104TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
104–722

EXPORTS, JOBS, AND GROWTH ACT OF 1996

JULY 30, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GILMAN, from the Committee on International Relations, submitted the following

R E P O R T

[To accompany H.R. 3759]

[Including cost estimate of the Congressional Budget Office]

The Committee on International Relations, to whom was referred the bill (H.R. 3759) to extend the authority of the Overseas Private Investment Corporation, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Exports, Jobs, and Growth Act of 1996".

TITLE I—OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 101. INCOME LEVELS.

Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended in paragraph (2) of the second undesignated paragraph—

(1) by striking "$984 or less in 1986 United States dollars" and inserting "$1,280 or less in 1994 United States dollars"; and

(2) by striking "$4,269 or more in 1986 United States dollars" and inserting "$5,556 or more in 1994 United States dollars".

SEC. 102. CEILING ON INVESTMENT INSURANCE.

Section 235(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(1)) is amended by striking "$13,500,000,000" and inserting "$25,000,000,000".

29–006

SEC. 103. CEILING ON FINANCING.

Section 235(a)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(2)(A)) is amended by striking "$9,500,000,000" and inserting "$20,000,000,000".

SEC. 104. ISSUING AUTHORITY.

Section 235(a)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(3)) is amended by striking "1996" and inserting "2001".

SEC. 105. POLICY GUIDANCE.

Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended in the first paragraph—

(1) by striking "To mobilize" and inserting "To increase United States exports to, and to mobilize";

(2) by striking "of less developed" and inserting "of, less developed"; and

(3) by inserting "trade policy and" after "complementing the".

SEC. 106. BOARD OF DIRECTORS.

Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended—

(1) by striking the second and third sentences;

(2) in the fourth sentence by striking "(other than the President of the Corporation, appointed pursuant to subsection (c) who shall serve as a Director, ex-officio)";

(3) in the second undesignated paragraph—

(A) by inserting "the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and" after "including"; and

(B) by adding at the end the following: "The United States Trade Representative may designate a Deputy United States Trade Representative to serve on the Board in place of the United States Trade Representative."; and

(4) by inserting after the second undesignated paragraph the following:

"There shall be Chairman and a Vice Chairman of the Board, both of whom shall be designated by the President of the United States from among the Directors of the Board other than those appointed under the second sentence of the first paragraph of this subsection.".

TITLE II—TRADE AND DEVELOPMENT AGENCY

SEC. 201. TRADE AND DEVELOPMENT AGENCY AUTHORIZATION.

Section 661(f)(1)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2191(f)(1)(A)) is amended to read as follows:

"(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $40,000,000 for fiscal 1997, and such sums as are necessary for fiscal year 1998.".

TITLE III—EXPORT PROMOTION PROGRAMS WITHIN THE INTERNATIONAL TRADE ADMINISTRATION

SEC. 301. EXPORT PROMOTION AUTHORIZATION.

Section 202 of the Export Administration Amendments Act of 1985 (15 U.S.C. 4052) is amended to read as follows:

"SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Commerce to carry out export promotion programs $240,000,000 for fiscal year 1997 and such sums as are necessary for fiscal year 1998.".

TITLE IV—TRADE PROMOTION COORDINATING COMMITTEE

SEC. 401. STRATEGIC EXPORT PLAN.

Section 2312(c) of the Export Enhancement Act of 1988 (15 U.S.C. 4727) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(3) by adding at the end the following:

"(6) identify means for providing more coordinated and comprehensive export promotion services to, and in behalf of, small and medium-sized businesses; and

"(7) establish a set of priorities to promote United States exports to, and free market reforms in, the Middle East that are designed to stimulate job growth both in the United States and the region.".

SEC. 402. IMPLEMENTATION OF PRIMARY OBJECTIVES.

