

THE EXPORT ENHANCEMENT ACT

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. MANZULLO. Mr. Speaker, I was pleased to introduce on May 27th, along with Representatives BOB MENENDEZ, BEN GILMAN, SAM GEJDENSON, and 44 other Republican and Democrat Members of Congress the Export Enhancement Act of 1999.

We are all concerned about the recent anemic export performance of the United States and the ballooning U.S. trade deficit. While this legislation is not a cure-all for this problem, it provides one tool in the effort to promote U.S. exports abroad.

This legislation would reauthorize most commercial export promotion programs of the U.S. government, including the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and the export promotion functions of the International Trade Administration (ITA) at the Department of Commerce.

First, the legislation re-authorizes OPIC for four years and does not raise OPIC's liability ceiling. For 27 years, OPIC has been the U.S. government agency providing political risk insurance and financing for projects that help America compete abroad and promote stability and development in strategic countries and economies around the world.

OPIC's political risk insurance covers three main areas where the government has a proper role to influence—expropriation (loss of an investment due to nationalization or confiscation by a foreign government), currency convertibility (inability to remit profits from local currency to U.S. dollars); and political violence (loss of assets or income due to war, revolution or politically-motivated civil strife, terrorism or sabotage).

Since 1971, OPIC supported projects have generated \$58 billion in U.S. exports and created more than 237,000 American jobs. Over the last five years, OPIC supported projects will buy about \$1 billion worth of goods and services from Illinois suppliers, half of which are small firms, which will create over 3,100 jobs. Companies in the 16th District of Illinois like Coilcraft Inc. of Cary; Oak Industries of Crystal Lake; ESI Limited, the Nylint Corporation, the Barber-Coleman Company, and the Clinton Electronics Corporation of Rockford have all used and benefited from OPIC services in the past. And, unlike most government programs, OPIC operates totally on a user-fee self-sustaining basis at no cost to the taxpayer. OPIC is estimated to bring in \$204 million in revenue to the U.S. Treasury next year.

In response to Congressional input, OPIC has undertaken a series of initiatives since its last reauthorization. These include new initiatives in Africa, Central America, the Caribbean, and the Caspian Basin. In addition, OPIC has stepped up efforts to help more small businesses enter the global economy.

As Chairman of the Small Business Exports Subcommittee, I held a hearing last month examining the new small business outreach efforts by OPIC. OPIC is particularly important for small business exporters because unlike large companies, small business exporters cannot pack up their bags and relocate operations overseas to take advantage of foreign

equivalents to OPIC. There are 36 nations that have export credit insurance programs like OPIC. Just like OPIC, most of these nations have local content requirements. If forced to, larger U.S. multinational corporations can pick and choose from one of these other foreign export credit insurance programs. But the work and the jobs, then, are transferred overseas. Small business exporters do not have this luxury. OPIC is needed to maintain the competitive edge of these small business exporters in the United States.

Mr. Speaker, let me give you one concrete example from the hearing last month. Jane Dauffenbach, President of Aquarius Systems, located in North Prairie, Wisconsin, testified how foreign governments constantly try to undermine her small company's export prospects, even to the point of competing against free donations of similar equipment. Aquarius Systems manufactures aquatic weed harvesters. In Asia, Aquarius Systems lost a large equipment sale when the Canadian government gave a "free" aquatic weed harvester to the monarch of the country. In Kenya, Ms. Dauffenbach also testified about how the Japanese and the Israeli governments almost snatched another huge export sale from her company to clear water hyacinths clogging Lake Victoria. It was only because she had a World Bank contract, backed by OPIC political risk insurance, that she was able to win and complete the sale. She said, "(s)imply put, Aquarius Systems is not competing with foreign companies. We are competing with foreign governments . . . It is imperative that the financing and insurance programs from OPIC exist so that we have the necessary tools available to accomplish our goals."

Second, the legislation reaffirms the importance of Trade Development Agency (TDA). This small 43 person agency, which develops feasibility studies designing in American specifications so that U.S. exporters can win major infrastructure projects in developing countries and emerging economies later down the road, has generated \$12.3 billion in exports since its inception in 1981. Every \$1 in spending for TDA projects has led to the export of \$32 in U.S. goods and services overseas. The Export Enhancement Act requires, to the maximum extent possible, the imposition of "success fees" on companies who win export deals thanks to the groundwork laid by a feasibility study conducted by the TDA.

Third, the bill examines the three export promotion arms of International Trade Administration (ITA) at the Commerce Department—the U.S. & Foreign Commercial Service, which as 100 U.S. export assistance centers located throughout the United States and 141 posts located in 76 countries around the world; Trade Development, which monitors trade developments in key industries and supports the United States Trade Representative in key industrial sector trade negotiations; and Market Access and Compliance, which ensures that U.S. companies obtain full market compliance with existing trade agreements with various countries of the world. The Export Enhancement Act makes a few changes to these programs to make sure that the ITA keeps its focus on helping more small businesses export, particularly to underrepresented regions of the world, like Africa, in the most efficient way possible.

Finally, the Export Enhancement Act proposes to make a few changes to the Trade

Promotion Coordinating Committee (TPCC) to insure that the 19 federal agencies that are involved in trade promotion operate more in tandem together.

In conclusion, Mr. Speaker, I encourage my colleagues to support the Export Enhancement Act of 1999.

NATIONAL WEATHER SERVICE

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Mr. WATTS of Oklahoma. Mr. Speaker, I stand before you today to honor the work of the National Weather Service of the National Oceanic and Atmospheric Administration (NOAA). The National Weather Service is essential to the safety of the American people by providing weather, water and climate forecasts and warnings for protection of life and property. We saw that service first-hand in Oklahoma just a short two weeks ago.

Without the warnings by the National Weather Service, the number of personal injury and deaths would undoubtedly have been higher. Warnings by the National Weather Service prompted the closure of roads and highways that lead into the path of the slow-moving tornado, saving an untold number of lives. I have heard countless stories of people who, at the prompting of the National Weather Service warnings, took shelter in the center of their homes or fled their homes for the safety of a storm shelter and survived, while their homes were destroyed. I and numerous other Oklahomans are indebted to the service of the National Weather Service.

Yet the ability the Service demonstrated was not an accident; they have been preparing for times such as this for many years, through planning, training, and research and development. New technologies pioneered by NOAA research allowed warnings to be issued up to 30 minutes before the tornadoes struck in Oklahoma. Contrast this with the 6 minute average lead time before the technology was available. Partnerships forged between the National Weather Service, media, law enforcement officials, and emergency managers, and their seamless response to this disaster was critical to the successful warning process that saved countless lives in Oklahoma.

I applaud the work of the National Weather Service, Mr. Speaker, and support the continued generous funding of the Service through this appropriations process.

A TRIBUTE TO THE BLACK CUBAN FOUNDATION

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 7, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to take this opportunity to commend the Black Cuban Foundation for its decade of service to the Afro-Cuban community in exile. Over the past ten years, it has pursued a goal of improving relations between Afro-Cubans and our varied communities.

The Black Cuban Foundation was founded on July 30th, 1989 and promptly began to promote its important and unique role in Cuban