

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 4863  
OFFERED BY MR. MCHENRY OF NORTH  
CAROLINA**

At the end of the substitute, add the following:

1 **SEC. \_\_\_\_ . PROGRAM ON CHINA AND TRANSFORMATIONAL**  
2 **EXPORTS.**

3 (a) IN GENERAL.—Section 2 of the Export-Import  
4 Bank Act of 1945 (12 U.S.C. 635), as amended by the  
5 preceding provisions of this Act, is amended by adding at  
6 the end the following:

7 “(o) PROGRAM ON CHINA AND TRANSFORMATIONAL  
8 EXPORTS.—

9 “(1) IN GENERAL.—The Agency shall establish  
10 a Program on China and Transformational Exports  
11 to support the extension of loans, guarantees, and  
12 insurance, at rates and on terms and other condi-  
13 tions, to the extent practicable, that are fully com-  
14 petitive with rates, terms, and other conditions es-  
15 tablished by the People’s Republic of China or by a  
16 covered country, that aim to—

17 “(A) directly neutralize export subsidies  
18 for competing goods and services financed by

1 official export credit, tied aid, or blended fi-  
2 nancing provided by the People's Republic of  
3 China or by a covered country; or

4 “(B) advance the comparative leadership  
5 of the United States with respect to the Peo-  
6 ple's Republic of China, or support United  
7 States innovation, employment, and techno-  
8 logical standards, through direct exports in any  
9 of the following areas:

10 “(i) Artificial intelligence.

11 “(ii) Biotechnology.

12 “(iii) Biomedical sciences.

13 “(iv) Wireless communications equip-  
14 ment (including 5G or subsequent wireless  
15 technologies).

16 “(v) Quantum computing.

17 “(vi) Renewable energy, energy effi-  
18 ciency, and energy storage.

19 “(vii) Semiconductor and semicon-  
20 ductor machinery manufacturing.

21 “(viii) Emerging financial tech-  
22 nologies, including technologies that facili-  
23 tate—

1                   “(I) financial inclusion through  
2                   increased access to capital and finan-  
3                   cial services;

4                   “(II) data security and privacy;

5                   “(III) payments, the transfer of  
6                   funds, and associated messaging serv-  
7                   ices; and

8                   “(IV) efforts to combat money  
9                   laundering and the financing of ter-  
10                  rorism.

11                  “(ix) Water treatment and sanitation,  
12                  including technologies and infrastructure  
13                  to reduce contaminants and improve water  
14                  quality.

15                  “(x) High performance computing.

16                  “(xi) Associated services necessary for  
17                  use of any of the foregoing exports.

18                  “(2) COVERED COUNTRIES.—In this subsection,  
19                  the term ‘covered country’ means any country  
20                  that—

21                         “(A) the Secretary of the Treasury des-  
22                         ignates as a covered country in a report to the  
23                         Committee on Financial Services of the House  
24                         of Representatives and the Committee on Bank-

1 ing, Housing, and Urban Affairs of the Senate;  
2 and

3 “(B) is not a participant in the Arrange-  
4 ment on Officially Supported Export Credits of  
5 the Organization for Economic Cooperation and  
6 Development (in this subsection referred to as  
7 the ‘Arrangement’); and

8 “(C) is not in substantial compliance with  
9 the financial terms and conditions of the Ar-  
10 rangement.

11 “(3) FINANCING.—

12 “(A) IN GENERAL.—It shall be a goal of  
13 the Agency to reserve not less than 20 percent  
14 of the applicable amount (as defined in section  
15 6(a)(2)) for support made pursuant to the Pro-  
16 gram on China and Transformational Exports.

17 “(B) EXCEPTION.—The Secretary of the  
18 Treasury may reduce or eliminate the 20 per-  
19 cent goal in subparagraph (A), on reporting to  
20 the Committee on Financial Services of the  
21 House of Representatives and the Committee  
22 on Banking, Housing, and Urban Affairs of the  
23 Senate that the People’s Republic of China is in  
24 substantial compliance with—

1                   “(i) the financial terms and conditions  
2                   of the Arrangement; and

3                   “(ii) the rules and principles of the  
4                   Paris Club.

5                   “(C) SUNSET AND REPORT.—The program  
6                   established under paragraph (1) shall expire on  
7                   September 30, 2026. Not later than 4 years  
8                   after enactment of this subsection, the Presi-  
9                   dent of the Agency shall submit a report to the  
10                  Committee on Financial Services of the House  
11                  of Representatives and the Committee on Bank-  
12                  ing, Housing, and Urban Affairs of the Senate  
13                  assessing the following:

14                  “(i) The capacity and demand of  
15                  United States entities to export goods and  
16                  services in the areas described in para-  
17                  graph (1)(B), as assessed in consultation  
18                  with the Secretary of Commerce.

