

February 14, 2012

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

In order to prevent the loss of U.S. jobs to our foreign competitors, we write to ask you to approve as quickly as possible a four-year reauthorization for the Export-Import Bank of the United States (Ex-Im) that also sufficiently increases its lending cap. Ex-Im's temporary reauthorization will expire on May 31, and failure to reauthorize its operations at an internationally competitive level would seriously disadvantage U.S. companies—small and large—in foreign markets, potentially resulting in the loss of thousands of U.S. jobs.

Ex-Im has a proven record of success, and the myths questioning its need and effectiveness have no basis in fact. Far from being a burden on the taxpayer, Ex-Im turns a profit for the American taxpayer. Since 2005, Ex-Im has returned more than \$3.4 billion to the Treasury above all costs and loss reserves, including \$700 million in FY 2011 alone.

Nor does Ex-Im only help big business. In fact, small businesses account for 87% of Ex-Im's transactions; further, these small business transaction figures are in addition to the tens of thousands of small and medium-sized businesses that supply goods and services to large exporters. In FY 2011, Ex-Im provided more than \$6 billion in financing and insurance for U.S. small businesses — an increase of nearly 90% since FY 2008. Ex-Im has set the goal of providing \$9 billion in annual small-business export financing and adding 5,000 new small businesses to its portfolio by 2015.

Another myth holds that Ex-Im competes unfairly with private financial institutions. In fact, Ex-Im covers critical gaps in financing for U.S. exports to developing countries where commercial-bank financing is unavailable or insufficient. Ex-Im also acted to fill the void when the availability of private-sector trade finance fell by 40% during the 2008-2009 financial crisis. In the aircraft sector, a new 2011 multilateral agreement doubled the fees for export credit financing, thereby addressing the concern that some export credit financing was below market rates.

Ex-Im lending exposes the taxpayer to very little risk. Borrowers have defaulted on less than 2% of all loans backed by Ex-Im since its inception in 1934, a default rate lower than commercial banks. Ex-Im loans and guarantees present very low risks because they are backed by the collateral of real goods for which a buyer has already been found and a price has been agreed. As a result, Ex-Im poses none of the risks to taxpayers that, for instance, government-sponsored enterprises in the housing sector ultimately did.

Failure to reauthorize Ex-Im would amount to unilateral disarmament in the face of other nations' aggressive trade finance programs. For example, the export credit agency in Canada has extended three times as much export financing as Ex-Im; Japan more than five times; and China an estimated eleven times. Failure to reauthorize Ex-Im will put billions of dollars in U.S. exports and thousands of American jobs at risk.

Ex-Im enjoys incredibly broad support from both small and large American companies, as evidenced by the signatures below. It also has historically received broad support from both Democrats and Republicans in Congress; Ex-Im was last reauthorized on a voice vote in the House and by unanimous consent in the Senate in 2006.

With economic growth and job creation the top priorities for the United States, Ex-Im has an important role to play. In FY 2011, Ex-Im supported export sales that created or sustained approximately 290,000 U.S. jobs at over 3,600 companies. With unemployment still high, now is not the time to put these jobs at risk.

We strongly urge you to approve legislation to reauthorize the Export-Import Bank of the United States within the next few weeks.

Sincerely,

Aerospace Industries Association  
Association of Equipment Manufacturers  
Business Roundtable  
Coalition for Employment through Exports  
Emergency Committee for American Trade  
Information Technology Industry Council  
National Association of Manufacturers  
National Foreign Trade Council  
National Small Business Association  
Nuclear Energy Institute  
Small Business Exporters Association  
TechAmerica  
U.S. Council for International Business  
U.S. Chamber of Commerce