move us forward in the community of nations, and the return on our investment has been very good.

So, I am going to support OPIC, but I am going to support OPIC with the

types of reforms that are coming from the gentleman from Illinois (Mr. MANZULLO), the gentleman from New Jersey (Mr. MENENDEZ), the gentleman from New York (Mr. GILMAN), the gentleman from Connecticut (Mr. GEJDENSON), and others. I think for once, it turns a reasonable profit.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is very clear that this debate in truth goes far beyond OPIC. It goes to whether or not we as Members of Congress feel positively about our current trade policies, and that, in truth, has to do with NAFTA, GATT, MFN, has to do with the International Monetary Fund, the World Bank, OPIC, Ex-Im Bank and so forth and so on. That is what it really has to do with. OPIC, in truth, is a small part of that whole picture.

I would argue that any conscientious Member of the House who examined the facts would conclude that our current trade policy, OPIC and everything else, has not succeeded. By definition, it has not succeeded, because we are looking at a record-breaking trade deficit. And we hear our friends say, well, this creates jobs and so forth and so on. But we have to look at both sides of the equation; and when we look at both sides of the equation, what we are looking at is a record-breaking trade deficit. Our current trade policy is failing.

As I said earlier, and I want to touch upon this point, I find it interesting that there are Members here who are quite conservative who would turn pale at any mention that the United States Government should have a national health care program guaranteeing health care to all people, apparently think it is okay for the United States Government to have an insurance program to protect American corporate interests.

Now, it seems to me that if a company wants to invest in China or in Africa, in Asia or in any other place on earth, they have the right to do that. No one is arguing that. But what some of us are suggesting is, should American taxpayer money be placed at risk to protect that investment. Day after day I find people come up who believe in laissez-faire capitalism who say the government is terrible. Get the government out of our lives. Poor people, hey, they are going to have to stand up on their own two feet. Government cannot help everybody. And yet, we have a situation here where apparently these very same people are saying well, government cannot save the poor, cannot help the working people, cannot get involved in the environment, but government can get involved with the Enrine Oil and Gas Company who receive \$400 million in U.S. Government-backed OPIC financing and insurance for natural gas processing and storage facilities in Venezuela. The U.S. Government can get involved in that. The U.S. Government can get involved with

OPIC helping Texaco and its partners receive \$139 million in government-backed OPIC financing for a power generation project in the Philippines. Chase Manhattan Bank, oh, my goodness, the United States Government can have the stand with Chase Manhattan Bank who received \$200 million in U.S. Government-backed OPIC insurance for a telecommunications project in Colombia.

So I would suggest to my friends who support laissez-faire capitalism, you cannot do both things. You cannot say that the government cannot protect working people and low-income people in this country, terrible thing, but yes, the United States Government and OPIC can protect the interests of multinational corporations.

Let me make another point, and I think I am echoing a point that the gentleman from California (Mr. ROHRABACHER) made a moment ago. People say well, we are in a global economy, companies are going to invest abroad, and that is true. But it seems to me that given the fact that we have seen a decline in real wages for manufacturing workers in this country, given the fact that our working people are working longer hours and in many cases, for lower wages, because good-paying manufacturing jobs have gone to China and to other countries where workers are paid horrendous wages, then yes, I do have a problem.

And I share the concern of the gentleman from California (Mr. ROHRABACHER) about providing OPIC help to those companies who want to establish manufacturing plants abroad. I think it is very naive to say well, OPIC says that that is not going to result in the loss of any manufacturing jobs in this country. I do not believe that.

I would argue, and maybe some of my friends who support OPIC might want to help me on this, that maybe instead of OPIC overseeing private investment corporations we want to have a domestic OPIC, a domestic OPIC. What about United States Government guaranteeing investments in the State of Vermont or in low-income communities around this country making it easier for companies to hire American workers and pay them a decent wage.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, a few moments ago my good friend, the gentleman from Ohio (Mr. TRAFICANT) noted this company in his district again, which without OPIC standing by its side would have been laying there in the dust in the West Bank. That company should have invested in an opportunity in the United States; it would have not been lying there in the dust. Americans would have been working.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. TERRY).

The amendment was agreed to.

THE CHAIRMAN. The Clerk will designate section 4.

The text of section 4 is as follows:

SEC. 4. OPIC ISSUING AUTHORITY

Section 235(a)(2) of the foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(3)) is amended by striking "1999" and inserting "2003".

AMENDMENT NO. 1 OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. GEJDENSON:

Insert the following after section 4 and redesignate succeeding sections, and references thereto, accordingly.

SEC. 4. ENVIRONMENTAL IMPACT OF OPIC PROGRAMS.

(a) **ADDITIONAL REQUIREMENTS.**—Section 231A of the Foreign Assistance Act of 1961 (22 U.S.C. 2191a) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following new subsection:

“(b) **ENVIRONMENTAL IMPACT.**—

“(1) **ENVIRONMENTAL ASSESSMENT OR AUDIT.**—The Board of Directors of the Corporation shall not vote in favor of any action proposed to be taken by the Corporation that is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, unless for at least 60 days before the date of the vote—

“(A) an environmental impact assessment or initial environmental audit, analyzing the environmental impacts of the proposed action and of alternatives to the proposed action has been completed by the project applicant and made available to the Board of Directors; and

“(B) such assessment or audit has been made available to the public of the United States, locally affected groups in the host country, and host country nongovernmental organizations.

“(2) **DISCUSSIONS WITH BOARD MEMBERS.**—Prior to any decision by the Corporation regarding insurance, reinsurance, guarantees, or financing for any project, the President of the Corporation or the President's designee shall meet with at least one member of the public who is representative of individuals who have concerns regarding any significant adverse environmental impact of that project.

“(3) **CONSIDERATION AT BOARD MEETINGS.**—In making its decisions regarding insurance, reinsurance, guarantees, or financing for any project, the Board of Directors shall fully take into account any recommendations made by other interested Federal agencies, interested members of the public, locally affected groups in the host country, and host country nongovernmental organizations with respect to the assessment or audit described in paragraph (1) or any other matter related to the environmental effects of the proposed support to be provided by the Corporation for the project.”; and

(3) in subsection (c), as so redesignated, by striking “each year” and inserting “every 6 months”.

(b) **STUDY ON PROCESS FOR OPIC ASSISTANCE.**—The Inspector General of the Agency for International Development shall review OPIC's procedures for undertaking to conduct financing, insurance, and reinsurance operations in order to determine whether OPIC receives sufficient information from project applicants, agencies of the United States Government, and members of the public of the United States and other countries on the environmental impact of investments insured, reinsured, or financed by OPIC. Not

later than 120 days after the date of the enactment of this Act, the Inspector General shall report to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate on the results of its review. The report shall include—

(1) recommendations for ways in which the views of the public could be better reflected in OPIC's procedures;

(2) recommendations for what additional information should be required of project applicants; and

(3) recommendations for environmental standards that should be used by OPIC in conducting its financing, insurance, and reinsurance operations.

(c) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect 90 days after the date of the enactment of this Act.

Mr. GEJDENSON. Mr. Chairman, first I would like to compliment the gentlewoman from California (Ms. LEE) for a great effort on this issue and the strong work she has done here and on so many other issues in the committee.

This is a very direct amendment, Mr. Chairman. This amendment ensures that environmental concerns are taken into account when OPIC is considering assistance for projects that are likely to have a significant adverse environmental impact. The amendment ensures that no decision is taken by the board of directors on such a project until the 60-day waiting period for public comment is passed and ensures that environmental assessment will be available to the public during that time.

It further requires the president of OPIC or his designee to meet with concerned groups on these projects, and the amendment further requires the board of directors to have discussion on these environmental matters every six months, in public.

Finally, it requires an independent study to review whether OPIC's environmental procedures should be approved.

One of the things we have to do as a Nation is to make sure that we add the environment and the rights of working men and women around the globe into every discussion. Because if we simply move forward and clean up our environment, give American families a better living and the rest of the world deteriorates, it will damage our environment, it will damage our economy. We have to make sure that America leads the environmental standards upwards and does not finance them downwards.

This amendment is important because I think it provides a reasonable amount of time, it makes sure that it clearly stipulates the need for public involvement here, public access in providing the public the information and to make sure that American activities further America's goals, which do include bringing those jobs home to America, but also include that we are not involved in projects that degrade the environment in other countries. I want to again thank the gentlewoman from California (Ms. LEE) for the excellent work she has done here and in so many other areas.

Mr. ROHRBACHER. Mr. Chairman, I move to strike the last word.

I support the Gejdenson amendment. I have a similar amendment, but my amendment is a bit tougher than the one the gentleman has proposed, but I believe we both have the same goal in mind.

The fact is that nobody should be receiving taxpayer money in order to go overseas to involve themselves in economic activity that despoils the environment overseas and destroys the natural heritage of other peoples. I would say especially this is true in countries that are not run by the people themselves. In countries that are run by little cliques, by dictators, by tyrants of left and right, it is imperative that we go on record that none of this OPIC money that guarantees these investments overseas will go to those countries in a way that does serious damage to their environment.

□ 1345

As I say, the amendment that I have in mind goes a bit further than the amendment of the gentleman from Connecticut (Mr. GEJDENSON). It requires that these loans not be made, and that not just the environmental impact report but all environmental studies dealing with the guaranty in question be made public, and that they be made public 60 days prior to the transfer of any funds, which will give everyone the chance to have their say and for organizations that hold the environment dear to come and try to protect what they consider to be an important human resource.

Let me note that this amendment and my amendment are very close to a piece of legislation that the gentleman from California (Mr. COX) has submitted as a separate piece of legislation on which I am a cosponsor. I would invite the gentleman from Connecticut and others to join me in cosponsoring the Cox bill.

Ms. LEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would first like to thank our ranking member, the gentleman from Connecticut (Mr. GEJDENSON), for all the work he has put forth in strengthening the implementation of OPIC's environmental standards, and also for his support and guidance on this issue.

Being a new member of the Committee on International Relations, this is the first year that I have reviewed in-depth the purpose and function of OPIC. I have been very careful and very deliberate in my support of OPIC.

For the last two decades, and particularly during my time in the California State legislature, I have strongly encouraged the Bay area and the State of California and members of the business community to forge fair trade partnerships, particularly with countries in Africa, Asia, and Latin America. In that vein, the mission and work of OPIC is very much in line with initiatives that I have been encouraging for nearly two decades.

