Thank you, Chairman Reed, Director Bachus and Director Pryor. I am Lauren Fuller, Senior Advisor to the Chairman. First, Chairman Reed, I would like to recognize your leadership in conducting the first-ever public review of EXIM’s important agreement with the Private Export Funding Corporation, referred to as PEFCO. This 50-year, public-private partnership was created in 1970, was renewed once in 1994 for 25 years, and is set to expire on December 31, 2020. In your effort to reexamine how EXIM conducts business, you sought to conduct a thorough review of PEFCO from the beginning of your tenure as Chairman in May 2019, as well as examine the key documents of the relationship to ensure that it fully supports EXIM’s mission to support U.S. jobs by facilitating exports.

In line with your efforts to increase transparency and strengthen taxpayer protections, you convened a public meeting of the EXIM Board of Directors on August 13, 2020, to hear from the public and diverse experts on the issue of PEFCO’s request to renew the EXIM-PEFCO partnership. You impaneled PEFCO staff, PEFCO Board members with fiduciary duties, commercial lenders both large and small, a leading critic of the partnership, and EXIM staff to present their views for EXIM Board consideration. This meeting was the culmination of dozens of meetings internally at EXIM, as well as externally with PEFCO and stakeholders. In addition, you notified and welcomed input from the participating agencies of the National Advisory Council, including U.S. Department of Treasury, U.S. Department of State, U.S. Department of Commerce, Office of Management and Budget, U.S. Agency for International Development, U.S. Trade Representative, and the Federal Reserve Board, and also notified the National Security
Council and the National Economic Council. In addition, you directed staff to notify Congress of PEFCO’s requests. Further, on August 12, 2020, you directed EXIM staff to provide a full briefing to interested congressional staff, including the majority and minority staff of EXIM’s Senate and House authorizing committees. At your direction, congressional Members and staff were invited to attend the August 13th Board meeting to hear from stakeholders directly. More than 100 members of the public, including representatives from at least five congressional offices, attended the virtual Board meeting. At the August 13th Board meeting, you read into the record the August 10, 2020, letter from the EXIM Acting Inspector General Jennifer Fain which reiterated her independent authority to audit, evaluate, inspect and/or investigate any and all allegations involving EXIM’s relationship with PEFCO, ensuring yet another mechanism of oversight. In addition, you welcomed additional public comments at the August 13, 2020, meeting of the EXIM Board of Directors.

Also, you called for a public comment process to examine the benefits or costs of continuing the partnership. The Request to Renew the Partnership with PEFCO was published in the Federal Register for public comment on July 27, 2020 and closed on August 21, 2020 – a 25-day public comment period. In addition, on July 27, 2020, you called for public comment on the PEFCO Request to Increase the Interest on Secured Notes issued by PEFCO with public comment closing on August 21, 2020 – again, another 25-day public comment period. After the conclusion of the public comment periods, the EXIM Board of Directors and National Advisory Council were provided the relevant public comments to weigh those viewpoints ahead of final consideration by the EXIM Board occurring today. EXIM received no comments from National Advisory Council agencies and no comments from the National Security Council or the National Economic Council. Of the 21 comments received between the two Federal Register notices, 15 were relevant to the notice and non-duplicative. Of that number, 12 were supportive of the EXIM-PEFCO partnership or the PEFCO request to increase the interest on the secured notes and 3 were more pessimistic on the benefits of PEFCO or the secured notes. The remaining six comments were either irrelevant or a duplicate of a previously submitted comment. All comments are available for review by the public on the Federal Register website.

You requested that EXIM Advisory Committee members attend the August 13, 2020 meeting, if possible. A subcommittee of the Advisory Committee then met to discuss the usefulness of PEFCO and sent draft recommendations to the full Advisory Committee that await further consideration.

As part of the process, you instructed EXIM staff to engage in a thorough review of PEFCO. This included staff analysis and review by the following offices: Office of General Counsel; Office of Policy and International Relations; Office of the Chief Financial Officer; Office of Congressional and Intergovernmental Affairs; Office of Board Authorized Finance; Office of Small Business; Office of the Program on China and Transformational Exports; and the Office of the Chairman, including review by EXIM’s National Security Advisor. In addition, you directed the Chief Ethics Officer and Chief Risk Officer to determine whether the agreement with PEFCO met all standards of sound board governance and ensured there was no undue risk to the American taxpayer. The Board heard the conclusions reached by the Chief Ethics Officer and the Chief
Risk Officer during the August 13, 2020 meeting of the EXIM Board which support PEFCO reauthorization.

