

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

June 10, 2015

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

As you know, the charter of the Export-Import Bank of the United States (Ex-Im Bank) is set to expire on June 30, 2015. We urge you to continue to work aggressively with congressional leadership to ensure that the Bank is reauthorized before that impending deadline.

If the Bank is not reauthorized, a set of critical tools will be taken out of the arsenal of U.S. exporters. The Bank will no longer be able to provide loan guarantees to foreign purchasers of U.S. goods and services. Nor will it be able to provide working capital guarantees or trade credit insurance, products utilized by thousands of American small- and medium-sized exporters. Meanwhile, our foreign competitors would continue to access export credit financing through the eighty-five other export credit agencies around the world, placing American businesses and workers at a distinct disadvantage. Should the United States unilaterally disarm by failing to reauthorize the Ex-Im Bank, significant U.S. export opportunities and the hundreds of thousands of good-paying U.S. export-based jobs will be placed at risk.

As members of the President's Export Council (PEC), we know that a shutdown of the Ex-Im Bank will result in a real and negative impact on our still-fragile economic recovery, our industrial base, and our leadership position in the world. Negative developments already observed include:

- U.S. companies that use Ex-Im Bank's working capital guarantees are increasingly reluctant to bid on new work for fear that they will lack the capital to follow through.
- U.S. companies that depend upon the Bank's short-term insurance program—which is the most popular financing program offered by the Bank—are facing lost sales and layoffs if they are unable to extend payment terms to their overseas customers. And, private sector insurance options are frequently unattainable for small businesses with short exporting track records, which is why they turn to the Bank in the first place.
- U.S. exporters both small and large are being forced to explore options for maintaining their competitiveness in a world without the Bank. For some, that includes potentially moving production out of the United States to a foreign country that provides export credit financing. Such production shifts would have a negative and disproportionate impact upon small supply chain companies as procurement would also be likely to move abroad.

For the many small U.S. exporters that need working capital guarantees and trade credit insurance to grow and add jobs, the Bank's closure would mean that they could no longer be able

to export; indeed, some have stated that they will likely go out of business if they can no longer compete internationally. For large exporters, major business opportunities also would be at risk, especially those for large capital goods and high-tech products that typically require long-term or complex financing packages. Importantly, and as noted earlier, what affects large companies in turn affects numerous small and medium size companies that make up their U.S. supply chains.

These negative implications for the United States are based on the business community's real life experiences competing in global markets and the feedback it is receiving from customers around the world. Policies that promote economic isolationism will undermine U.S. competitiveness and ultimately cost U.S. jobs, while adversely affecting our industrial base.

The private sector members of the PEC offer the following recommendations regarding Ex-Im Bank:

1. The Administration and the United States Congress should conclude a long-term Ex-Im Bank reauthorization before June 30, 2015. Specifically, the Administration and the United States Congress should provide a reauthorization of five-year duration to provide U.S. works, exporters and buyers of U.S. goods and service with certainty and continuity in business transactions;
2. The Administration and the United States Congress should consider raising the Bank's exposure cap in order to allow the Bank to meet foreign competition;
3. The Administration should nominate, and the United States Senate should confirm, the remaining nominees for vacancies on the Ex-Im Board of Directors as expeditiously as possible to ensure a full-strength Board;
4. The Administration should regularly review and encourage operational reforms, beyond those already implemented from the 2012 reauthorization, in Ex-Im's programs, such as revitalizing the Medium-Term Delegated Authority Program, so that the Bank can support U.S. exporters on a competitive basis;
5. The Administration and the United States Congress should direct Ex-Im to continue to improve access to export credit financing for small and medium-sized enterprises (SMEs) with the goal of continuing the Bank's trend of high levels of Ex-Im support for SMEs over the next four years; and,
6. The Administration and the United States Congress should direct Ex-Im Bank to implement an action plan to increase financing for the services sector of the U.S. economy, including those providing IT services exports.

Collectively, we believe implementation of these recommendations would serve to improve the operation and accountability of the Bank while also strengthening the competitiveness of U.S. exporters across all sectors of the U.S. economy.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McNerney". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC