

July 30, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave., N.W.
Washington, DC 20230

RE: Recommendation on Bundling Export Financing with U.S. Environmental Technology Offerings to Increase American Competitiveness

ETTAC Recommendation 2025-2

Dear Mr. Secretary:

The Environmental Technologies Trade Advisory Committee (ETTAC), established under the Department of Commerce, is pleased to respond to your letter of April 18, 2025, and provide this formal recommendation to strengthen U.S. environmental technology exports. As the Administration advances its economic security and trade priorities, we urge a strategic shift to integrate U.S. export financing more effectively with technology offerings in global markets.

Background

The United States is home to many of the world's most innovative environmental technology companies—delivering high-value solutions in air and water quality, waste management, infrastructure resilience, and monitoring systems for extreme weather and environmental hazards. Despite the technical superiority of these solutions, U.S. companies often face disadvantages in international markets, particularly in developing economies, where governments increasingly expect complete, turnkey packages—technical solutions bundled with attractive and ready-to-execute government supported financing. Nothing fits more appropriately into an “America First” agenda than a redesign of U.S. export financing to enable our companies to compete in these circumstances.

American exporters, for now must secure a buyer interest before initiating often-complex, time-consuming engagement with federal financing entities, such as the Export-Import Bank (EXIM), the U.S. International Development Finance Corporation (DFC), and others. In contrast, major foreign competitors (e.g., China, Finland, France, Germany, Japan, and South Korea) approach international buyers with fully bundled offerings: a defined solution, project development assistance, and government-backed financing—often coordinated through a single, government-facilitated channel. This lack of a bundling strategy significantly hampers U.S. competitiveness in foreign procurement processes.

Recommendations

The ETTAC recommends that the Department of Commerce initiate a government-wide approach to bundling export financing with U.S. environmental technology solutions in a manner that is competitive, timely, and strategic. Specifically, we urge the following actions:

1. **Convene an Interagency Export Bundling Task Force.** ITA should lead coordination with Export-Import Bank (EXIM), the Development Finance Corporation (DFC), the U.S. Trade and Development Agency (USTDA), and the State Department, to develop a “one-stop-shop” approach for high-priority environmental and economic projects. This action should leverage current interagency processes including the Environmental Trade Working Group (ETWG) and engage the ETTAC.
2. **Redirect program leaders at embassies and trade missions to integrate finance efforts.** We urge ITA to coordinate with and ensure Commercial Service and other agency staff at U.S. embassies and missions to support U.S. companies and advocate for finance bundling opportunities. These staff would serve as experts on available financing services and in-country procurements.
3. **Develop an “America First Export Infrastructure Package.”** The interagency task force should pull together a comprehensive, integrated finance package, which is competitive with turnkey environmental and broader U.S. technology offerings, where U.S. firms present complete proposals that include EXIM- and/or-DFC –backed financing, USTDA-funded feasibility support, and capacity-building.
4. **Modernize and align EXIM’s domestic content requirements.** U.S. policies should be updated to maximize U.S. competitiveness (e.g., allowing up to 50% non-U.S. content for key infrastructure and environmental projects) to enable global consortium participation while maintaining U.S. leadership, providing flexibility for U.S. offerings, including labor and services.
5. **Expand use of letters of interest and conditional financing.** The package should be consistent with the approaches from EXIM and DFC to allow exporters to present credible financing options at the outset of international procurements.
6. **Increase targeted concessional financing.** The package should include a larger focus on concessional approaches via DFC or mixed-use aid instruments to enhance competitiveness in markets where others offer long-term, low-interest credit.
7. **Launch a public-private export acceleration platform.** This would match U.S. companies with coordinated federal support, better leveraging existing programs like ITA’s U.S. Commercial Service Gold Key programs, and highlighting competitive “bundled” offers in high-opportunity markets identified in the ITA’s Top Markets report.

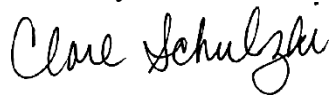
These steps would support U.S. exporters to lead in global markets with their solutions that are technically superior and commercially compelling by combining technology, service, and finance in one integrated proposal that can be accelerated and delivered utilizing existing authority. These actions will help create a more equitable competitive environment as U.S. companies compete with foreign financing and export assistance practices.

Conclusion

ETTAC appreciates the Administration’s efforts to grow environmental exports and welcomes the opportunity to work with the Department of Commerce to implement this critical recommendation. We believe that empowering the U.S. government to bundle financing with environmental technologies and other sectors will significantly enhance U.S. businesses’ global competitiveness, create U.S. jobs, and support our partners’ infrastructure and public service goals.

We suggest a joint meeting with the ETWG agencies and the ETTAC as an important first step and stand ready to support the Department in developing and advancing this initiative.

Sincerely,

A handwritten signature in black ink that reads "Clare Schulzki". The signature is written in a cursive, flowing style.

Clare Schulzki
ETTAC Chair

Cc: Secretary of State Marco Rubio
EXIM Acting President and Chairman James Cruse
DFC Acting CEO Dev Jagadesan
USTDA Acting Director Thomas R. Hardy

Appendix 1 – Additional Background and Examples

Competitive Practices of Other Exporting Nations

Countries such as China, France, Germany, and Korea integrate export finance with public agencies that co-develop and deliver turn-key solutions. For example:

- China’s policy banks, which subsidize exports in contravention of OECD rules, provide massive export financing via state-owned banks bundled directly with project execution—frequently within Belt and Road Initiative (BRI) frameworks.
- Météo-France International, a commercial arm of the French government, presents weather and monitoring systems to developing countries with pre-arranged financing from the French Treasury and Bpifrance. The buyer receives one contract covering design, equipment, training, and financing.
- Germany’s KfW and Euler Hermes operate with German exporters, allowing them to provide fixed-rate loans with export credit guarantees, often pre-packaged as part of initial proposals.
- South Korea’s KEXIM proactively supports Korean EPC bids by providing pre-arranged financing tied to project delivery, often through government-to-government agreements.

These approaches provide foreign suppliers with a material advantage in global competition for infrastructure and technical system deployments, enabling them to more swiftly and actively engage these markets. By contrast, U.S. companies often require buyers to undergo complex and protracted financing processes themselves—limiting our competitiveness, especially in low- and middle-income markets, and increasing the transaction costs of participating.

Challenges in the U.S. Approach

Despite the valuable work of EXIM, DFC, and USTDA, U.S. export financing is frequently:

- Unbundled from the solution offering, requiring separate buyer action to initiate financing
- Burdened by restrictive domestic content requirements, limiting EXIM support for projects with mixed-sourced components
- Slower in execution, with approval timelines that lag competitors and may miss procurement deadlines, and
- Subject to an uneven playing field with other countries which negotiate bilateral agreements with trading partners, non-tender-based, not based on price
- Limited in concessionality, especially relative to financing from countries like those above, making U.S.-financed offerings less attractive to capital-constrained nations.

Addressing these limitations will support U.S. job growth and technology advancement, enhancing our ability to support allied nations in their efforts to address urgent needs around infrastructure, public health, and resilience against extreme weather.