I understand from some of my colleagues that they believe that OPIC sends American jobs overseas. Quite to the contrary, OPIC does not support projects that would create any job loss in America.

Additionally, California OPIC projects have created almost 40,000 American jobs, and in the last 5 years, OPIC projects identified \$1.5 billion in goods and services that they will buy from California suppliers, 70 percent of which are from small businesses.

Additionally, as I researched OPIC's standards for the approval of projects, I became acutely aware of the concerns and criticisms from the environmental community. The adherence to strong environmental standards in business is fundamental to my support of export policy, and a necessary standard for my constituents in an area of our country that is the birthplace of the environmental movement.

It is for this reason that the gentleman from Connecticut (Mr. GEJDENSON) and I engaged in a process of dialogue and exchange with OPIC and the environmental community. The result of that exchange is the amendment that we are offering today.

OPIC has played a leading role among bilateral international investment agencies in developing reasoned standards that take into consideration the concerns of their business clients and those of environmental groups and the United States taxpayer.

Working with a broad range of stakeholders ranging from U.S. exporters to international environmental organizations, OPIC has developed a sound environmental policy handbook over the past 2 years.

However, many remain concerned with implementation of these standards in a meaningful and transparent manner. The Gejdenson-Lee amendment balances those concerns by codifying existing practices and increasing the transparency in a manner that will not affect U.S. competitiveness.

This amendment will play a key role in promoting strong environmental and social standards for all projects supported by OPIC. Specifically, the amendment will strengthen the process of the 60-day public comment period on OPIC's environmental impact assessments by prohibiting the OPIC board of directors from voting on any proposed action that may have a significant adverse environmental impact until the 60 days of the public comment period.

Secondly, it allows for a representative of the NGO community to meet with the President of OPIC or his designee to directly discuss concerns regarding possible adverse environmental impacts of proposed projects.

Thirdly, it mandates semiannual public hearings of OPIC's board of directors to allow, once again, direct discussion of a wide range of environmental and labor concerns regarding both past and future projects.

Fourth, it requires that the IG of USAID conduct an assessment of

OPIC's procedures for reviewing a project and report the results to the Committee on International Relations and the Senate foreign relations committee. We should be promoting the highest environmental standards possible, certainly when public funds are at issue.

I have followed OPIC's progress and am convinced that what is now on the books should be implemented in a meaningful manner. In the writing of this amendment, we worked closely with OPIC and several environmental groups. The amendment is endorsed by the Friends of the Earth, the Environmental Defense Fund, the Sierra Club, Rainforest Action Network, and others.

I urge my colleagues to support this environmental accountability amendment.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Ms. LEE. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, I of course agree with the positions the gentleman has taken today and the statement she has just made.

The amendment that I am considering offering goes just a little bit further. It is not at all at cross-purposes with the goals that the gentleman has stated.

I would ask the gentleman from Connecticut (Mr. GEJDENSON), as well, if the gentleman would consider an amendment to her amendment that would bring the two amendments together, and which just beefs up a little bit the gentleman's amendment.

Mr. GEJDENSON. Mr. Chairman, I move to strike the requisite number of words.

I would just tell the gentleman, we are probably better off trying to work this out in conference. Under the rule before us, the amendments are not amendable.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, I would tell the gentleman, the amendments are amendable. I think this would save us some time. I do believe that we have precisely the same goals.

Mr. GEJDENSON. Mr. Chairman, if we can work this out before the gentleman's amendment comes up, we will do it.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have a question with regard to Gejdenson No. 35. That is, under the present practice of OPIC, OPIC will take a look at the general impact on the environment as part of its normal practices. My concern about this amendment is that it sets up something that is a lot more informal by calling it an environmental impact assessment, or initial environmental audit.

Some of these impact assessments and audits could actually take years.

That really could end up putting the end to any type of American company wishing to use OPIC.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. MANZULLO. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. My understanding is that that is already part of the present law. The assessment is in the law. They make that assessment.

What this primarily does is several things. It provides for a certain time that they cannot bring the measure to the board. What happened, at least in one instance, maybe in others, is that while there was a 60-day review period, while the review was going on, the board voted on it prior to the 60 days. That leaves a lot of people concerned about the environmental problems.

The gentleman and I share support for this. I understand that he may have some differences on the amendment. I think what this amendment does, it takes a number of groups that are committed to environmental policy and takes away their opposition from what is a very solid program.

I think if we can show sensitivity to those environmental concerns, which I think the gentleman shares, it will not hamper OPIC's operations. It will provide that we will not end up in an embarrassing situation where we are doing some environmental damage in some developing country, and that both the gentleman's desires and mine will be met. We will have an OPIC that has broader support, that does the right things, and achieves the economic and policy goals the United States is interested in.

Mr. CALLAHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am having great difficulty. Normally the gentleman from Connecticut (Mr. GEJDENSON) and I agree on so many things. I think our mission is probably the same, because the gentleman, as I, wants to protect the businesses in our respective districts, and give them the opportunity to have a vehicle in order to compete with all these foreign countries.

However, I am afraid, in reading the amendment, and there are about six amendments that are addressing this floating around here, so I am having very much difficulty. I have to apologize in advance to the gentleman for not knowing the full content.

However, what I fear in reading this amendment is that the gentleman is putting such a hamstring on OPIC, such a requirement on OPIC with respect to notification, that we are probably getting into a situation where we are going to prohibit them from participating in projects because they are going to have to disclose confidential information.

Then when we have the Inspector General, and as I understand the amendment, and I do not apologize for not having a law degree, but I do have an honorary law degree from Spring

Hill College in Mobile, but I am not learned in the law. But my reading in this from a layman's point of view is what the gentleman is saying, number one, before OPIC can do anything they have to have the Inspector General's approval to do it. That is how I read it.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Let me say, Mr. Chairman, my great admiration and respect for the gentleman has just been increased to find out he only has an honorary degree in law, rather than actually having a law degree, no offense to any attorneys here.

I would say that is simply a study with the Inspector General to make sure the process is a good process. That builds confidence in a part of American society that has often had some questions about it.

I think if the gentleman reads this carefully, and maybe the gentleman might want to reserve his final decision until later because there are other amendments coming, he will find that what we basically do is codify the existing practice of OPIC, which has been apparently, on occasion, violated, to make sure they cannot have a vote before the 60 days. The review by the Inspector General is to make sure the procedures meet our environmental concerns.

I think if the gentleman takes some time and reads this, and the votes are going to be postponed, he will see that this is not going to do damage to OPIC. I will commit to the gentleman that I will work with him between now and conference to make sure that his concerns are addressed.

We want to make sure we are not doing bad things environmentally. We do not want the United States caught in causing major environmental damage in some country. I agree with the gentleman, we also do not want to end up with OPIC going through so many different hoops and jumps that it cannot operate in the real world.

That is why the difference between the gentleman from California (Mr. ROHRABACHER) and myself is that I fear, frankly, the 120 days may go too long. That is why we picked the 60 days, which we think is a reasonable period of time.

Mr. CALLAHAN. I thank the gentleman. Reclaiming my time, Mr. Chairman, I would say that I apologize for not having a law degree. I do not mean to inflict any criticism on the law profession. My son-in-law is an outstanding lawyer, Dan Cushing, in Mobile, Alabama. Because of his profession, he supports my two granddaughters in a very, I think, well-to-do fashion.

But my concern is here, and if the gentleman says that we will work it out in conference, I will be happy to work with the gentleman. But what he is saying is adopt my amendment, which admittedly could cause great

problems to the ability of OPIC to work with American companies, and then the gentleman says that we will work it out in conference.

Why do we not just withdraw the amendment, and then we will work it out in conference to make sure the environmental concerns are met?

Mr. Chairman, I would just say, I would respectfully ask the gentleman to withdraw his amendment because of the nebulosity of the fact that we have all of these concerns: whether or not the Inspector General is going to be the agency determining which loans are going to be processed, whether or not they have the ability of some organization, some environmental organization or individual who writes a letter, and then it kicks in or triggers the opportunity for delay of any project.

Then we are noncompetitive, because the Japanese do not have this restriction, the French do not have this restriction. No other country has these types of restrictions, yet we have an agency which is complying with most every environmental concern that we have.

I think we might be jumping into waters filled with alligators. We do not want to do that. I know my good friend, the gentleman from Connecticut (Mr. GEJDENSON) does not want to do that, either. Yet, I am afraid, without having the opportunity to review this with the lawyers, that to force OPIC to obey our environmental concerns, we may be jumping into that pond of alligators.

□ 1400

PARLIAMENTARY INQUIRY

Mr. ROHRABACHER. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The gentleman will state his parliamentary inquiry.

Mr. ROHRABACHER. Mr. Chairman, is this the time that if I had an amendment to the amendment of the gentleman from Connecticut (Mr. GEJDENSON) that I would submit that amendment?

The CHAIRMAN pro tempore. Yes, it could be offered at this time.

AMENDMENT OFFERED BY MR. ROHRABACHER AS A SUBSTITUTE FOR AMENDMENT NO. 1 OFFERED BY MR. GEJDENSON

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN pro tempore. The Clerk will report the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER as a substitute for amendment No. 1 offered by Mr. GEJDENSON:

Strike the text of the amendment and insert the following:

SEC. 5. ENVIRONMENTAL REQUIREMENTS FOR OPIC.

Section 239(g) of the Foreign Assistance Act of 1961 (21 U.S.C. 2199(g)) is amended—

- (1) by inserting "(1)" after "(g)"; and
- (2) by adding at the end the following:
 - "(2) The Corporation shall not issue any contract of insurance or reinsurance, or any

guaranty, or enter into any agreement to provide financing for any Category A investment fund project as defined by the Corporation's environmental handbook, or comparable project, unless all relevant environmental impact statements and assessments and initial environmental audits with respect to the project are made available for a public comment period of not less than 60 days."

Mr. BEREUTER. Mr. Chairman, I reserve a point of order.

Mr. ROHRABACHER. Mr. Chairman, the amendment that I am offering to the amendment of the gentleman from Connecticut (Mr. GEJDENSON), again reinforcing the fact that the two pieces of a legislation or two amendments that we have both introduced have precisely the same goal, my amendment, the one objection that the gentleman seemed to speak about a few moments ago was that we elongated the process up to 120 days. That has been crossed out. It is no longer part of my amendment.