In addition, EXIM staff reviewed more than 100 documents from EXIM’s library and archives from 1969 to the present, including original correspondence of federal agencies that approved of the partnership between 1969 and 1971. Those agencies included the U.S. Department of the Treasury; U.S. Department of Justice, Antitrust Division; the Internal Revenue Service; and the Federal Reserve Board.

EXIM staff reviewed the legislative history which reflected significant congressional interest and activity surrounding PEFCO in the late 1960s and 1970s with less activity between 1980 through 2001. In 2001, Congress expanded PEFCO’s scope by authorizing the sale of Small Business Administration loans to PEFCO in the Small Business Reauthorization Act of 2000. Staff research uncovered no remaining issues of congressional concern.

Similarly, EXIM staff reviewed all PEFCO reports from the Government Accountability Office, or GAO, the research and investigative arm of Congress, and found early activities and reports between 1973 and 1983 but no reviews after that period. EXIM staff also reviewed the PEFCO financial audit reports with regard to the partnership from EXIM’s audit firm KPMG and PEFCO’s audit firm Deloitte and Touche, both of which raised no concerns. Further, EXIM staff reviewed credit rating reports by both Fitch and Moody which continue to rate PEFCO as AAA.

EXIM’s staff analysis focused significant attention on the key documents of the partnership to determine where reforms may be needed. Those documents included the Guarantee and Credit Agreement, the Guarantee Agreement, Bylaws, Standards Operating Procedures and Board governance documents. It is with these documents that EXIM exercises a degree of control in the partnership. It is important to note that EXIM’s Chief Financial Officer attends all meetings of the PEFCO Board of Directors in New York and receives regular reports and audits for EXIM’s review.

On August 25, 2020, you directed a third Federal Register Notice to notify the public of the PEFCO matters the Board would consider on September 8, 2020. Those included (1) Renewal of the Guarantee and Credit Agreement between EXIM and PEFCO; (2) Amendment to the Standard Operating Procedures between EXIM and PEFCO; (3) PEFCO Secured Note Authorization for FY2021; and (4) a Funder Guarantee for Supply Chain Finance Guarantee Program. Those four proposals are listed as Items 2a through 2d today. In addition, you directed the agencies of the National Advisory Council to receive adequate notice. Moreover, you directed staff to consider certain reforms and revisions, all of which will be addressed subsequently by the panel today.

This comprehensive assessment of PEFCO sets the stage for the panelists you will hear today as the EXIM Board deliberates on whether to renew this public-private partnership. With the public comments you received and the thorough and comprehensive EXIM staff analysis, the Board is well positioned to vote on the four items before you for consideration today. In
conclusion, staff believes this process you directed fully reflects your commitment to following the law, upholding EXIM’s congressional mandates, not competing with the private sector, increasing transparency and accountability, and strengthening American taxpayer protections, as well as reinforces your commitment to reform EXIM.

Thank you, Chairman. I would be pleased to answer any questions.
Lauren Fuller serves as Senior Advisor to the President and Chairman of the Export-Import Bank of the United States. She also serves as Acting Senior Vice President, Office of Congressional and Intergovernmental Affairs. As Senior Advisor, she provides guidance on the public policy and legislative affairs, as well as leadership on operations issues.

She previously served as Vice President of Government Affairs with the Academy of Managed Care Pharmacy (AMCP), where she was responsible for planning, formulating, and implementing AMCP’s public policy agenda and working with the management team, board of directors, and 7,000 members.

Fuller also spent 12 years working on Capitol Hill for four Senate and House committees. She served as Chief Investigative Counsel for the U.S. Senate Committee on Health, Education, and Labor & Pensions, Senate Finance Committee, and Senate Special Committee on Aging, as well as the House Committee on Education and the Workforce. Prior to working on Capitol Hill, she practiced law in the private and federal sectors, including the U.S. Commodity Futures Trading Commission and as Administrative Judge for the U.S. Merit Systems Protection Board.

She received her BA and JD degrees from the University of Oklahoma, where she served as an editor on the *American Indian Law Review*. She is a member of the bars of the District of Columbia and Oklahoma, as well as the U.S. Supreme Court. She is a Certified Fraud Examiner (retired), licensed by the Association of Certified Fraud Examiners (CFE), and a Past President and Board Member of the Washington Metropolitan Chapter of CFE. She is a Past President of the D.C. Chapter of the Federal Bar Association and was elected to two one-year terms as Vice
President for the District of Columbia Circuit with responsibility for the Capitol Hill Chapter, as well as the District of Columbia and Pentagon Chapters. She served as an adjunct lecturer at the University of Florida on public policy and government.

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