

The Make More in America Act

The *Make More in America Act* provides new investment and government capabilities to help break the cycle of global supply chain shocks that is crushing the American people. This legislation will ensure we are able to make here at home more of the products and technologies that America relies on while ensuring American workers make more in pay and benefits building those industries.

Year after year, Americans have suffered through price increases and product shortages because of global supply chain crises. The country's response to COVID-19 was weakened by shortages in ventilators and personal protective equipment. The COVID-19 era featured major price increases on cars, household appliances, and electronics due to a supply chain shock in semiconductor chips. The Russian invasion of Ukraine brought significant global price increases, driving up costs for energy, food, and agricultural inputs. These price increases are now replicated in a major way with the Iran war's closure of the Strait of Hormuz. The Chinese Communist Party (CCP) has also made clear their national strategy to weaponize our dependence on China for rare earths and magnets, among other products our economy relies on. The CCP is aggressively trying to dominate critical industries through big investments in science and manufacturing, as well as continued unfair trade practices. America is vulnerable to price increases and supply chain crises if we fail to take real action to reindustrialize.

After World War II, the United States made a series of investments to become the unequivocal global leader in building new industries, to the benefit of American prosperity and security. However, in recent decades, American manufacturing was offshored, resulting in the loss of millions of jobs and creating dependence on foreign manufacturers, often in China. During this time, we also saw the hollowing out of government's ability to partner with the private sector on investments to serve the national interest—like what was achieved with the Apollo Mission to the moon and DARPA's early invention of the internet that had spillover innovations that shape our everyday world today.

The swift development and deployment of the COVID-19 vaccine through Operation Warp Speed and the reshoring of semiconductor manufacturing through the CHIPS and Science Act are meaningful recent examples of the U.S. taking comprehensive, coordinated, concerted action to solve supply chain challenges that threaten the American people. These show what is possible when we invest in the government's capacity to work with the private sector to solve vexing problems. The current crisis in costs, security, and good jobs is a wakeup call that requires urgent, comprehensive action once again.

The Export-Import Bank of the United States (EXIM) can play a much more strategic role in supporting this urgent national need. The *Make More in America Act* expands EXIM's focus on catalytic and scale-up capital and enhances its strategic capabilities, offering new tools to support American manufacturing and increase the resilience and competitive edge of the country.

This legislation builds on previous efforts by Congress to direct EXIM to counter China's industrial strategy, creating the Program on China and Transformational Exports (CTEP) to help U.S. exporters compete with China in certain areas deemed highly strategic, including artificial intelligence, biotechnology, renewable energy, semiconductors, and quantum technology. In addition, in 2022, EXIM's Board of Directors with a unanimous vote launched the Make More in America (MMIA) Initiative to support "export-oriented domestic manufacturing projects," EXIM's support to help expand domestic manufacturing that is important to the nation's security and economic growth.

CORE PROVISIONS OF THE *MAKE MORE IN AMERICA ACT*

- **Expanded EXIM Mission, Investment, and Capacity:**
 - Expands EXIM's overall mandate to span development, commercialization, and production to address capital market failures in industries where U.S. industrial capacity and innovation is in the national interest.
 - A broader capital toolkit is authorized: loans, guarantees, grants, cooperative agreements, offtake agreements, price insurance and other insurance facilities, advanced payments, and other transaction authority to provide flexibility for government to work with the private sector on responding to varied industrial needs of the country.
 - The renewable energy and energy storage exporting goal of EXIM is increased from 5% to 10% to expand growth opportunities for American energy.
 - New hiring authorities are provided to build up the capacity of the agency for tackling the nation's industrial priorities.

- **Establish the Make More in America Program:**
 - The Make More in America Program is made permanent with a 30% overall EXIM portfolio goal to support expansion in the U.S. of manufacturing companies of all sizes, including startups.
 - Support is targeted at strategic industries in which there is evidence of subsidies or production support by other countries that creates an overreliance, foreign chokepoints, or other risks for U.S. supply chains
 - The program will support American manufacturing expansion in industries of national interest, including the CTEP focus areas of artificial intelligence, biotechnology, quantum technology, energy, and semiconductors.
 - The *Make More in America Act* also focuses on critical minerals, shipbuilding, robotics, drones, fusion technology, and batteries, among other industries that are important to lowering costs for the American people and strengthening U.S. resilience, competitiveness, and security.
 - EXIM is directed to expand coordination with commercial lenders for the Make More in America program through establishing a delated lender program and increasing federal guarantee coverage of loans made by participating commercial lenders.

- **Uses of Make More in America Funds:**
 - Through the Make More in America Program, EXIM would provide investment to support manufacturing projects in America.
 - Funds may be used for activities related to development, commercialization, or domestic production, including support for workforce development, building or expanding a facility, or site development.

- **Support for Good Jobs Across the Country:**
 - Projects supported by the Make More in America Program must demonstrate support for American jobs and include commitments to investing in workers and communities associated with the project, including through training and education benefits provided by the recipient of funds.

- More favorable terms for an award may be given to projects located in distressed communities or projects that create higher wage jobs.
 - Applicants that have 100 employees or more must certify they will not abrogate existing collective bargaining agreements and remain neutral in union organizing for the duration of the project and two years after support is given.
 - Prevailing wage is required for construction activities in supported projects.
- **Protection of Taxpayer Funds:**
 - Make More in America Program funds cannot be used to repay debts incurred by the funding recipient before the disbursement of the support or for stock buybacks.
 - Funds may be clawed back if projects are not started and completed by agreed upon dates, with a waiver process to provide flexibility. Funds may also be clawed back if prevailing wage requirements are not met.
- **American Workers Make More Money, Not Government Officials:**
 - Senior officials in the Executive Branch, Members of Congress, and immediate family are barred from receiving EXIM support to ensure EXIM is using taxpayer funds to benefit the national interest, not the financial interests of government officials.
- **Improved Ability to Deploy Investment:**
 - The current 2% EXIM default rate ceiling is too limiting to adequately deploy much-needed capital to drive U.S. exports and manufacturing.
 - This bill would increase the default rate with three separately tracked portfolios: 4% for traditional export credit, with a limit of 2% for oil and gas projects, and 10% for MMIA and CTEP.
- **Build Cross-Government Capacity for Industrial Investment:**
 - A new interagency Investment Committee, co-chaired by EXIM and the National Economic Council, will develop and implement a strategic roadmap of technology areas and priorities for public sector investment to strengthen domestic innovation and industrial capacity.
 - Missions of national interest will be identified to focus public sector investment and cross-sector coordination to improve the lives of the American people through greater capacity in innovation, production, deployment, lower costs, and problem-solving.

ENDORISING ORGANIZATIONS

AFL-CIO, American Alliance for Biomanufacturing, AUVSI, Employ America, Federation of American Scientists, Information Technology and Innovation Foundation (ITIF), International Association of Machinists and Aerospace Workers (IAM Union), SCSP Action Program, LLC, United Steelworkers