What the difference between our amendments seem to be is that the gentleman is offering an amendment that requires only the environmental impact report to be made available by OPIC for the loan to go forward, and we are talking about 60 days prior to the transaction. My amendment agrees with all of the points that the gentleman has made in his amendment, but it also says not just the environmental impact report but all environmental statements, all environmental analyses, all of the studies that have been done that deal with the environmental issues on these proposals overseas should be made available.

I do not see any reason why we should just make one thing available. What we are asking for otherwise is the possibility of hiding from the public information that might suggest, for example, that the project being funded could result in horrendous environmental problems in Brazil or Indonesia but that that report, which is not included in the environmental impact report, remains stuck in the safe at OPIC.

I do not think that that is good business on our part, and I would say to the gentleman from Alabama (Mr. CALLAHAN) to the degree that businesses are worried about their own secrets and doing business overseas, they should only worry about that if they are doing it at their own risk. When they come to the taxpayers, asking us to pick up their risk, they then have no right to keep from the taxpayers the information as to whether or not that guarantee, whether or not it is consistent with the values of the American people. The American people do not want their dollars going to these huge corporations that have major projects overseas that would rape the environment of these foreign countries.

Yes, we would like to have the minerals and have those minerals available, but sometimes what we have done in the past is destroy the historical legacy of countries. Whether like

Burma, which is a dictatorship, or Indonesia, which was a semi-dictatorship, or Brazil, which is somewhat of a democracy, we do not want any information that would help us determine the economic viability of these projects to be kept from the American people. I think it is very reasonable, and I would hope that the gentleman from Connecticut (Mr. GEJDENSON), whereas we have the same goal in mind we simply are saying that all the information should be available, would accept my amendment.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. ROHRBACHER. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I would like to be able to accept the amendment of the gentleman from California (Mr. ROHRBACHER), but we still have some problems with the language in that it is not as simple as the gentleman presents it. The situation that the gentleman presents would involve, indeed, proprietary information beyond simply environmental assessments that are mandated under the procedures of OPIC. I think the gentleman from Alabama (Mr. CALLAHAN) was right. There were so many amendments flowing around we have had a little of this today, but I think the gentleman from Alabama (Mr. CALLAHAN) and I both have a concern here that what the gentleman does creates a couple of hurdles.

The reason I would oppose the gentleman's amendment in the present form is that what I think it would do is, if the gentleman's amendment prevails, it would increase the likelihood that we would make no environmental progress in this legislation.

I think if the gentleman can work with us, we may be able to address some of his concerns, but I do not want to leave here, and that is what I was trying to tell the gentleman from Alabama (Mr. CALLAHAN) earlier, I do not want to leave here with a bill that leaves a cloud over the process.

Mr. ROHRBACHER. I would be willing to withdraw my amendment under the agreement with the gentleman from Alabama (Mr. CALLAHAN) and the gentleman from Connecticut (Mr. GEJDENSON) that they would work with me in trying to develop appropriate language that would be agreeable to all parties.

Mr. GEJDENSON. I certainly would do that because I think the gentleman's goals are laudatory. We are all in the same place. We just do not want the process to tie OPIC up in knots so they cannot move forward.

Mr. ROHRBACHER. Mr. Chairman, reclaiming my time, all too often American tax dollars are used for things that are very horrendous to the values of the American people. They deserve that information, and people who go to the Government and ask for guarantees should not be asking for secrecy and proprietary rights on the information of their investments; and I

think that all of us agree on those points, but we still want to move forward.

This is not an obstructionist amendment, and I agree to work with my colleagues.

Mr. Chairman, I ask unanimous consent to withdraw the amendment offered as a substitute for the amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would ask the distinguished gentleman from Connecticut (Mr. GEJDENSON) if he could respond to a few questions with respect to the underlying amendment which is the Gejdenson amendment and which is also offered by the gentlewoman from California (Ms. LEE).

What I am concerned about is that with every good intention, we may be creating such a delay in the process that OPIC cannot act in a timely fashion to meet the competition from the export assistance or promotion agencies of other countries. Could the gentleman tell me, by walking through once, how he expects that the processing of an application would work if the gentleman's amendment were adopted? I yield to him for that purpose if he wishes to respond.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, as far as the time line goes, it would be consistent with OPIC's present rules, which have been on occasion short circuited, whether intentionally or unintentionally. Under the present rules that OPIC operates under, OPIC has to provide 60 days for commentary on environmental statements.

What has happened in the past, and has caused great concern, particularly with people who are concerned about the environment, is that while they left the 60 days open, the board voted on it 45 or 50 days into the project. OPIC supports this provision. They recognize that this strengthens their position with the American public and it is a good amendment. They do not have a problem with the 60-day provision part of it.

Mr. BEREUTER. Mr. Chairman, reclaiming my time, is the gentleman saying OPIC supports his amendment?

Mr. GEJDENSON. Not the entirety of the amendment, because I think they are probably not crazy about having the IG review their procedures, as none of us are when we ask an outside independent agency to come in and review. They do not have a problem with the 60 days.

Mr. BEREUTER. Reclaiming my time, I would ask the gentleman if he would expect that the IG review would take place at the earliest possible occasion and that it is his expectation that

such an audit would be a one-time only event until some changes would precipitate the need for another IG audit?

Mr. GEJDENSON. It is a one-time review, just a simple review by the IG for their procedures to make sure they work.

Mr. BEREUTER. Is it true that the procedures set fourth in this amendment are primarily or largely restricted to their environmental review?

Mr. GEJDENSON. Exactly prescribed to be simply the environmental areas.

The CHAIRMAN pro tempore. Is there further debate on the amendment offered by the gentleman from Connecticut (Mr. GEJDENSON)?

If not, the question is on the amendment offered by the gentleman from Connecticut (Mr. GEJDENSON).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MR. ROHRBACHER

Mr. ROHRBACHER. Mr. Chairman, I offer amendment No. 6.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. ROHRBACHER:

Page 6, add the following after line 25 and redesignate succeeding sections, and references thereto, accordingly.

SEC. 5. PROHIBITION ON OPIC FUNDING FOR FOREIGN MANUFACTURING ENTERPRISES.

Section 231 of the Foreign Assistance Act of 1961 (21 U.S.C. 2191) is amended by adding at the end the following flush sentence: "In addition, the Corporation shall decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's investment if the investment is to be made in any manufacturing enterprises in a foreign country."

Mr. ROHRBACHER. Mr. Chairman, this amendment is simple and represents basic common sense. It also goes to the heart of the debate here today. All it says is that OPIC may not provide taxpayer backing for manufacturing plants overseas. We have heard time and time and time again in this debate that OPIC creates jobs overseas. Everyone who is supporting the OPIC authorization comes up with jobs overseas.

Well, it is my contention that one cannot build factories overseas without having a negative impact on jobs in the United States. That makes all the sense in the world. Those who are listening to this debate need to listen very carefully. This is the center, the core of the debate on OPIC. What my amendment does is say that none of this money that is used by OPIC will be used to subsidize and to guarantee an investment that creates a manufacturing unit overseas.

Again, by definition, that manufacturing unit will do one of two things. Opening up a manufacturing unit overseas will either reduce the number of jobs in the United States by either exporting the goods produced in those factories to the United States, or they

will reduce the jobs in the United States by producing over there goods that should be produced in the United States and exported to that country, or number two, what will happen by building a factory overseas it will prevent the creation of new jobs in the United States. Either way, we do not want to have taxpayer money being used to reduce the number of jobs, to create competition for our products overseas, or to prevent, because the jobs are now being exported over there, the creation of new jobs in the United States because they are all going to another country.

By the way, although we have no guarantees here, that is especially true of nondemocratic countries. Again, OPIC is offering a perverse incentive for American businessmen to go overseas to build manufacturing plants, to use slave labor or cheap labor, depending on if it is a democratic or undemocratic country, and then to reexport those goods to the United States of America.

The gentleman from Ohio (Mr. TRAFICANT) was right when he was concerned about this incredible trade deficit that we have. Well, this has something to do with it. We are subsidizing people creating businesses overseas that create employment in Vietnam.

Well, I have nothing against Vietnam except for the fact that it is a dictatorship and also the fact that I think we should watch out for the American people and our constituents before we watch out for creating jobs in Vietnam or any other Third World country.

This is the essence of the debate on OPIC, my amendment. I understand there may be another amendment offered to my amendment, which will simply say that OPIC can move forward if it does not determine that the number of jobs will be reduced. Well, I am sorry, that is not good enough because that type of approach means that there will be no new jobs created in the United States. That means that jobs would have been created in the United States; but by saying if it does not result in a reduction then we can just see to it that no new jobs are created in the district of the gentleman from Illinois (Mr. MANZULLO), or wherever.

I do not think it is good for us to build tractor factories with taxpayer subsidies in Vietnam or anywhere else. I do not think it is good for us to even build hotels necessarily, but this amendment specifically says manufacturing units.

□ 1415

It says it shall not be the policy of OPIC to provide taxpayer support and subsidies for businessmen going overseas. Again, why are we giving people an investment to invest in risky situations? Do we want the taxpayers to risk hundreds of millions of dollars in a risky situation when, instead, they could come to the United States.

Do my colleagues know why it is not risky in the United States? It is not

risky in the United States because the American people, the American working people support free enterprise, support democracy, recognize the rule of law. Now we are punishing them because they have been so good and so true and faithful to American principles and have made this a good place so we do not need to provide risk insurance for the United States.

We are going to take their dollars out of their pockets, these decent, hard-working Americans, and guarantee the building of factories overseas that will compete with their jobs. This is ridiculous.

Again, how this amendment is voted on and how the people will vote on the amendment that is a gutting amendment that could be offered to this is the essential part of the debate today. I hope people pay attention.

Mr. MENENDEZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak in opposition to the Rohrabacher amendment. I understand his passion, and I certainly share his concern about American jobs. But the fact is I believe that this amendment, which is well-intentioned, is unnecessary and actually penalizes those that it is intended to protect, which is U.S. workers.

OPIC is already committed in the law not to export jobs. It is statutorily prohibited from supporting any project that is likely to have a significant negative effect on the U.S. economy. A business that receives OPIC's support must agree not to transfer U.S. jobs overseas. OPIC monitors projects and terminates assistance if a company deviates from its commitment to protect U.S. jobs.