19                  “(ii) The availability of private-sector  
20                  financing for exports in the areas.

21                  “(iii) The feasibility and advisability  
22                  of continuing the goal of subparagraph (A)  
23                  of this paragraph with respect to para-  
24                  graph (1)(B) after September 30, 2026.

1           “(D) NATIONAL ADVISORY COUNCIL ON  
2           INTERNATIONAL FINANCIAL AND MONETARY  
3           PROBLEMS.—The National Advisory Council on  
4           International Financial and Monetary Problems  
5           shall ensure that Agency authorizations pursu-  
6           ant to the Program on China and Trans-  
7           formational Exports are considered or reviewed  
8           expeditiously, consistent with the other credit  
9           standards required by law.”.

10          (b) REQUIRED REPORTING.—Section 8 of such Act  
11 (12 U.S.C. 635g) is amended by adding at the end the  
12 following:

13          “(I) REPORT ON AUTHORIZATIONS UNDER THE PRO-  
14          GRAM ON CHINA AND TRANSFORMATIONAL EXPORTS.—  
15          The Agency shall include in its annual report to Congress  
16          under subsection (a) a narrative and financial summary  
17          of the authorizations made under the Program on China  
18          and Transformational Exports.”.

19          (c) RULE OF CONSTRUCTION.—Nothing in section  
20 2(o)(1)(B) of the Export-Import Bank Act of 1945 shall  
21 be construed to weaken any export controls affecting crit-  
22 ical technologies (as defined in section 721(a)(6)(A) of the  
23 Defense Production Act of 1950 (50 U.S.C.  
24 4565(a)(6)(A))).

1 **SEC. \_\_\_\_ . CHINESE GOVERNMENT-OWNED ENTERPRISES.**

2 (a) **IN GENERAL.**—Section 2 of the Export-Import  
3 Bank Act of 1945 (12 U.S.C. 635), as amended by the  
4 preceding provisions of this Act, is amended by adding at  
5 the end the following:

6 “(p) **RESTRICTION ON FINANCING FOR ENTITIES**  
7 **OWNED OR CONTROLLED BY THE CHINESE GOVERN-**  
8 **MENT.**—

9 “(1) **IN GENERAL.**—An authorization approved  
10 by the Board of Directors after the effective date of  
11 this subsection may not take effect if a loan, guar-  
12 antee, or insurance is approved for which the end  
13 user, obligor, or lender is a foreign entity that is at  
14 least 25 percent owned, directly or indirectly, by the  
15 government of the People’s Republic of China, un-  
16 less the Secretary of Commerce, based on informa-  
17 tion available to the United States Government, in  
18 consultation with appropriate Federal agencies, com-  
19 pletes a due diligence review and certifies the financ-  
20 ing, in accordance with paragraph (3), in a report  
21 to the Committee on Financial Services of the House  
22 of Representatives and the Committee on Banking,  
23 Housing, and Urban Affairs of the Senate. For the  
24 purposes of identifying whether a foreign entity is at  
25 least 25 percent owned, directly or indirectly, by the

1 government of the People's Republic of China, the  
2 Board of Directors may rely on any of the following:

3 "(A) Information required of or provided  
4 by a party to the transaction.

5 "(B) Any credible publication, database,  
6 web-based resource, or other information com-  
7 piled by any government agency.

8 "(C) Any information collected or compiled  
9 by a nongovernmental organization or other en-  
10 tity provided to or made available to the Bank,  
11 that the Board of the Directors finds credible.

12 "(2) LIMITATION ON FINANCING OF LOCAL  
13 COSTS.—The Agency may not approve financing for  
14 a transaction if more than 15 percent of local costs  
15 with respect to the transaction that are incurred in  
16 the People's Republic of China would be covered by  
17 the financing.