The Trade Promotion Coordinating Committee shall—

(1) identify the areas of overlap and duplication among Federal export promotion activities and report on the actions taken or efforts currently underway to eliminate such overlap and duplication;

(2) report on actions taken or efforts currently underway to promote better coordination between State, Federal, and private sector export promotion activities, including co-location, cost-sharing between Federal, State, and private sector export promotion programs, and sharing of market research data; and

(3) by not later than September 30, 1997, include the matters addressed in paragraphs (1) and (2) in the annual report required to be submitted under section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)).

SEC. 403. PRIVATE SECTOR DEVELOPMENT IN THE UKRAINE.

The Trade Promotion Coordinating Committee shall include in the annual report submitted in 1997 under section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)) a description of the activities of the departments and agencies of the Trade Promotion Coordinating Committee to foster United States trade and investment which facilitates private sector development in the Ukraine.

I. PURPOSE

H.R. 3759, the "Exports, Jobs and Growth Act of 1996", as amended, would extend the authority for three export assistance agencies: the Overseas Private Investment Corporation (OPIC), the Trade Development Agency (TDA), and the export-related programs of the Department of Commerce's International Trade Administration, (ITA). These authorities will otherwise expire at the end of this fiscal year. The bill also incorporates several recommendations made during hearings conducted by the Subcommittee on International Economic Policy and Trade as well as several provisions debated during the mark up of the bill by the full Committee.

II. BACKGROUND

Testimony from both the private sector and the Administration has verified the importance of these programs in expanding U.S. exports and in bolstering U.S. global competitiveness.

The Committee is convinced that the OPIC, TDA and ITA financing and market development programs are essential in the efforts of U.S. companies to gain and preserve critical market share in overseas markets, particularly in the Big Emerging Markets and the Big Emerging Sectors identified by the U.S. Government's Trade Promotion Coordinating Committee. Without the assistance of such programs, U.S. exporters will be at a significant, and in some cases decisive, disadvantage in competing with foreign companies. This is not because foreign companies have better products or superior productivity, but because the U.S. government export assistance is crucial in countering the intervention and assistance being provided by foreign governments to their companies.

The Committee also notes recent studies concerning the importance of exports to U.S. workers. Studies furnished to the Committee show that firms which export are more likely to stay in business, pay higher wages, provide greater benefits, and create more job opportunities than those firms which sell only into the domestic market. Even by the most conservative measures, exporter productivity is 20 percent higher than for non-exporters.

The bill reflects the export community's broad, strong support for reauthorization. In addition to testimony received over the last year, the Committee has received letters in just the last month from such groups as the Coalition for Employment through Exports, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Foreign Trade Council, the Small Business Exporters Association, the American Consulting Engineers Council, the National Independent Energy Producers, and the US-Russia Business Council.

A more detailed description of the programs and the bill's key provisions follows.

THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

OPIC began operations in 1971, with start up funds of $106 million. It is a wholly owned U.S. government corporation that provides insurance and financing to U.S. companies investing in overseas markets. OPIC's mandate is to facilitate private sector investment in the developing world, to expand U.S. exports and to advance U.S. foreign and domestic policy goals, within certain statutory parameters and guidelines.

During its 25 years of operations, OPIC estimates that is has generated $43 billion in U.S. exports to 140 countries, creating some 200,000 U.S. jobs.

Significantly, OPIC is financially self-sustaining. Years ago it reimbursed the U.S. Treasury for its initial capitalization. Through its own operations it has built up $2.5 billion in reserves to cover its contingent liabilities (including deposits at the U.S. Treasury).

With a net income of $189 million in FY 1995, OPIC is able to cover its expenses and set reserves for its insurance and financial risks through its own earnings.

The exporting community testified that OPIC's insurance and financing programs are essential to U.S. companies which are seeking to expand into newly emerging markets in Asia, Eastern and Central Europe, Latin America and the Middle East. Private sector risk insurance and financing are largely unavailable for these emerging markets.

A February, 1996 independent study mandated by Congress found that the proposal for the privatization of OPIC is not a viable option. It found that the privatization of the agency is likely to cost taxpayers between $500 and $700 million and would cause the elimination of many of its services. The study found that "OPIC has been a consistently strong performer in managing exposures, claims, recoveries and profits".