Now, OPIC's economists already screen each prospect project for its impact on U.S. jobs and exports. As mandated by its authorizing statute, OPIC does not support any projects that might harm the U.S. economy or that will result in a loss of a single U.S. job. It operates a comprehensive program to monitor each and every project it assists for its impact on the U.S. economy.

After it approves a project, OPIC monitors such a project from the beginning to the end of the agency's contractual commitments to it. It monitors, and its monitoring enables the agency to check the accuracy of its own methodologies, ensuring the project investors live up to its original representation.

Now, there is a ban on manufacturing projects which would hurt U.S. companies and the U.S. economy. Manufacturing projects help create new markets for U.S. goods and services, which would be lost if the Rohrabacher amendment were adopted.

Restricting the type of projects OPIC supports would put U.S. companies at a competitive disadvantage with their heavily subsidized foreign counterparts. For example, if one has an auto manufacturer who is both foreign and domestic, having manufacturing plants

all over the world to be closer to their consumer market, the absence of OPIC support may have the intended effect of keeping an auto maker from having a plant in Argentina. But it will also mean that the company will sell considerably fewer cars in Argentina because they would have used U.S. manufactured parts, inputs that would have generated exports and create American jobs here at home. That is an example of what, in fact, we would do.

This is not about taking some plant that exists in the United States and, as a result of OPIC's efforts, transferring it to some other country abroad. I think, generally, we would be opposing that. That is not the issue here.

The issue here is whether or not we allow OPIC to make such an investment in a plant that does not exist now, that will not detract from American jobs, and that, by doing so, will create American design and American parts that will be used in that plant that ultimately will create jobs here at home.

So I understand the gentleman's concern. But the fact of the matter is the very concern he has is undermined by his amendment. It is important that we look at the whole picture. It may not be a choice between manufacturing in the United States or overseas, but, rather, whether or not to manufacture at all if a company cannot get sufficient financing or insurance to make the investment.

It is a lot better to make sure that, when we create the opportunity abroad, that it is an American product and American design using American imports with American workers and American ingenuity to, in essence, influence that market and to create the jobs here at home that will go towards that manufacturing plant in that regard that did not exist here and would not exist here under the set of circumstances that the gentleman from California (Mr. ROHRBACHER) envisions.

I think we need to defeat his amendment. I know we need to defeat his amendment to protect the very goal that he seeks to preserve.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to apprise Members that the Chair is alternating recognition across the aisle, and giving preference to Members of the Committee on International Relations and on the basis of seniority on the Committee on International Relations.

AMENDMENT OFFERED BY MR. MANZULLO TO AMENDMENT NO. 6 OFFERED BY MR. ROHRBACHER

Mr. MANZULLO. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MANZULLO to Amendment No. 6 offered by Mr. ROHRBACHER:

In the amendment strike: "in any manufacturing enterprise in a foreign country" and insert: "in a manufacturing enterprise in a foreign country, if such investment would

cause a reduction in manufacturing in the United States."

Mr. MANZULLO. Mr. Chairman, I appreciate the efforts of the gentleman from California (Mr. ROHRABACHER), and I always admire his spirited debate. The problem with the Rohrabacher amendment is that it would prohibit an American firm from setting up an American enterprise overseas that does even the most modest of manufacturing.

For example, one could set up something overseas that would be similar to a warehouse that does minor assembly. The American manufacturer would send his products to the overseas facility for minor assembly for the purposes of thereafter storing and then reselling to the local market. It is not uncommon to ship components from different parts of the country for final assembly in a foreign country. The Rohrabacher amendment would prohibit that, even if that is an American-owned company.

What our amendment does to his is says, look, we will restrict an OPIC guarantee in a manufactured enterprise in a foreign country only if such an investment would cause a reduction in manufacturing in the United States. It is all about jobs. So we are saying OPIC cannot get involved if it results in the loss of American jobs.

That is already present in American law. Take the case of Monique Maddy. Monique was born in Liberia. She is a United States citizen. She got an OPIC guarantee to set up operations in Tanzania and Ghana. She sends U.S. manufactured communication components to two facilities in Africa where they are assembled and used for African consumption, thereby having 400 to 500 jobs in Africa.

Now, under those circumstances, that is not displacing American jobs because the Americans would not be manufacturing here and shipping over there. But what it is doing is it is increasing American exports of those American made products.

I would ask that the Members of Congress, the Chair entertain using the Manzullo amendment as a perfecting amendment to the Rohrabacher amendment.

Mr. Chairman, I yield to the gentleman from Alabama (Mr. CALLAHAN).

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding to me. I think he is right on target. As bad as the gentleman from California (Mr. ROHRABACHER) despises OPIC, his intent is to destroy OPIC. Essentially what he is saying is, let us get rid of OPIC through this obnoxious amendment. What his amendment does is does exactly what he says he wants to do, protect American jobs. So what he is saying is exactly right, that, yes, we can create opportunities in foreign countries, but not at the expense of one American job.

The amendment of the gentleman from Illinois (Mr. MANZULLO) corrects it to the extent that it should be and still gives us opportunities to compete

with the French and the Japanese and other countries.

So I know that the mission of the gentleman from California (Mr. ROHRABACHER) is to totally eliminate OPIC. I think that there are a couple of Members of the House that would like to do away with OPIC. But their rationale is ill-founded and should not be considered.

But the Manzullo amendment does exactly what he is saying he wants to do, that we will not go into any foreign countries and make any guarantee of investment if, indeed, it is going to cost us one American job.

I get that as the mission of the gentleman from California (Mr. ROHRABACHER), but his amendment, the way it is written, would completely eliminate the ability of OPIC to assist any American who wants to go into a foreign country to create an opportunity there to compete with the Japanese and the French.

We are saying we will accept the amendment if the gentleman from California will allow us to perfect it to the extent that it protects American jobs. That is his mission according to his statement, and that is the mission of the gentleman from Illinois (Mr. MANZULLO). So I would support the gentleman's perfecting amendment to the gentleman from California.

Mr. MANZULLO. Mr. Chairman, reclaiming my time, essentially, if my colleagues support the mission of OPIC, then the Members should support the Manzullo perfecting amendment to Rohrabacher.

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. MANZULLO. Yes, I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I am trying to understand the impact in terms of the loss of a single job. May I give an example and ask how it would apply.

Mr. MANZULLO. Yes.

Mr. BLUMENAUER. Mr. Chairman, there is a small lumber company in my State, Ochoco Lumber, that has used OPIC to set up a mill in the former Soviet Union; Lithuania, I believe, is the country. As a result of this manufacturing process, they have been able to get product that they cannot get in Oregon because of some of the environmental and supply problems.

Mr. MANZULLO. Mr. Chairman, the Rohrabacher amendment would not allow that.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MANZULLO) has expired.

(By unanimous consent, Mr. MANZULLO was allowed to proceed for 1 additional minute.)

Mr. MANZULLO. Mr. Chairman, I yield further to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, what I was trying to clarify is that this has created hundreds of jobs in depressed central Oregon. It may theoretically have displaced one job someplace in the United States.

I understand the Rohrabacher amendment would kill what we have done in this small mill.

Mr. MANZULLO. Mr. Chairman, the gentleman is correct.

Mr. BLUMENAUER. But what about the gentleman's perfecting amendment?

Mr. MANZULLO. Mr. Chairman, our amendment will allow the present operation of the gentleman's constituent's firm in Lithuania. That is correct.

Mr. KUCINICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the American people recently learned that more of the goods sold here are manufactured in foreign countries than in the U.S. That trend is getting worse. The trade deficit is at a record high. For that reason, I rise in support of the amendment of the gentleman from California (Mr. ROHRABACHER).

It is well known that global trade agreements like NAFTA have worsened the trade deficit by making it easier for companies to close their American plants and re-open them in developing countries where they do not have to pay a decent wage, where they do not have to prevent work place injuries, where they do not have to curb pollution.

The Overseas Private Investment Corporation does the same thing and adds to the same problem when it subsidized companies to open factories in foreign countries.

Now, the example was given of an auto company. Let us say an American manufacturer would want to open up an auto company in another country. Well, I am opposed to using U.S. taxpayers' money to help do that because that takes away jobs of auto workers in this country, pure and simple. It does not get much more complicated.

So if we use that example, it totally validates the reason why the amendment of the gentleman from California (Mr. ROHRABACHER) ought to pass this House. U.S. tax dollars should not be used to undermine markets here in the United States and to cost the people who pay our salaries their jobs.

Why should any agency of the United States Government subsidize the trade deficit and the loss of U.S. jobs? Congress should not tolerate it.

The Rohrabacher amendment simply prohibits any OPIC support for worsening the trade deficit, worsening the trend of plant closings in the United States.

Mr. Chairman, I am glad to yield to the gentleman from California (Mr. ROHRABACHER), who I think could help elucidate this subject.

Mr. ROHRABACHER. Mr. Chairman, I think that we have heard some very good examples, and they keep coming from those people who are opposing my position here. For example, do we really want to have OPIC giving, providing hundreds or tens of millions or hundreds of millions of dollars to build a

saw mill in gangster-ridden Russia? I do not know what the environmental impact of that is going to be. I think we ought to know about that.

Why do they not just go to Burma with that sawmill where they have got a vicious dictatorship that they can pay off and chop down all the teak wood. That is going to create a lot of jobs here, is not it? No, it is not. It is going to spoil the environment, and we need to know about that.

The fact is this is not a perfecting amendment. As much as I like the gentleman from Illinois (Mr. MANZULLO), he is a wonderful colleague, we are good friends, this is not a perfecting amendment. This is a gutting amendment.

Already we have been told it is already policy of OPIC not to do things where there are loss of jobs. Well, if that is the case, accept my amendment. But the central issue here is not that, and the gentleman from Illinois (Mr. MANZULLO) understands that.

The central issue is whether or not building factories overseas in and of itself, prima facie evidence, determines whether or not jobs will be created overseas rather than here.

The Manzullo amendment, which I think just basically is weasel words in action here, because it permits OPIC to subsidize the building of manufacturing units overseas that they determine, OPIC determines, will not reduce employment here.