18 "(3) DUE DILIGENCE REVIEW AND REPORT.—  
19 For the purposes of the report described in para-  
20 graph (1), the Secretary of Commerce shall present  
21 the findings of the due diligence review, but may not  
22 provide the certification referred to in paragraph  
23 (1), if—

24 "(A) the foreign entity provides goods,  
25 services, or other material or financial support



1 in connection with any of the following policies,  
2 operations, or entities of the government of the  
3 People's Republic of China:

4 "(i) The People's Liberation Army  
5 and the Ministry of State Security;

6 "(ii) Activities pursuant to the Belt  
7 and Road Initiative (or any successor or  
8 comparable activity of that government);

9 "(iii) The abuse of human rights, in-  
10 cluding the restriction of freedom of ex-  
11 pression and the mistreatment of ethnic or  
12 religious minorities in China; or

13 "(iv) Any other policy or operation  
14 that, in the determination of the President,  
15 may threaten the national interest of the  
16 United States;

17 "(B) the Secretary of Commerce finds that  
18 the transaction would not provide a meaningful  
19 net economic benefit for the United States;

20 "(C) the foreign entity knowingly engages  
21 in the theft of United States intellectual prop-  
22 erty or the illicit transfer of technology from a  
23 United States person;

24 "(D) the transaction described in para-  
25 graph (1) involves the export of critical tech-

1 nologies (as defined under section 721(a)(6) of  
2 the Defense Production Act of 1950) to the for-  
3 eign entity; or

4 “(E) the leadership of the foreign entity  
5 engages in a significant act or acts of corrup-  
6 tion or money laundering, or has committed a  
7 violation of the Foreign Corrupt Practices Act  
8 of 1977, the Arms Export Control Act, the  
9 International Emergency Economic Powers Act,  
10 or the Export Administration Act of 1979.

11 “(4) TIMING AND FORM OF REPORT.—The re-  
12 port described in paragraph (3) shall be submitted  
13 not later than 45 days after approval by the Board  
14 of Directors, except that the Secretary of Commerce  
15 may extend the required time in which to submit the  
16 report by one 15-day period on notifying the Com-  
17 mittee on Financial Services of the House of Rep-  
18 resentatives and the Committee on Banking, Hous-  
19 ing, and Urban Affairs of the Senate that the exten-  
20 sion is necessary. The report described in paragraph  
21 (3) shall be submitted in unclassified form but may  
22 contain a classified annex.

23 “(5) PROCEDURES FOR CHINESE GOVERNMENT-  
24 CONTROLLED ENTITIES.—The requirements of para-  
25 graph (1) shall apply to any foreign entity, notwith-

1 standing the level of ownership by the government of  
2 the People's Republic of China, if the Agency has  
3 reason to believe that the foreign entity is controlled  
4 by the government of the People's Republic of  
5 China.

6 “(6) EXEMPTION.—Paragraphs (1) and (2)  
7 shall not apply to the following if—

8 “(A) financing would enable exports di-  
9 rectly by United States small business concerns;

10 “(B) financing is required for the export of  
11 humanitarian goods or services, including life-  
12 saving, rescue, and medical equipment (such as  
13 ambulances, firefighting vehicles, hospital sup-  
14 plies, and medical devices); or

15 “(C) financing is required for water or  
16 power projects in sub-Saharan Africa that are  
17 not projects of the Belt and Road Initiative (or  
18 a successor or comparable initiative of the Chi-  
19 nese government).

20 “(7) PRESIDENTIAL WAIVER.—The President  
21 may waive any requirement of paragraph (1) or (2)  
22 for up to 1 year at a time, on reporting in writing  
23 to the Committee on Financial Services of the House  
24 of Representative and the Committee on Banking,  
25 Housing, and Urban Affairs of the Senate that the

1 waiver is essential to the national interest of the  
2 United States, with a detailed explanation of the  
3 reasons therefor.”

4 (b) SUNSET.—The amendment made by subsection  
5 (a) shall have no force or effect on and after the earlier  
6 of—

7 (1) the date that is 30 days after the Secretary  
8 of the Treasury submits a report to the Committee  
9 on Financial Services of the House of Representa-  
10 tives and the Committee on Banking, Housing, and  
11 Urban Affairs of the Senate certifying that the Peo-  
12 ple’s Republic of China is in substantial compliance  
13 with—

14 (A) the financial terms and conditions of  
15 the Arrangement on Officially Supported Ex-  
16 port Credits of the Organization for Economic  
17 Cooperation and Development; and

18 (B) the rules and principles of the Paris  
19 Club; or

20 (2) the date that is 30 days after the President  
21 of the United States Export Finance Agency reports  
22 to the Committee on Financial Services of the House  
23 of Representatives and the Committee on Banking,  
24 Housing, and Urban Affairs of the Senate that the  
25 Board of Directors of the Agency has voted in favor

1 of terminating the requirement for a certification in  
2 section 2(p)(1) of the Export-Import Bank Act of  
3 1945, except that the Board of Directors may not  
4 hold such a vote before the date that is 5 years after  
5 the date of the enactment of this Act.