The bill reflects recommendations by both the exporting community and the Administration that OPIC continue to expand its level of assistance to U.S. companies. The bill provides that the level of OPIC's programs would gradually rise over the next 5 years.

The bill also specifies that OPIC shall operate under U.S. trade policy as well as U.S. foreign policy guidelines and removes the statutory requirement that the AID Administrator also serve as the Chairman of the OPIC Board.

TRADE AND DEVELOPMENT AGENCY (TDA)

The Trade and Development Agency began operations in 1981. It is an independent agency under the direction of the President that funds engineering and feasibility studies for large capital projects overseas, principally in the energy, transportation, communications, environmental, and industrial sectors.

Over time, TDA has proved that by supporting the initial design studies, the U.S. effectively influences the follow-on procurement decisions toward U.S. companies. As a result, TDA estimates that U.S. companies have obtained $29 in new overseas contracts for every dollar invested in TDA activities since 1981. In FY 1995, TDA funded 430 activities in 72 middle-income and developing nations.

Under the bill, TDA's authority would be extended for two years, with the FY 1997 level set at $40 million and "such sums as may be necessary" for FY 1998.

The Committee would urge TDA to give priority to small and medium sized companies in the allocation of its feasibility study grants and to develop written procedures for the authorization of sole source grants.

INTERNATIONAL TRADE ADMINISTRATION EXPORT PROGRAMS

The International Trade Administration's export-related budget primarily covers the work of the U.S. and Foreign Commercial Service. The Commercial Service, with a staff of under 1,300 in 69 countries facilitated an estimated $5.4 billion in 1995 export sales, producing 92,000 new U.S. jobs.

Other ITA export-related programs include the Trade Development office, the International Economic Policy office, and the Secretary's stewardship of the Trade Promotion Coordinating Committee (TPCC). The TPCC, which was created in statute by the committee in 1992, has helped bring greater coordination and effectiveness to export promotion. The bill proposes to reauthorize these activities at the current $240 million level for FY 1997 and "such sums as are necessary" for FY 1998.

The bill also includes two new mandatory elements to the TPCC's government-wide strategic plan for Federal trade promotion efforts, one on identifying means for more coordinated and comprehensive export promotion services to, and in behalf of, small business, and the other on establishing a set of priorities for promotion of U.S. exports to the Middle East designed to fuel job growth and to promote free market reforms in the region.

The Committee is concerned that the TPCC has not fully succeeded in eliminating overlap and duplication in the operation of the government's trade-related agencies. For example, the 1995 TPCC Annual Report did not address the issue of the complete consolidation of all feasibility studies and funding for major overseas projects within the TDA.

The Committee would note that the Agency for International Development, in particular, did not fully cooperate with recommendations in the 1993 and 1994 Annual Reports to transfer feasibility study funding to this agency.

III. Committee Action

The Subcommittee on International Economic Policy and Trade heard testimony on export competitiveness during oversight hearings throughout the past year. The Subcommittee held two hearings specifically on the programs reauthorized in this bill. On February 22, 1996, testimony was heard from the President and CEO of OPIC, the Commerce Department's Acting Under Secretary for International Trade, and the Director of the U.S. Trade and Development Agency. Representatives of the exporting community testified on March 12, 1996. All witnesses strongly endorsed continuation of the agencies' programs.

On June 20, 1996, the Subcommittee met in open session and by voice vote agreed to a Manzullo motion that the Subcommittee approve the draft bill and that it be introduced in the House. On July 9, 1996, H.R. 3759 was introduced by Representative Toby Roth, Chairman of the Subcommittee on International Economic Policy and Trade, with the following cosponsors: Gilman, Hamilton, Gejdenson, Meyers, Manzullo, Bereuter, Johnston, Martinez, and Torricelli. The bill was referred solely to the International Relations Committee.