□ 1430

But OPIC does not believe building factories overseas reduces employment here. Let me point this out. Even if the gentleman from Illinois (Mr. MANZULLO) is correct and it does not have a reduction of employment here, what we are doing is subsidizing the building of manufacturing units that will prevent the creation of new jobs here, and there is no doubt about that.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, I yield to the gentleman from Illinois (Mr. MANZULLO) because I think this debate is healthy for the House.

Mr. MANZULLO. Mr. Chairman, we have a U.S. company building a lumber mill in Lithuania using Lithuanian lumber. Under no circumstances is that going to result in the loss of American jobs.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, I do not know if we have unemployed lumberjacks in this country or not. I do not know whether or not there is unemployment in the part of the country of my colleague. I think there might be some unemployed lumberjacks in this country that would prefer creating the jobs here in the United States of America.

Of course, then we have to have some environmental controls so that some of these big companies could not rape the environment.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The time of the gentleman from Ohio (Mr. KUCINICH) has expired.

(By unanimous consent, Mr. KUCINICH was allowed to proceed for 1 additional minute.)

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, the notion that somehow because there are people that are lumberjacks that are unemployed because there is not access to timber supply means that mill workers should not be allowed to process timber and use materials to build that mill from Oregon escapes me.

It seems to me that we are better off having those people using Oregon products, Oregon companies thriving, and that it does not do anything to affect the timber supply or lack thereof in the Northwest.

Maybe I am missing something.

Mr. KUCINICH. Mr. Chairman, I yield to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Chairman, obviously, this lumber mill example is a very tiny, minuscule, one-half of 1 percent example of what OPIC does.

When we are talking about manufacturing units, we are talking about tractor factories; we are talking about other kinds of manufacturing that are heavy, heavy manufacturing. We are also talking about other exploitation of natural resources.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, I would like to just say that it is a great debate, but the thing that we have to be concerned about is the impact of OPIC on our heavy manufacturing, the export of U.S. jobs, and a widening of the trade deficit.

Mr. BEREUTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Manzullo amendment to the Rohrabacher amendment.

If my colleagues and the American public are somewhat perplexed about what is happening here, it is understandable because the arguments that are being raised, I think, are turning rationality on its head.

What the gentleman from Illinois (Mr. MANZULLO) is attempting to do by his perfecting amendment would say that there must not be a net loss of manufacturing jobs in the United States under OPIC activity. And that should be the objective. That is what the gentleman from California (Mr. ROHRABACHER) says he wants to accomplish.

The gentleman from Alabama (Mr. CALLAHAN) indicated a few minutes ago that the Manzullo amendment accomplishes just what the gentleman from California (Mr. ROHRABACHER) says he wants to do, but that perhaps he has a different motive.

Now, I do not know whether that is the case or not about the gentleman

from California, but my colleagues should not be confused by this issue.

Let us suppose an American firm wants to create a canning factory for mangos in India. Now, we do not can mangos in this country, no, not even in Hawaii. The Rohrabacher amendment would prevent OPIC assistance to an American firm which wanted to build or help build a plant in India to can mangos. That would be, a net gain in manufacturing jobs for the United States because the products to produce the canning factory are likely to come from the United States. But there are jobs in manufacturing being created in India, and the gentleman from California (Mr. ROHRABACHER) would prevent that by his amendment just as he would prevent a tea operation in Sri Lanka.

The gentleman from Oregon (Mr. BLUMENAUER) was trying to indicate that in this case the OPIC guarantee for a firm in Oregon actually resulted in net manufacturing jobs being created in the United States, not a loss. So the gentleman from Ohio (Mr. KUCINICH) ought to be in favor of the Manzullo perfecting amendment and opposed to the Rohrabacher amendment because the gentleman from California (Mr. ROHRABACHER) kills, inadvertently perhaps, unintentionally perhaps, he kills American manufacturing jobs that are created by OPIC.

What we need to be concerned about, already addressed in law, is that OPIC activities do not result in a net reduction in manufacturing jobs in America. The Manzullo perfecting amendment will do just that. His amendment indicates that, in effect, if there is a net reduction in manufacturing jobs in the United States, then there would be no OPIC activity, but only if there is a net reduction, not just if there is one manufacturing job created abroad. It is not a zero-sum game on job creation under OPIC activities, my colleagues.

Support the perfecting amendment offered by the gentleman from Illinois (Mr. MANZULLO), a perfecting amendment to the Rohrabacher amendment. Vote "yes" on Manzullo.

Mr. MENENDEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise to support the Manzullo amendment, as well, because it does go to the very core of what the gentleman from California (Mr. ROHRABACHER) says he wants to accomplish and, in essence, accomplishes that. It clearly says, if any such investment would cause a reduction in manufacturing in the United States, then clearly OPIC would not be able to pursue such an investment. And so that ultimately goes to the question of do we lose any American jobs.

But if we do not adopt the Manzullo amendment and we were to adopt the Rohrabacher amendment, then, as the gentleman from Oregon (Mr. BLUMENAUER) has suggested just a few minutes ago, the reality is that we would lose those American jobs that

would not exist but for the opportunities created by that company in Lithuania. The reality is that we would lose opportunity here at home to create products that would be used abroad in the development of the products being made in these manufacturing plants abroad. The fact of the matter is that, in essence, we would lose American jobs here at home.

But I think our colleagues in their passion, and I understand their passion, not to lose American jobs are blinded by the fact that, in fact, what they seek to do, in essence, will make us lose American jobs here at home.

We are much better off to ensure that opportunities of manufacturing here, at home, parts or other supplies that will be used abroad in an investment make eminent sense. And we are much better off to ensure that, in fact, that the last 5 fiscal years where OPIC has supported 43 manufacturing plants have generated \$3.1 billion in United States exports and over 10,000 U.S. jobs.

Now, if we adopt the Rohrabacher amendment, we will lose the \$3 billion in potential U.S. exports in the future, these are real exports that have taken place; we will lose those in the future and whatever else we can enhance; we will lose the 10,000 jobs created here in the good ol' U.S.A. That is not what our intention is.

Our intention is to create jobs here at home, to promote American interests here at home. And we are also promoting it abroad, because often what we are doing is creating new markets abroad when we make these investments, which not only are investments that are repaid but end up generating revenue for the Treasury of the United States.

So I want to support the Manzullo amendment very strongly. It will accomplish what the gentleman from California (Mr. ROHRABACHER) wants to do, but it will not strike the blow to American jobs here at home that the Rohrabacher amendment would.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wanted to inject a small note of what I think is reality in the discussion in terms of what difference it will make for hundreds and thousands of small businesses around the country.

The gentleman offers an amendment, and people think it is well intended. I do not know that it is necessarily well intended because I think we have already had a perfecting amendment that has been offered that clearly states how existing policy can be reaffirmed.

We already know that OPIC is constrained by its statutory framework and by its own internal operations from the result that the gentleman is talking about.

He dismissed the example, a real-life example, of a struggling timber company in eastern Oregon as that is just 1 percent or half a percent, while arguing that, well, why do not we just go

ahead and give money to the Burmese Junta to cut down teak forests?

Well, what is lacking in this discussion is any concrete example of where there is, in fact, a specific area of abuse, where the existing law and the protections thereof are not being followed, where there is a massive loss, where we are giving money for the leveling of teak forests by the brutal dictatorship in Burma. It is thrown off. I am not aware of any example. Nothing specific has been brought forward.

But he dismisses something that results in American jobs, American products in an area that is hard hit in my community. And I just think that that is what is fundamentally wrong with the debate that we have before us today, Mr. Chairman, that we do not have specifics in areas of real abuse; and we take the hundreds and thousands of a tenth of a percent here or 1 percent there that are real successes for American companies and for countries overseas like in Latvia, where they are struggling to recover from the yoke of Soviet oppression, where they are trying to modernize and refine their economies, where they are trying to enter the world stage, and we have a classic win-win. And that is just dismissed out of hand as that is just 1 percent or 2 percent.

I could stand here and give example after example in my State where not billions but tens of millions of dollars have generated Oregon products that have created hundreds of jobs in our State and where the subcontractors of little tiny companies that nobody has heard of outside the boundaries of our communities that has made a difference.

I think it is time for us to not use hyperbole and hypotheticals that are not proven, that, in fact, are contrary to practice and statute of OPIC and dismiss the good that is done by allowing American companies to be able to work in difficult situations, help emerging democracies, strengthen these economies. I think this is precisely what we should be doing.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, again I remind my colleagues who are following this in the CONGRESSIONAL RECORD or on C-SPAN that this is the essential part of the debate, this is the central issue, and what I think that they ought to try, whoever is listening or reading this in the CONGRESSIONAL RECORD to determine what makes sense and what does not make sense.

The other side is saying, having our Federal tax dollars being used to subsidize the building of factories overseas is not doing anything to hurt American working people. Building factories, manufacturing units overseas does not hurt American working people. That is what they are saying.

Now, if that makes no sense to my colleagues, I would invite them to try to look and see what is happening here.

We have got some huge American corporate interests, huge, companies that are worth billions of dollars. They have got hundreds of millions of dollars invested overseas that they would like to make where they do not have to pay the salaries to American workers and they want that guaranteed by the taxpayers. That is what this is all about.

They do not want to invest here. They do not want to take that money that they would invest in that lumber company in Lithuania. They do not want to set up some kind of factory in the United States that creates prefabricated walls or invests in something that deals with construction that could give jobs to the American people. They want to go to Lithuania.

No, but that has no impact. Just giving them the guarantee to produce that in Lithuania has no impact on the American unemployment. Gobbledygook. Nonsense. The Manzullo amendment is not a perfecting amendment. It is a gutting amendment.

□ 1445

I might add the gentleman from Nebraska (Mr. BEREUTER) who unfortunately is not here with us today, I mean right now, he was with us earlier, made the point that the Manzullo amendment said that there will be no reduction of jobs, no net reduction of jobs. The gentleman from Nebraska said over and over again, no net reduction.

I am sorry, but that is not what the Manzullo amendment does. It is not what it says. The word "net" is not in there. The word "net" is not in there because the Manzullo amendment is what we call a gutting amendment.

Mr. MANZULLO. Mr. Chairman, will the gentleman yield?

Mr. ROHRABACHER. I yield to the gentleman from Illinois.

Mr. MANZULLO. Mr. Chairman, I was going to ask for unanimous consent to add the word "net" in my amendment.

