

September 26, 2002

Opening Statement for Congressman Paul E. Gillmor
House Financial Services Committee, Full Committee Markup, HR 5400
North American Development Bank

I would like to thank Chairman Oxley for scheduling this markup and allowing for consideration of HR 5400, an important piece of legislation authorizing the President to make changes to the North American Development Bank (NAD) charter.

The NAD Bank is intended to provide important access to financing for environmental infrastructure projects in the US-Mexico border region. However, since its establishment under the North American Free Trade Agreement (NAFTA), the Bank's overall performance has been inadequate. It has approved only \$23.5 million and disbursed only \$11 million in loans to projects despite its \$405 million in authorized paid-in capital and total lending capacity.

I applaud Mr. Bereuter's hard work in the International Monetary Policy and Trade Subcommittee on this issue and feel HR 5400 mandates the appropriate reforms to fix the NAD Bank's current problems.

This legislation incorporates the resulting proposals from an agreement made at the UN Development Conference between President Bush and President Fox of Mexico to improve the effectiveness of the NAD Bank, with important additional reporting requirements to strengthen congressional oversight.

I look forward to the swift passage of HR 5400 this morning and prompt full House of Representatives consideration.