On July 10, 1996, the Committee on International Relations met in open session to consider H.R. 3759, agreed to an en-bloc Gilman amendment, and by voice vote adopted the Bereuter motion favorably reporting H.R. 3759, as amended, to the Committee of the Whole House.

IV. Rollcall Votes and Amendments and Final Passage

By voice vote, the Committee accepted an amendment by Chairman Gilman making four changes: (1) extending OPIC's issuing authority for an additional year for a total of five years; (2) adding a middle east component onto the statutory requirements for the Trade Promotion Coordinating Committee's strategic plan for U.S. trade promotion efforts; (3) requiring certain Trade Promotion Coordinating activities on improving coordination and reducing overlap and duplication in U.S. export promotion; and, (4) requiring the 1997 TPCC report to include a description of TPCC activities involving the Ukraine.

The Bereuter motion that the bill be reported to the House with the recommendation that the bill, as amended, do pass, was accepted by voice vote.

V. Section-by-Section Analysis

Section 1. Title

This section establishes the title of "Exports, Jobs and Growth Act of 1996".

TITLE I—OVERSEAS PRIVATE INVESTMENT CORPORATION

Section 101. Income levels

This section updates for inflation the country per capita income levels for which OPIC gives preferential consideration (less developed countries) or restricts its activities (higher income developing countries).

Section 102. Ceiling on investment insurance

This section raises the ceiling on OPIC's investment insurance issuing authority from $13.5 billion to $25 billion. As of September 30, 1995, the aggregate amount of outstanding insurance totaled $10.5 billion. OPIC's insurance authority has been increased to meet the growing demand for political risk insurance. The new ceiling of $25 billion would allow the Corporation to operate the investment insurance program at the levels expected through the term of the proposed reauthorization.

Section 103. Ceiling on investment guaranties

This section raises the ceiling on OPIC's investment guaranty issuing authority from $9.5 billion to $20 billion. As of September 30, 1995, the aggregate amount of investment guaranties authorized or committed totaled $4.4 billion. OPIC's annual guaranty authority has been increased to meet the growing demand for OPIC guaranties. The new ceiling of $20 billion would allow the Corporation to operate the investment guaranty program at the increased levels expected through the term of the proposed reauthorization.

Section 104. Issuing authority

This section extends the authority of OPIC to issue investment insurance and guaranties for five years, until September 30, 2001.

Section 105. Policy guidance

This section clarifies that OPIC's activities are to complement and further both the development assistance and trade policy objectives of the United States.

Section 106. Board of directors

This section removes the current requirements that the Administrator of AID serve as Chairman of the Board and the U.S. Trade Representative or his deputy serve as the Vice Chairman of the Board. The President would now have the discretion to designate the persons to fill these two positions, choosing from among the agency officials serving on the Board as well as the President of OPIC.

TITLE II—TRADE AND DEVELOPMENT AGENCY

Section 201. Trade and Development Agency authorization

This section extends the authorization for appropriations for this agency for two more years, until September 30, 1998, at $40 million for fiscal year 1997 and such sums as are necessary for fiscal year 1998.

The Committee does not intend this language to restrict additional funds to be transferred to TDA or TDA from using any funds recouped through its reimbursement ("success fee") program. In particular, the $40,000,000 does not include, nor preclude the anticipated $5,000,000 in transfers to the agency from the Freedom Support Act for activities in the NIS. Other transfers, it is understood, could be provided for such activities as the Bosnia reconstruction program and the transportation initiative in the South Balkans. It is also understood that the funds would be used to support feasibility studies, reverse trade missions, business workshops, technical assistance, training grants, and other project planning tools that TDA provides as strategic assistance to U.S. companies pursuing overseas infrastructure projects.

TITLE III—EXPORT PROMOTION PROGRAMS WITHIN THE INTERNATIONAL TRADE ADMINISTRATION

Section 301. Export promotion authorization

This section extends the authorization for appropriations to the Department of Commerce to carry out export promotion programs for two more years, until September 30, 1998, at $240 million in fiscal year 1997 and such sums as necessary in fiscal year 1998.