Mr. ROHRABACHER. I wish the gentleman would do that on his own time. I thank the gentleman for using my time.

If the gentleman wants to have good relations in this body, we do not waste each other's time. The gentleman has plenty of time to do that later on.

The Manzullo amendment does not say "net reduction." It just says "reduction." Whether it says net reduction is irrelevant because of this point: It is all based on the analysis of OPIC, and OPIC believes in this gobbledygook that we have been hearing today that if you create jobs, or if you build factories overseas, that it will not hurt American workers because if you analyze things out to the nth degree 100 years from now, their consumers are going to have more money to buy American products because they will have good-paying jobs there to buy American products. This sort of nonsense, this sort of just pie-in-the-sky economics, liberal economics, if you

will, is bringing down the standard of living of the average American working person that works in manufacturing jobs in the United States. All the examples we have heard of today hurt American workers.

Again, the gentleman from Nebraska talked about, what is wrong with building a canning factory for mangos in some other country? Well, how about it? Do we not have farmers and agricultural workers that provide some sort of competition for mangos? In California, I think they actually can oranges and grapefruits. They can pineapples in Hawaii. No, I do not want to establish a factory with taxpayer-guaranteed money that will manufacture canned mangos overseas in competition with American agricultural products. It might be a little bit hard to see, but I think the American people fully understand that what this amendment does is it guts my amendment and it leaves open the subsidy of building factories and manufacturing units overseas that will destroy American jobs, either American jobs that exist, or it will destroy the possibility of creating new jobs. In fact, the gentleman from Illinois' language specifically permits there to be a subsidy for an American company if the only impact is the elimination of the creation of new jobs, as long as it does not reduce current jobs. I am sorry, but we have had an expanding population in the United States. If someone wants to invest overseas, they should be doing so at their own risk. That is all we are saying. It is unfair and a betrayal to our taxpayers to set up factories overseas guaranteed by their money that competes with their own job.

Mr. Chairman, I ask for the Manzullo gutting amendment to be defeated and support for my amendment.

Mr. PASCARELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to voice my support of the Rohrabacher amendment and oppose the gentleman from Illinois' attempt to, I believe, either circumvent, undermine, use whatever word you wish. I think in the area of trade that the jig is up, and that the American people will no longer tolerate trade agreements where we wind up, and this is not a trade agreement, I understand that, where we wind up as the monitors of the world.

It does not work that way. WTO has not worked, our trade agreements to the South and to the West have not worked for the simple reason that there is no teeth, and we are depending on good will. Yet we read in the paper just a few days ago, "Five Clothing Makers Agree on a Settlement, Sweatshops on Saipan Bring Class Action Suit," and the likes of Ralph Lauren, Donna Karan, the Gap, Tommy Hilfiger, Wal-Mart, go down the list, have to be reminded of the obligations and the undermining of the American ethic of work in our own country. Enough is enough is enough. If it takes

the government to remind these great corporations, where our wives and our loved ones shop day in and day out, to even see on those labels, "Made in the USA," tags which now consumers understand have nothing to do with where the product is made. That product, with that label, "Made in the USA," once made sense, once had power. It meant that the product was made within our borders. It no longer means that, does it? We are opening up windows and doors and sides of buildings every day. These trade agreements, and OPIC is part of that scene, simply give credibility to those who want to isolate America. That is not the gentleman from California's intent. It is not my intent.

The Rohrabacher amendment is very simple. It seeks to prohibit OPIC guarantees from being used for investments in manufacturing facilities abroad. Our Nation has suffered enough job loss in manufacturing. We do not need to subsidize the creation of jobs abroad. We need to end exporting jobs from America. We need to do it today. OPIC will be fine for another time, not now. The jig, as I said, is up. It has been exposed. We protect the very businesses who put labels on products, be it textiles or machinery, all the same, that have nothing to do with the location, the geography where the product is made. How can we stand here and defend that and support opening our doors to that kind of lunacy? For those of us who are concerned about job loss, concerned about the working conditions at all of the plants in the article that I referred to, we have another example to point to with this settlement, quote-unquote, as if we needed one more.

The amendment would in no uncertain terms end an opportunity, Mr. Chairman, for OPIC to fund overseas industries that might compete with domestic American industry. We need to stop exporting our jobs. We need to go back and strengthen manufacturing within our own shores. On one side of our mouth, we talk about we are a Nation of immigrants. Yet this is how immigrants earned their identity in America, by working with their hands and making the products from their own sweat and their labor. We do not honor the commitment we made to immigrants in this great American society of ours by undermining the tenet to strengthen American jobs.

The CHAIRMAN pro tempore (Mr. MILLER of Florida). The question is on the amendment offered by the gentleman from Illinois (Mr. MANZULLO) to the amendment offered by the gentleman from California (Mr. ROHRABACHER).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. ROHRABACHER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 327, further

proceedings on the amendment offered by the gentleman from Illinois (Mr. MANZULLO) to the amendment offered by the gentleman from California (Mr. ROHRABACHER) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT NO. 8 OFFERED BY MR. SANFORD

Mr. SANFORD. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. SANFORD: Page 6, line 25, strike "2003" and insert "2000".

Mr. SANFORD. Mr. Chairman, I walked in here about an hour and a half ago hoping to very quickly offer an amendment and walk out. Yet we found ourselves in the middle of a very heated debate because people have very strong feelings on both sides of the OPIC debate. My hope is that this, however, will be something accepted by voice because I see it as completely noncontroversial. I see this simply as an amendment about good government, having nothing to do with the merits on one side or the other of the OPIC debate itself.

Specifically, when we think about the Federal Government, we do not like it, it is painful as we go through the process, but with the Federal Government we go through the authorizing and appropriating process every single year. The reason we do that is because we want to be accountable to the American taxpayer on a yearly basis for any of the money we spend here in Washington.

So we see this model at the Federal Government level. We see the model of annual statement and annual review in the corporate world. How many of my colleagues have ever seen a 5-year report? We do not see 5-year reports, we see an annual report. We see an annual budget and an annual income statement. In fact, if you think about it in your own homes, what you would see there, at least in our home, when my wife and I sit down to look at our family budget, if you think about setting your family budget, which we do on a yearly basis in our house, my wife and I sit down, we look at the numbers and we say, what could we set for our expenditures based on a given level of income over this year.

So in all of life, whether at the Federal Government level, whether at the corporate level or whether in one's home life, we see annual budgeting. Nobody sets spending on remote control except in Washington on a few different things.

All this bill does is say, rather than looking at a 4-year authorization for OPIC, let us simply look at authorizing it for 1 year. The merits behind doing that I think are several-fold. First of all, though we might disagree about the merits of OPIC, one side versus the other, one thing that I do not think we would disagree with is the idea that

the world changes. In fact, the Congressional Budget Office in a report showed that the United States taxpayer is liable for a full 90 percent of the loans, the contingent liabilities that go with OPIC funding. So if the world is constantly changing, would you not want to review those loans on an annual basis?

The second point would be that, and again there has been a lot of disagreement about this, does OPIC cost money, does OPIC not cost money? If we actually look at the numbers, the revenue that came into OPIC last year was \$193 million. That was based on interest income based on U.S. treasuries that had been given to OPIC at their origin. Their actual net income was \$139 million, for a net loss in terms of normal accounting of \$54 million. Admittedly, \$54 million is not a lot of money in Washington, but it is an expenditure of taxpayer money, and since it is an expenditure of taxpayer money, all this amendment does is say, "Well, let's make sure that we authorize that, let's make sure that we look at that on a regular basis," because we look at every other area of spending basically on an annual basis here in this Chamber and there on the Senate side.

Finally, I would say, and again there was much controversy over this, and, that is, the idea of whether or not investment moves offshore as a result of OPIC. One thing, though, that we could probably agree on is if you change the risk of investment, you probably change where it goes. That is certainly the case with OPIC funding right now, because due to the insurance, due to the change in risk, there is probably an increase of investment overseas. We can debate whether that is a good or a bad thing, but that is a certain thing that skews investment toward overseas. Therefore, I would think, given the fact that trade numbers go up, trade numbers go down, that we too would want to review that on an annual basis.

I would urge the adoption of this amendment. I think it is an amendment having more to do with simple good government and accountability than the merits underlying OPIC. I would urge its adoption.

Mr. MENENDEZ. Mr. Chairman, I rise in opposition to the gentleman's amendment. I think the case for OPIC's longer term reauthorization is very strong. A 4-year extension does not increase OPIC's program ceilings. It continues OPIC's self-sustaining operations. It brings OPIC in line with its sister agency, the U.S. Export-Import Bank, which has a 4-year reauthorization. The notion that, in fact, we have only 1-year reauthorizations for all pieces of legislation is obviously not the case.

I am sure that gentleman, just as I, has voted for reauthorizations that have far extended beyond 1 year, and in fact there is good reason for giving reauthorizations for beyond 1 year. It is because we provide the wherewithal for

that agency and/or that program to plan long term. Just as the private sector would plan long term in terms of making its investments and business decisions, just as we, as a government, hope to plan not just from year to year, but also long term as we make budgetary calculations and projections and do programmatic work, OPIC needs to be able to have the opportunity to plan long term, and such a reauthorization would not be unique.

Its business cycle, OPIC's business cycle, is long term. Many OPIC projects extend over a period of years. A 1-year authorization could threaten projects mid-term. If for some reason there is a delay in the authorization process, a 1-year authorization, I would submit, is really not in the best interests of an agency that in essence is self-sustaining. It needlessly burdens the legislative process with the sole intent of obstructing OPIC's operations.

A 4-year authorization provides American companies with security that their overseas investments will not be subject to congressional delays. A 4-year authorization does not impede the Congress from rescinding OPIC's operating authority at any time if the majority of this House wants to do that and it can get a majority in the other body and get the President to sign it. It can do that at any time if the Congress so chooses to do so.

So the fact of the matter is that we should not jeopardize the ongoing investment of American companies overseas who depend upon OPIC to protect their investments and to whom they pay substantial fees for that service. We should have some long-range planning here, particularly of an agency that, in fact, has shown itself worthy, is self-sustaining, produces revenues, creates jobs at home. And that, I think, makes eminent business sense; it makes good sense for the Congress to pursue. And so respectfully I oppose the gentleman's amendment.

