



July 11, 2023

The Honorable Kay Granger
Chair
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chair Granger and Ranking Member DeLauro:

As the Committee prepares to mark up the Fiscal Year 2024 State, Foreign Operations, and Related Programs Appropriations bill, the U.S. Chamber of Commerce urges you to support full funding for the U.S. International Affairs Budget, including support for the U.S. Export-Import Bank (Ex-Im), the U.S. International Development Finance Corporation (DFC), the U.S. Trade and Development Agency (USTDA), and the National Endowment for Democracy (NED). The Chamber supports strong U.S. leadership in the global marketplace, which fosters trade opportunities that benefit U.S. workers and businesses.

International Affairs Budget (Function 150): The International Affairs budget is critical to creating jobs, saving lives, protecting U.S. diplomats and embassies abroad, and fighting terrorism and the spread of weapons of mass destruction. We strongly support U.S. foreign assistance programs that supply technical advice and build stronger political, legal, and economic policy regimes in developing countries that help these nations to become reliable trading partners.

Today, international trade supports more than 40 million American jobs. Exports already support nearly half of all manufacturing jobs, and one in four acres of American farms is planted for hungry consumers overseas. More than 270,000 small- and medium-sized domestic businesses are exporters, and they account for one-third of all merchandise exports globally. The International Affairs budget and the agencies it supports play a vital enabling role for U.S. companies to tap foreign markets and create jobs and prosperity at home.

The Export Import Bank (Ex-Im): The Ex-Im Bank supplies vital financing and guarantees to help American businesses export. Ex-Im enables U.S. companies large and small to turn export opportunities into real sales that help to support and create U.S. jobs. About 90% of Ex-Im's transactions directly support small businesses and their exports. Far from being a burden on the taxpayer or a subsidy for corporations, Ex-Im charges fees for its services that have generated billions of dollars in revenue for the U.S. Treasury over the past 30 years beyond funds it received in appropriations. Ex-Im's recent reauthorization is helping it to resume this role and aid in economic recovery.

Failure to support Ex-Im would amount to unilateral disarmament in the face of other nations' aggressive trade finance programs. Other countries have set up more than 110 official export credit agencies (ECAs), and they have extended trillions of dollars in trade finance in recent years. Every major trading nation has at least one official ECA; China has three major state financial institutions that fill this role. ECAs in China and many other countries that are not parties to the OECD (Organization for Economic Cooperation and Development) Arrangement on Officially Supported Export Credits supply far more export financing on much more generous terms than Ex-

Im and often support far more financing to domestic exporters as a share of GDP than Ex-Im does. In this context, failure to fund Ex-Im would put billions of dollars in U.S. exports and tens of thousands of American jobs at risk.

U.S. International Development Finance Corporation: The Chamber also supports full funding for the U.S. International Development Finance Corporation, which leverages private capital to finance global development while also advancing U.S. foreign policy goals. The DFC supports equity and debt financing in development projects, supplies political risk insurance, and offers technical development programs relating to sectors such as infrastructure, power generation, healthcare, and agriculture in developing countries. The DFC holds great promise as the United States tries to counter initiatives by some other countries to push a development model based on state capitalism, resulting in heavy debt burdens. The DFC's budgetary impact is minimal as it collects fees, premiums, and interest income to offset appropriations.

U.S. Trade Development Agency (USTDA): USTDA helps companies create U.S. jobs through priority development projects in low- and middle-income countries, which purchase a rapidly growing share of U.S. exports. USTDA does this by funding feasibility studies, technical aid, and pilot projects that integrate the ability and innovation of American companies. Since 1992, its programs have supported more than \$115 billion in U.S. exports. In fact, USTDA now generates an average of \$136 in U.S. exports for every dollar in funding it receives. At a time when there is a bipartisan consensus that the United States must boost exports to support economic opportunities at home, cutting funding for USTDA would cut an essential tool for achieving this critical goal.

National Endowment for Democracy (NED): NED enjoys widespread support from the business community as a cost-effective investment that advances the U.S. national interest abroad in geostrategic and economic ways. NED works on a bipartisan basis in more than 100 countries to help build stable and peaceful democracies. It does so by aiding grassroots organizations in promoting progress toward democracy, often under repressive environments. NED is especially important because it funds programs in countries that federal government agencies cannot reach.

The work of NED and its four core institutes is more relevant than ever today. At a time when authoritarianism is on the rise around the globe, NED's work is vital in pushing back against efforts to undermine the rule of law, human rights, and democratic norms and institutions necessary for local economies to support a fair and competitive commercial environment. The Chamber supports full funding for NED to enhance an important institution that advances America's fundamental values and interests.

Multilateral Development Banks: In addition, the Chamber endorses continued U.S. support and funding for the World Bank (International Bank for Reconstruction and Development as well as the International Development Association), the regional multilateral development banks (MDBs), and the International Monetary Fund. Over the years, these institutions have funded successful programs supplying financing and policy guidance to help developing countries become more reliable trading partners and markets for U.S. exports. This financing comes with rigorous conditions, including requirements to strengthen transparency, promote good governance, and improve the investment climate.

These multilateral institutions provide this financial assistance to developing countries with minimal U.S. investment but significant impact. For example, prior to the recent round of capital increases, the United States had invested only \$2 billion in the World Bank's capital base since its creation in 1944. The U.S. funding has leveraged contributions from other donors, allowing the

World Bank to provide \$500 billion in financing and invaluable expertise to developing countries. The United States plays a leading role in shaping these policies as the largest shareholder at the World Bank and one of the largest at the regional banks. The U.S. is also the primary driver of the current reform of the multilateral development banks, which will deliver additional positive impact for every dollar contributed to these institutions. The Chamber supports full funding for the World Bank and MDBs. The Chamber also supports the proposed U.S. contribution to the IMF's Poverty Reduction and Growth Trust Fund to assist in post-pandemic recovery and supports authorizing the Treasury to loan to the Trust Fund from the Exchange Stabilization Fund.

Bureau of Cyberspace and Digital Policy (CBDP): The Chamber also supports the Cyber Diplomacy Act and the department's newly organized Bureau of Cyberspace and Digital Policy (CBDP). Congressional approval of the CBDP would modernize the private sector's engagement with the department's cyber and digital economy functions that supply key leadership on global diplomatic cyberspace efforts. We also support increased funding for U.S. engagement on international cybersecurity and digital economy issues. The department leads important interagency efforts, including the building of cyber capacity in emerging economies, the promotion of the voluntary U.S. National Institute of Standards and Technology Cybersecurity Framework, the promotion of secure and trusted 5G digital networks and vendors, the alignment of ICT (Information and Communications Technology) global regulatory frameworks, the development of norms of acceptable behavior in cyberspace, and U.S. governments coordinated position on the ongoing United Nations led negotiations for an updated multilateral convention on cybercrime.

The Chamber thanks you for your consideration and urges you to support full funding for these key initiatives as you mark up the Fiscal Year 2024 State, Foreign Operations, and Related Programs Appropriations bill.

Sincerely,



Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce

cc: Members of the House Committee on Appropriations