In implementing its export promotion activities, the Department should give clear priority to exports from the U.S., as opposed to exports from other countries which contain U.S. content or otherwise contribute to the U.S. national interest in some way. The Committee is concerned that foreign origin goods and services that are exported from facilities that have been relocated from the U.S. with the encouragement of foreign government inducements, may receive export promotion advocacy even where such goods and services compete with goods and services of U.S. origin that continue to be produced and exported directly from the U.S. The Committee does not view such situations as being consistent with the intent of authorizing law. Rather than providing such downstream advocacy, the committee is of the view that export promotion on behalf of foreign goods or services based upon their U.S. content would be better directed to the promotion of the direct export of such U.S. content to the relocated facility.

TITLE IV—TRADE PROMOTION COORDINATING COMMITTEE

Section 401. Strategic export plan

This section adds two requirements to the Trade Promotion Coordinating Committee's government-wide strategic plan for Federal export promotion programs: first, that the TPCC identify means for providing more coordinated and comprehensive export promotion services to, and in behalf of, small- and medium-sized business; and second, that the TPCC establish a set of priorities to promote

U.S. exports to, and free market reforms in, the Middle East designed to fuel job growth in the U.S. and the region.

This provision is designed to improve the coordination of the existing trade promotion and investment activities of OPIC, TDA and the ITA in the region and to develop a comprehensive plan similar to the Big Emerging Market efforts undertaken elsewhere under TPCC direction. The TPCC's annual report to Congress shall describe these elements of the strategic plan and their implementation.

The Committee believes that the U.S. government, through the TPCC, should provide more coordinated and comprehensive export promotion services to, and in behalf of, small- and medium-sized business. The TPCC should have a proactive outreach program for small- and medium-sized businesses, which could include: the creation of a small/medium business internet trade center with a home page with links to key sites and information that would provide a focal point for small business; regular updating of the Federal internet trade-related database; and, development of outreach programs in each state to improve access to information at the local level.

Section 402. Implementation of primary objectives

This section requires the TPCC to identify areas of overlap and duplication among Federal export promotion activities and to report on the actions taken or efforts currently underway to eliminate such overlap and duplication as well as report on the actions taken or efforts currently underway to promote better coordination between state, Federal, and private sector export promotion activities.

Both reporting requirements closely mirror portions of Sections 2312 (c) and (f) of the Export Enhancement Act of 1988 which require the TPCC to develop a strategic plan for Federal trade promotion efforts and to report on such plan each year no later than September 30th. This section is not intended to impose redundant requirements on the TPCC and makes clear that the two issues shall be addressed in the TPCC's fifth annual report. The Committee believes that the TPCC's third annual report did not sufficiently address the issues of overlap and duplication in Federal export promotion activities and coordination between state, Federal, and private sector export promotion activities.

Section 403. Private sector development in the Ukraine

This section requires that the TPCC's 1997 annual report (its fifth) include a description of the activities of the TPCC departments and agencies to foster U.S. trade and investment which facilitates private sector development in the Ukraine. It is the understanding of the Committee that the TPCC's fourth annual report will include such an annex. The Committee wants to ensure that this focus is maintained, due to the importance of private sector development to U.S. economic and foreign policy interests in the Ukraine.

VI. Committee Oversight Findings

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

Among the principal oversight activities which contributed to the Committee's formulation of H.R. 3759 were: extensive hearings and briefings on the current export promotion programs, on the various activities of other countries on export promotion, on other issues pertinent to export promotion that are under the jurisdiction of the Committee and the Subcommittee on International Economic Policy and Trade; and, ongoing consultations between the Committee members and staff and executive branch officials.

VII. Committee on Government Reform and Oversight Findings

No findings or recommendations of the Committee on Government Reform and Oversight were received as referred to in clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives.