Mr. MANZULLO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment offered by my good friend and colleague from the State of South Carolina. We cannot plan to do anything financially in a 1-year period of time. The loans are for a lot more than 1 year, and we are asking that it be for 4 years, which is more reasonable.

Let me take this opportunity to tell my colleagues some of the things that OPIC does that many Members of Congress do not understand. OPIC got involved in helping to build a power plant in Guatemala. There was \$100 million and OPIC insurance to build a plant that produces electricity to be sold in Guatemala. Now that is an American investment to a company there, and in turn American manufactured goods that go into the power plant are exported from the United States to Guatemala.

This is generally the nature of what OPIC does, and that does not displace

American jobs because it is pretty difficult to export electricity to Guatemala, but what it does is it insures that loan from which the investor pays a premium and which has returned traditionally 150 to \$200 million each year as a surplus to the United States Treasury.

Now without OPIC what company is going to invest in manufacturing electricity in Guatemala? Well, that is what OPIC does. That actually creates American jobs because Americans are employed in the manufacturing process of a material that is exported to Guatemala. So the whole purpose here is to show that an investment like that, we cannot have a 1-year authorization. It has to be a 4-year authorization at the minimum so as to have some continuity to the Federal investments that are made.

Therefore, Mr. Chairman, I would ask that the Members oppose the Sanford amendment.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, rise in opposition to this amendment. I have listened carefully. I do not think by any stretch of the imagination we should confuse long-term program stability with something that is operating on remote control.

I think one can look at the analogy to the family operating around the kitchen table, and it is true that sometimes there are some expenses that that family is going to look at over the course of the next year or maybe the next week or month if we are talking about grocery bills or entertainment. But that family rarely in a functional sense every week discusses whether or not they are going to move in front of the children, whether or not they are going to divorce, whether they are going to undermine the whole fabric of what that family is about. And I would respectfully suggest that that is what we are talking about here, moving from a longer term, 4-year operation to a shorter period of 1 year.

We are not talking about the kitchen table issues; we are not talking about next week's grocery bill. We are talking, as the gentleman from Illinois mentioned in great detail very eloquently, we are talking about fundamental business decisions involving investments of ten, sometimes hundreds of millions of dollars in areas that are potentially risky and difficult. People need stability in order to be able to make business-oriented long-term decisions.

As the gentleman from New Jersey (Mr. MENENDEZ) pointed out, we routinely on the floor of this assembly vote for authorization for a program that is 3, 4, 5 years. The Surface Transportation Act is a 6-year authorization routinely because we are looking at long-term infrastructure investments, and communities need that stability in order to make those decisions. If anything, a decision of this magnitude

might require more, rather than less, time because it combines the entrepreneurial activities along with the organizational governmental restraints.

The way that this has been able to be successful not using taxpayer dollars, has not lost a dime in terms of taxpayer dollars since 1971, and has surplused money in fact, is because it has been able to plan for the long term, been able to operate like a business, been able to even these things out. I would strongly suggest that we would be better off with a longer time frame than a shorter to keep that entrepreneurial long-term approach.

Mr. SANFORD. Mr. Chairman, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from South Carolina.

Mr. SANFORD. Mr. Chairman, I would just make the point that in OPIC doing all of the things that the gentleman points out that in the last time it was authorized for 2 years, and it did not seem to cripple it then in its ability to produce those results; and, therefore, I just humbly suggest that if it was able to do it in 2 years then, why go to 4 years now? Why not keep it at that shorter span?

Mr. BLUMENAUER. Reclaiming my time, Mr. Chairman, and I think it is inappropriate, but I was not happy at the time that we were shortening the time frame, and I think the events in the last couple years have shown that there are problems in order for them to be able to operate in a changing environment in an entrepreneurial sense. In fact, our colleague from Nebraska is concerned about a situation in the troubled state of Indonesia and suggesting recommendations here on the floor to change that.

I feel that that is not something that is made easier by the shorter time frame. I think the longer time frame enabled people to solve problems that arise processing claims. Trying to move forward rather than having a shorter and shorter time frame here, going from 4 to 2 did not help make that problem go away any faster in Indonesia. Going from 2 years to 1 is not going to make it any easier in the future, and I personally have great difficulty thinking that I would be back here trying to explain to our colleague from Southern California how getting a milled product to an Oregon company to manufacture things in Oregon is good for the Oregon economy. The prospect of doing that every year drives me to the point of distraction.

Mr. SANFORD. Mr. Chairman, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from South Carolina.

Mr. SANFORD. Then following that logic out, the gentleman would suggest we ought to go to a 4-year authorizing process in Congress as we authorize or appropriate?

Mr. BLUMENAUER. I would make a distinction between an entrepreneurial, quasi-public business-oriented activity that is involved with long-term invest-

ments and what we do here, everything ranging from paper clips to annual salaries to infrastructure investment. I would support a multiyear capital budget for the United States Congress, and I would consider a 2-year fiscal reauthorization, for instance, but I certainly would not shorten this.

Mr. COBURN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as my colleagues know, I looked at OPIC every year since I have been here, and I can honestly say, although its goals may be worthy, it is pure corporate welfare.

We just heard it said that it did not lose any. It actually lost almost \$50 million last year. It showed money on Treasury bonds of money that we have given them showing interest, but the actual losses, true losses were \$54 million; \$54 million of people's money in this country OPIC lost last year.

Okay, that is the truth about what they actually did.

Did they earn money on bonds, on money that we gave them? Yes, they did, but their net cash difference was \$54 million.

Now I understand, if we work in a family, we are going to operate on the cash, and I understand we play all sorts of games in Washington, but the real fact is it is \$54 million of the taxpayers' money went out the door last year with OPIC.

Let me explain also where some of it went. Coca-Cola, their profits in 1995, the last year we have all the numbers, was \$2.9 billion; but they get \$246 million from OPIC. Coca-Cola? We should be funding that when we hear time after time that we are not funding education well enough, that we are not funding the social needs of our country well enough; but we are going to stand up and say we are going to justify giving \$246 million worth of insured assets to Coca-Cola?

How about Anheuser Busch? We gave them \$49 million. They just made \$642 million last year, and yet we are saying that we have a vested vital interest in building a beer factory outside of this country? Come on, give me a break. This is corporate welfare. We should not have welfare for the richest in our society, and to see the other side of the aisle defending sending this kind of money?

ITT Corporation, \$160 million. They only made 147 million last year. Had they not had this money, they would have lost money.

So now what we are doing, we complain about the European Common Market, and I will be happy to yield when I finish my point. We complain about the EU and how they subsidize their farmers and that our farmers cannot compete with them. There is no difference in what we are doing, and we know it.

Let us talk about Levi Strauss. We are paying tons of money in the Northwest for displaced workers, and we give \$47 million to build a factory to build

jeans to come into this country and Turkey. That is what OPIC does. OPIC takes jobs from America and puts them somewhere else.

So the fact is that OPIC as an arm of our foreign policy is well intended, but like so many of the programs that the Government creates, it gets gamed, and it is gamed. If we are going to use it as a foreign policy tool, let us do it in a way that does not copy what the Soviet Union used to do. The right hand does not know what the left hand is doing when it comes to OPIC, and in terms of foreign policy there is no question this is absolute corporate welfare.

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. COBURN. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy. He mentioned \$160 million that went to one company that was a difference between whether they made a profit or a loss?

Mr. COBURN. ITT.

Mr. BLUMENAUER. Is the gentleman assuming that this is money?

Mr. COBURN. No, no. I understand very well that this is a guaranteed loan or an insurance against a loan.

The fact is if they made \$147 million on their own, why should we be guaranteeing their risk when they are in a return and they are going to get the benefit?

As my colleagues know, the world is global today, and we should not be giving the richest of our corporations a free ride when they go to take a risk. That is what the whole purpose of their investment strategy is.

I know we are going to do that to the American farmer. Not very many other businesses in this country do we guarantee them that they are going to have their loans paid off, do we guarantee them that they are going to make a profit. There is a reason why we do it for farmers, because we have an investment in the infrastructure that the farmer in this country supplies us and the quality of life. There is not a good reason for us to do it for the largest, the wealthiest, and the most profitable companies.

□ 1515

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman clarifying that this was a loan and it would not have made the difference between whether or not they made a profit or not.

Mr. COBURN. Mr. Chairman, reclaiming my time, it is a loan guarantee that one cannot get, the taxpayer cannot get; only if they lost everything in their life like the people in North Carolina, they are going to get some taxpayer-funded loan guarantees and some grants, but to give it to the wealthiest corporations in this country, absolutely not.

This is a sham as far as protecting big business. If big business wants to

invest in a foreign country and they think it is a good return, have them do it.

The CHAIRMAN pro tempore (Mr. EWING). The question is on the amendment offered by the gentleman from South Carolina (Mr. SANFORD).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. SANFORD. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House rule 327, further proceedings on the amendment offered by the gentleman from South Carolina (Mr. SANFORD) will be postponed.

AMENDMENT NO. 10 OFFERED BY MR. TERRY

Mr. TERRY. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. TERRY: Page 6, add the following after line 25, and redesignate succeeding sections, and references thereto, accordingly:

SEC. 5. CLAIMS SETTLEMENT REQUIREMENTS FOR OPIC.

(a) TIME PERIODS FOR RESOLVING CLAIMS.—Section 237(i) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(i)) is amended—

(1) by inserting “(1)” after “(i)”; and

(2) by adding at the end the following:

“(2) The Corporation shall resolve each claim arising as a result of insurance, reinsurance, or guaranty operations under this title or under predecessor guaranty authority within 90 days after the claim is filed, except that the Corporation may request specific supplemental information on the claim before the expiration of that 90-day period, and in that case may extend the 90-day period for an additional 60 days after receipt of such information.

“(3) The Corporation shall pay interest at the prime rate on any claim for each day after the end of the applicable time period specified in paragraph (2) for settlement of the claim.”.

MODIFICATION TO AMENDMENT OFFERED BY MR. TERRY

Mr. TERRY. Mr. Chairman, I ask unanimous consent to modify Amendment No. 10.

The CHAIRMAN pro tempore. The Clerk will report the modification to the amendment offered by the gentleman from Nebraska (Mr. TERRY).

The Clerk read as follows:

Modification to Amendment No. 10, offered by Mr. TERRY: in the text of the matter proposed to be inserted, on line 7, strike “shall” and insert “should”, and on line 16, after “any”, insert “valid”.

