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"Ending Supply Chain Dependency: Aligning Tools, Capital, and Partnerships"

Chairman Mast, Ranking Member Meeks, and distinguished members of the Committee, thank you for inviting me to testify. Since its founding in 2004, Millennium Challenge Corporation (MCC) has enjoyed strong bipartisan backing, and we deeply value your support as we unlock growth and drive returns for the American people.

For more than two decades, MCC has delivered results through large, time-limited compacts that drive economic growth and reduce poverty while opening new markets, boosting trade, and creating opportunities for American businesses. MCC works only with countries that meet rigorous eligibility criteria and align with the economic and national security interests of the United States, ensuring accountability and a strong return on investment for the American people. By combining strategic infrastructure and by advancing policy reforms to address systemic constraints to economic growth, MCC creates new markets for U.S. exporters, builds preferences for U.S. standards and services, and demonstrates that America is the partner of choice.

Unlocking Economic Growth

MCC's timebound programs are designed to help countries achieve strong economic growth, build necessary infrastructure, and align policy and institutions to catalyze private sector investment. In doing so, MCC helps decrease countries' future dependence on assistance. These programs are delivering on the Administration's America First priorities by generating returns for the American economy through three main channels: creating American private sector opportunities, strengthening American exports, and securing critical American supply chains.

MCC is expanding opportunities for U.S. business by engaging firms earlier to understand barriers to investment and by creating the conditions that enable them to compete and grow. To support exports, MCC is addressing key regulatory barriers to American competitiveness in emerging markets. Meanwhile, MCC is helping to secure greater access to raw materials key to domestic manufacturing, including critical minerals, while also helping to support U.S.-sourced infrastructure projects and policy reforms that enhance U.S. economic and national security interests.

Against this backdrop, 2026 has been a productive year for MCC.

In December 2025, MCC's Board of Directors expanded MCC's presence in the Western Hemisphere, selecting Bolivia and Guatemala to develop threshold programs and Ecuador to develop a compact. Aligned with the National Security Strategy, these programs will be essential to increase investment in strategic sectors and promote prosperity and security in countries close to home.

In March, MCC completed a $462 million water security compact in Mongolia ($350 million from MCC and $112 million from the Government of Mongolia) that will increase the water supply in Ulaanbaatar by up to 80 percent, critical in a capital that has tripled in size in recent decades. The compact built a large wastewater recycling plant to service industry as well as an advanced water purification plant, leveraging leading technology manufactured in Florida. Beyond construction, Mongolia passed key policy reforms such as increasing water tariffs, to ensure the sustainability of the sector and protect MCC's investment.

In June, MCC's Board approved a threshold program for the Philippines. The $60 million energy security program focuses on lowering barriers to private investment in the energy sector, opening opportunities for U.S. technology in smart grids and generation, and professionalizing the management of public utilities. Additionally, the program includes funding to facilitate collaboration with the U.S. International Development Finance Cooperation (DFC) and strengthens the foundation for other U.S. government and private sector initiatives in the Philippines, including the U.S.-backed Luzon Economic Corridor.

Finally, MCC continues to innovate as it deploys infrastructure and policy reforms. For example, the Senegal Energy Compact, which was signed during President Trump's first Administration, installed the first-ever undersea high-voltage transmission cable in West Africa while unlocking private sector investment. The compact is modernizing the electricity grid, expanding access, and diversifying energy sources to leverage the country's growing oil and gas sector. In doing so, MCC is addressing key barriers cited by over 50 American firms operating in Senegal, including DFC-backed Contour Global as well as a multibillion Kosmos Energy LNG project.

Aligning Critical Supply Chains Priorities

Beyond program milestones, MCC is prioritizing key sectors, including those that strengthen U.S. supply chains critical for domestic manufacturing and diminish the strategic leverage of adversaries. By reducing barriers to U.S. business investment in sectors overseas that are strategic to U.S. economic and national security goals, creating new markets for American goods and services, and promoting pro-growth reforms, MCC makes America more prosperous.

More than $1.3 billion of MCC's current portfolio directly and indirectly contribute to U.S. critical minerals objectives, primarily through infrastructure in the energy, land, transportation, and port sectors that enable mineral extraction, processing, and exports in countries with significant reserves. By pairing infrastructure investments with policy and regulatory reforms in challenging operating environments, MCC strengthens U.S.-linked value chains, improves access to strategically important minerals, and advances U.S. national security and economic interests.

For example, in Mozambique, MCC's compact is helping strengthen critical mineral supply chains linked to U.S. manufacturing; the planned road investments along the Nacala Corridor will improve graphite transport, supporting downstream battery processing in Louisiana. In Zambia, key compact road segments will facilitate the shipment of critical minerals by U.S. mining companies to the United States and other western markets and strengthen the U.S.-backed Lobito Corridor. A series of mining reforms such as modernizing Zambia's land cadastre, strengthening governance of its Minerals Resource Commission, and improving access to geophysical and geological data will create confidence for investors.

MCC is uniquely able to deliver large-scale infrastructure to key partners. By funding high-quality road and port infrastructure and energy sector investments—coupled with policy reforms and know-how that assure their maximum effect—MCC provides a transparent alternative to China's Belt and Road Initiative, which often leaves countries burdened with unsustainable debt and low-quality infrastructure. MCC is currently working with seven country partners in the Asia-Pacific region, including a compact program with Fiji and threshold programs with the Philippines, Solomon Islands, Tonga, and Kiribati. Amid growing Chinese interest in the Pacific islands, MCC's partnerships strengthen relations with these island nations and represent a substantial U.S. government presence in these countries. In an era of intensifying competition, MCC programs are strategic assets that diminish the leverage of U.S. adversaries by providing transparent, sustainable grant funding that allows partner countries to strengthen their economies without becoming dependent on rivals.

In sum, MCC has a 22-year track record of effectively building infrastructure and pursuing reforms in countries of strategic importance to the United States, generating opportunities both here at home and abroad. With a time-limited and transparent approach, MCC promotes self-reliance and creates the conditions necessary to catalyze private-sector-led economic growth.