VIII. New Budget Authority and Tax Expenditures

The Committee adopts the cost estimate of the Congressional Budget Office, set out below, as its submission of any required information on new budget authority, new spending authority, new credit authority, or an increase or decrease in the national debt required by clause 2(l)(3)(B) or rule XI of the House of Representatives.

IX. Inflationary Impact Statement

In compliance with clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that H.R. 3759 will have no significant inflationary impact on prices and costs in the operation of the national economy.

X. Congressional Budget Office Cost Estimate

In compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and section 423 of Public Law 104–4, the Committee sets forth with respect to H.R. 3759 the following estimates and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Budget Act of 1974 and section 424 of Public Law 104–4:

U.S. Congress,
Congressional Budget Office,
Washington, DC, July 17, 1996.

Hon. Benjamin A. Gilman,
Chairman, Committee on International Relations, House of Representatives, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3759, the Exports, Jobs, and Growth Act of 1996, as ordered reported by the House Committee on International Relations on July 10, 1996.

The bill would not affect direct spending or revenues, and thus would not be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 3759.
2. Bill title: Exports, Jobs, and Growth Act of 1996.
3. Bill status: As ordered by the House Committee on International Relations on July 10, 1996.
4. Bill purpose: The bill would extend through 2001 the authority of the Overseas Private Investment Corporation (OPIC) to enter into new commitments and would increase the statutory limits on OPIC's insurance and financing activities. It would also authorize appropriations for fiscal years 1997 and 1998 for the Trade and Development Agency (TDA) and export programs of the International Trade Administration (ITA). The bill would impose new reporting requirements on the Trade Promotion Coordinating Committee.
5. Estimated cost to the Federal Government: The additional costs resulting from this bill would all be subject to appropriations action and are summarized in the following table.

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION							
Proposed Changes:							
Estimated authorization level	0	405	397	110	127	117	−44
Estimated outlays	0	178	269	166	122	95	92

The costs of the bill fall in budget functions 150 (International Affairs) and 370 (Commerce and Housing Credit).

6. Basis of estimate: The estimate assumes enactment of the bill by September 30, 1996, and appropriation of the authorized amounts. CBO used historical spending rates for estimating outlays.

OPIC insures investments against loss due to expropriation, currency inconvertibility, and political violence. It also finances investments through guarantees and direct loans. OPIC has permanent, indefinite authorization to administer current commitments for insurance and financing. Title I would extend through 2001 OPIC's authority for new commitments, which expires on September 30, 1996. The bill would also roughly double the statutory ceilings on OPIC's insurance activity (from $13.5 billion to $25.0 billion) and financing programs (from $9.5 billion to $20.0 billion).

For 1997–2001, the net budgetary impact of Title I is to increase costs by about $120 million a year over current law. The costs have three parts—the subsidy cost of new financing commitments, the offsetting collections from the insurance program, and the cost of administering the expanded programs. CBO's estimates of these costs are as follows:

CBO anticipates annual new financing commitments of $2.5 billion each year over the 1997–1999 period. Using a subsidy rate of 5 percent, CBO estimates an authorization of subsidy appropriations of $125 million each year. Similarly, at anticipated commitments of $3 billion each year over the 2000–2001 period, CBO estimates an authorization of subsidy appropriations of $150 million each year.

CBO estimates that net income from the insurance program would increase by $3 million in 1997 and by more than $220 million over the 1997–2002 period.

Doubling OPIC's insurance and financing activity would also increase administrative expenses. CBO estimates administrative expenses would increase by $3 million in 1997 and by $100 million over the 1997–2002 period.

The following table summarizes the budgetary impact of Title I.

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION							
Spending Under Current Law:							
Estimated authorization level [1] [2]	−97	−191	−190	−190	−191	−191	−191
Estimated outlays	−111	−128	−140	−172	−188	−190	−191
Proposed Changes:							
Estimated authorization level	0	125	117	110	127	117	−44
Estimated outlays	0	0	27	71	88	90	90
Spending Under the Bill:							
Estimated authorization level [1]	−97	−66	−73	−80	−64	−74	−235
Estimated outlays	−111	−128	−112	−101	−100	−100	−101

[1] The 1996 figure is the amount already appropriated.
[2] Amounts for fiscal years 1997 through 2001 are permanent, indefinite authorizations subject to appropriations action and net of offsetting collections.