Mr. TERRY (during the reading). Mr. Chairman, I ask unanimous consent that the modification to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN pro tempore. Is there objection to the modification to the amendment offered by the gentleman from Nebraska (Mr. TERRY)?

There was no objection.

Mr. TERRY. Mr. Chairman, this is an amendment that would apply some reasonable time limits to OPIC's claim settlement procedures. Private parties that have paid substantial premiums to OPIC, in some cases millions of dollars, are finding that they are literally at OPIC's mercy which it comes to the resolution of their claim. They lose real dollars every day OPIC delays settling these claims. Yet, under current law, OPIC does not even have to pay interest on its claims' obligations no matter how long it is delayed.

Moments ago we passed a policy that said that they have to expedite their claims or treat them expeditiously. Now, this is the implementation of that policy. This amendment proposes a 90-day initial period in which they can review the claim. If additional information is required, they can have 60 additional days for a total of 150 days to review the claim to make their decision.

If they are unable to make their decision within that time frame, then at the beginning of the 150 days, in essence, interest starts running if the claim is found to be valid.

I know that the Chairman of OPIC has some concerns with the mechanics of the operation of this amendment. I have talked to Mr. Munoz about those, and I think some of them are valid concerns. It does place a burden on the applicant. The applicant, because of a shortened time frame, has to get their ducks in a row before submitting a claim. One cannot simply write the letter submitting the claim without then having their documentation to back it up. So it does place that burden on the applicant.

But, on the other hand, there is nothing in the system right now that prevents OPIC once that information is submitted to act on it expeditiously. This puts the policy into action with specific time periods and a remedy when they fail to adhere to those time periods.

Mr. Chairman, I urge approval of this amendment.

Mr. MENENDEZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I understand the gentleman's concern, and that is why I went along with his first amendment. But this amendment actually I think creates harm, and I want to call the gentleman's attention to why I have to oppose it and hopefully, we can work something out, but if not, I will have to oppose his amendment at the end of the process.

Imposing a fixed timetable on OPIC creates a series of problems. It disadvantages the small business investor who cannot make his best case early. I understand the gentleman's concern is about a small business, but one cannot at the end of the day create a process that disadvantages them because they cannot make their best case early. It pressures OPIC to deny a claim that might, with both parties' cooperation, be satisfactorily documented in the

long run. It frustrates joint efforts at overall settlement of the investor's total claims, both the insured and the uninsured, because settlement efforts with a foreign government takes time, making the fair and flexible OPIC claim process formalistic and confrontational, and lastly, it impairs OPIC's historical claims record of paying over 90 percent of claims and realizing a 94 percent recovery rate as a successor to the investors' valid claims against a foreign government. So even when OPIC comes to the conclusion that it is a valid claim and that it has to be paid, by being the successor in interest to that insured party, it still goes after and tries to pursue and ensure that we are not left holding the bag. And it has a 94 percent success rate in that regard.

This process, by confining OPIC, actually works to the detriment of the small business investor who might be seeking a claim, works to the detriment of OPIC. And then there is a second provision in the gentleman's amendment that actually hurts the taxpayers of the United States, which is that, in fact, in this compacted time period, in situations in which OPIC will be forced to deny the claim in order to be able to best create the circumstances to ensure itself and ultimately the taxpayers, we are going to force it to pay interest, which interest ultimately as a governmental agency would come from the taxpayers.

Now, we have an agency that has not cost the taxpayers money, the previous speaker mentioned something about an OPIC loss, and that they only have interest based upon government bonds. Well, that is from proceeds that they have achieved from the revenues that they generate from the insurance that they offer and for which they are paid for, and that they have invested, so they have not operated as a loss; and we do not want them to operate as a loss. Therefore, we cannot constrain them in such a way.

OPIC's bottom line result on claims payment is excellent and its process is flexible and fair. Rigid timetables would create pressure to deny claims that are not at first convincingly supported where OPIC's practice has been to work with the investor, to make the best case for compensation in the amount claimed. This can take time, but it is fairest to the investor and to the taxpayer.

So, we need to make sure that this process is one that works, as it has, with an excellent percentage of payment of claims, and an excellent percentage of restoring those claims paid by going after the entity with OPIC standing in the interest of the investor. That is what we want to achieve. And yes, we want it to be as fast as possible; but we do not want to hurt the small businessperson in the process that is going to have to make their case early. And we do not want to hurt the taxpayers by imposing upon the agency payments that will ultimately

be costly to both the agency and, therefore, to the taxpayers in a premature manner.

So, Mr. Chairman, I would hope the gentleman would try to work with us in a conference and withdraw his amendment, but in view of the fact that I assume the gentleman wants to proceed, then I will offer an amendment to the gentleman's amendment at the appropriate time.

The CHAIRMAN pro tempore. The Committee will rise informally.

The SPEAKER pro tempore (Mr. YOUNG of Florida) assumed the Chair.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

EXPORT ENHANCEMENT ACT OF 1999

The Committee resumed its sitting.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New Jersey (Mr. MENENDEZ).

AMENDMENT OFFERED BY MR. MENENDEZ TO THE AMENDMENT NO. 10, AS MODIFIED, OFFERED BY MR. TERRY

Mr. MENENDEZ. Mr. Chairman, I offer an amendment to the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. MENENDEZ to Amendment No. 10, as modified, offered by Mr. TERRY: Strike lines 1 through 18 and insert the following:

"SEC. 5. REVIEW OF CLAIMS PROCESSING FOR OPIC.

"The General Accounting Office is requested to provide a report not later than 6 months after the date of the enactment of this Act to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate, which reviews the claims activity of the Overseas Private Investment Corporation. The report shall include—

"(1) an analysis of claims paid, settled and denied by OPIC;

"(2) the number of claims determinations made by OPIC which are challenged in arbitration;

"(3) the number of OPIC's claims denials which are reversed in arbitration;

"(4) the number of claims which are withdrawn; and

"(5) recommendations for ways in which the interests of OPIC insureds and the public could be better served by OPIC's claims procedures."

Mr. MENENDEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MENENDEZ. Mr. Chairman, what we hope to do through this amendment is to try to reach the gentleman's concern, but at the same time, create the operational capacity

for OPIC to do what it does so well. What we offer here is a review of claims processing for OPIC. Having the General Accounting Office providing a report not later than 6 months after the day of the enactment of this law to both the Committee on International Relations and the Senate Foreign Relations Committee, to review the claims activity of OPIC which includes an analysis of the claims paid, settled, and denied; the number of claims determination made by OPIC which are challenged in arbitration; the number of OPIC's claim denials which are reversed in arbitration; the number of claims which are withdrawn; and recommendations for ways in which the interests of OPIC's insured and the public could be better served by OPIC's claims procedures.

To the extent that OPIC has a great record and it can be improved upon, this gives us the wherewithal to do it without creating the constraint that the gentleman's amendment would.

Mr. Chairman, OPIC's standard contracts presently allow OPIC a reasonable time to make a decision after receipt of a completed application, one that establishes the insured's right to be compensated in the amount claimed.

Now, when we have this political risk insurance, the fact of the matter is it raises complex issues: issues of fact, contract interpretation, foreign law, international law and accounting. They cannot be resolved over the phone as we might do if we had an automobile accident or a homeowner's claim and try to deal with our insurance company. They are extremely complex.

Therefore, the time frame that the gentleman wants, while his goal is worthy, ultimately really hamstringing OPIC in a way that is detrimental to that small businessperson, as well as to the taxpayers, by the enforcement of a mechanism that makes them pay interest by the time that the time frame is exhausted, and that time frame is rather short, 150 days, total. That is a very short time frame.

OPIC's decisions on claims become public. They are relied upon as a way and as a means and as a guide to looking at OPIC contracts and are cited in broader discussions of international investment law. Reaching the right bottom line result is simply not enough. OPIC's rationale has to be properly articulated, because if not, others will seek to pursue those future actions if we do not articulate the right set of reasons, and that can be more costly to us.

So any interactive process takes time. If OPIC has to reach final decisions within a fixed deadline, more claims will be denied and in that process of denial will start a series of circumstances that we are going to hurt the investor, we are going to impinge upon the agency, we are going to start charging interest after that 150 days; and that ultimately is going to create a problem for us in terms of the taxpayers of this country.

I think, while the gentleman's intention is well-meaning, his effort as to how he achieves that is both problematic for the agency, problematic for the entities to be insured, problematic for the taxpayers. So I urge the adoption of my amendment to the Terry amendment.

□ 1530

Mr. TERRY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I want to be clear on what this amendment does. It is, in essence, a substitute amendment to mine. It statutorily incorporates the status quo. It basically says that OPIC has 6 months next to never to resolve claims.

That is no improvement. There are examples where OPIC has drug their feet on claims for a variety of different reasons, but the fact that they have taken substantial time to resolve claims is unrefuted.

The issue then is if they are going to act like a private insurance company, they have to treat claims with good faith. If we review insurance laws of every State, we will see provisions that outline how insurance companies have to act in good faith. One of those provisions in every State is that they have to handle claims expeditiously. If they do not, the remedy is usually pre-judgment interest.

This is what my amendment does, is simply put into the system some accountability. That accountability is if they are going to drag their feet on claims, on valid claims, then after 150 days they should have to pay interest on the amount of that claim.

The world does not operate in a vacuum. If Indonesia takes over a power plant and kicks out the U.S. citizen that built that and threatens to jail them if they return, that is expropriation. OPIC knows when that happens. Now, the applicant has to document those activities, and will take the time to properly put their case together before they submit that.

It is reasonable, then, because OPIC, if they are diligent at all, should already know what is going on, for them to be able to review that within a certain short period of time. If additional information is necessary, as is outlined in mine, and that request is reasonable, then they should be afforded an extra 60 days, for a total of 150 days.

My amendment is reasonable. The substitute amendment offered by the gentleman from New Jersey (Mr. MENENDEZ) guts mine entirely, and basically, as I said, incorporates the status quo.

A couple of points raised; one, that OPIC resolves 94 percent of the claims. I am sure under the current leadership that that will not change. What may change, though, is another category of the timeliness of those resolutions.

That is what we are requesting, is simply that OPIC have a set time frame to resolve those claims. I am sure they will act expeditiously under the current leadership.