The bill would authorize $40 million for TDA and $240 million for ITA's export programs in 1997 and such sums as may be necessary for both agencies for 1998. This estimate assumes a 1998 appropriation equal to the 1997 authorization. (If funding were adjusted for inflation, the authorized amounts would grow to $41 million for TDA and $247 million for ITA's export programs in 1998.) CBO estimates no significant budgetary impact from the additional reporting requirements imposed upon the Trade Promotion Coordinating Committee. The following table summarizes the budgetary impact of these provisions.

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION							
Spending Under Current Law:							
Estimated authorization level [1]	285	0	0	0	0	0	0
Estimated outlays	265	109	41	8	3	1	0
Proposed Changes:							
Estimated authorization level	0	280	280	0	0	0	0
Estimated outlays	0	178	242	95	34	5	2
Spending Under the Bill:							
Estimated authorization level [1]	285	280	280	0	0	0	0

[By fiscal years, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Estimated outlays	265	287	283	103	37	6	2

[1] The 1996 figure is the amount already appropriated.

7. Pay-as-you-go considerations: None.

8. Estimated impact on State, local, and tribal governments: CBO estimates that H.R. 3759 contains no intergovernmental mandates as defined by Public Law 104–4 and would have no impact on the budgets of state, local, or tribal governments.

9. Estimated impact on the private sector: CBO estimates that this bill would impose no private-sector mandates as defined by Public Law 104–4.

10. Previous CBO estimate: None.

11. Estimated prepared by: Federal cost estimate: Sunita D'Monte and Rachel Forward. Impact on State, local, and tribal governments: Pepper Santalucia. Impact on the Private Sector: Amy Downs.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

XI. Jurisdictional Issues

H.R. 3759, as reported by the Committee on International Relations, does not contain provisions which fall within the shared jurisdiction of other committees of the House.

XII. Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FOREIGN ASSISTANCE ACT OF 1961

PART I

* * * * * * *

Chapter 2—Other Programs

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Title IV—Overseas Private Investment Corporation

Sec. 231. Creation, Purpose and Policy.—【To mobilize】 *To increase United States exports to, and to mobilize* and facilitate the participation of United States private capital and skills in the economic and social development 【of less developed】 *of, less developed* countries and areas, and countries in transition from nonmarket to market economies, thereby complementing the *trade policy and* development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the "Corporation"), which shall be an agency of the United States under the policy guidance of the Secretary of State.

The Corporation, in determining whether to provide insurance, financing, or reinsurance for a project, shall especially—

(1) be guided by the economic and social development impact and benefits of such a project and the ways in which such a project complements, or is compatible with, other development assistance programs or projects of the United States or other donors;

(2) give preferential consideration to investment projects in less developed countries that have per capita incomes of [$984 or less in 1986 United States dollars] *$1,280 or less in 1994 United States dollars*, and restrict its activities with respect to investment projects in less developed countries that have per capita incomes of [$4,269 or more in 1986 United States dollars] *$5,556 or more in 1994 United States dollars* (other than countries designated as beneficiary countries under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702), Ireland, and Northern Ireland); and

* * * * * * *

SEC. 233. ORGANIZATION AND MANAGEMENT.—(a) STRUCTURE OF THE CORPORATION.—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

(b) BOARD OF DIRECTORS.—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors ("the Board") which shall consist of fifteen Directors, including the Chairman, with eight Directors constituting a quorum for the transaction of business. [The Administrator of the Agency for International Development shall be the Chairman of the Board, ex officio. The United States Trade Representative shall be the Vice Chairman of the Board, ex officio, except that the United States Trade Representative may designate the Deputy United States Trade Representative to serve as Vice Chairman of the Board in place of the United States Trade Representative.] Eight Directors [(other than the President of the Corporation, appointed pursuant to subsection (c) who shall serve as a Director, ex officio)] shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least two of the eight Directors appointed under the preceding sentence shall be experienced in small business, one in organized labor, and one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than three such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.

The other Directors shall be officials of the Government of the United States, including *the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and* an official of the Department of Labor, designated by and serving at the pleasure of the President of the United States. *The United States Trade Representative may designate a Deputy United States Trade Representative to serve on the Board in place of the United States Trade Representative.*

There shall be Chairman and a Vice Chairman of the Board, both of whom shall be designated by the President of the United States from among the Directors of the Board other than those appointed under the second sentence of the first paragraph of this subsection.

All Directors who are not officers of the Corporation or officials of the Government of the United States shall be compensated at a rate equivalent to that of level IV of the Executive Schedule (5 U.S.C. 5315) when actually engaged in the business of the Corporation and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended, from time to time, while away from their homes or usual places of business.

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SEC. 235. ISSUING AUTHORITY, DIRECT INVESTMENT AUTHORITY AND RESERVES.—

(a) ISSUING AUTHORITY.—

(1) INSURANCE.—The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a) shall not exceed in the aggregate ⟦$13,500,000,000⟧ *$25,000,000,000*.

(2) FINANCING.—(A) The maximum contingent liability outstanding at any one time pursuant to financing issued under subsections (b) and (c) of section 234 shall not exceed in the aggregate ⟦$9,500,000,000⟧ *$20,000,000,000.*

(B) Subject to spending authority provided in appropriations Acts pursuant to section 504(b) of the Federal Credit Reform Act of 1990, the Corporation is authorized to transfer such sums as are necessary from its noncredit activities to pay for the subsidy cost of the investment guaranties and direct loan programs under subsections (b) and (c) of section 234.

(3) TERMINATION OF AUTHORITY.—The authority of subsections (a) and (b) of section 234 shall continue until September 30, ⟦1996⟧ *2001*.

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PART III

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CHAPTER 3—MISCELLANEOUS PROVISIONS

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SEC. 661. TRADE AND DEVELOPMENT AGENCY.

(a) * * *

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(f) FUNDING.—

⟦(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $77,000,000 for fiscal year 1995 and such sums as are necessary for fiscal year 1996.⟧

(1) AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds other-

wise available for such purposes, $40,000,000 for fiscal 1997, and such sums as are necessary for fiscal year 1998.

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SECTION 202 OF THE EXPORT ADMINISTRATION AMENDMENTS ACT OF 1985

[SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to the Department of Commerce to carry out export promotion programs such sums as are necessary for fiscal years 1995 and 1996.]

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department of Commerce to carry out export promotion programs $240,000,000 for fiscal year 1997 and such sums as are necessary for fiscal year 1998.

SECTION 2312 OF THE EXPORT ENHANCEMENT ACT OF 1988

SEC. 2312. TRADE PROMOTION COORDINATING COMMITTEE.

(a) * * *

* * * * * * *

(c) STRATEGIC PLAN.—To carry out subsection (b), the TPCC shall develop and implement a governmentwide strategic plan for Federal trade promotion efforts. Such plan shall—

(1) * * *

* * * * * * *

(4) propose to the President an annual unified Federal trade promotion budget that supports the plan for priority activities and improved coordination established under paragraph (2) and eliminates funding for the areas of overlap and duplication identified under paragraph (3); [and]

(5) review efforts by the States (as defined in section 2301(i)) to promote United States exports and propose means of developing cooperation between State and Federal efforts, including co-location, cost-sharing between Federal and State export promotion programs, and sharing of market research data[.]*;*

(6) identify means for providing more coordinated and comprehensive export promotion services to, and in behalf of, small and medium-sized businesses; and

(7) establish a set of priorities to promote United States exports to, and free market reforms in, the Middle East that are designed to stimulate job growth both in the United States and the region.

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