

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

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March 15, 2012

TO THE MEMBERS OF THE UNITED STATES SENATE:

The U.S. Chamber of Commerce — the world’s largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions — strongly supports an amendment offered by Sens. Cantwell and Graham to H.R. 3606, the “Reopening American Capital Markets to Emerging Growth Companies Act of 2011,” which would reauthorize the Export-Import Bank of the United States (Ex-Im). With Ex-Im’s temporary reauthorization set to expire on May 31, the failure to reauthorize its operations would seriously disadvantage U.S. companies—small and large—in foreign markets, potentially costing thousands of U.S. jobs.

While the vast majority of trade finance today is provided by commercial banks, Ex-Im plays an important role covering gaps in financing for U.S. exports where commercial financing is unavailable or faces competition from foreign export credit agencies. In FY 2011, Ex-Im supported export sales that sustained nearly 300,000 U.S. jobs at 3,600 companies.

Ex-Im has a proven record of success. Far from being a burden on the taxpayer or a subsidy for corporations, Ex-Im is a net revenue generator for the Treasury. Fees charged by Ex-Im generated \$700 million in revenue for the U.S. Treasury in FY 2011 and \$3.4 billion between FY 2006 and FY 2010.

Ex-Im lending exposes American taxpayer to very little risk. Ex-Im loans and guarantees present very low risks because they are backed by the collateral of real goods for which a buyer has been found and a price has been agreed. In fact, borrowers have defaulted on less than 2 percent of all loans backed by Ex-Im since its inception in 1934, a default rate lower than commercial banks.

Ex-Im is especially important to small- and medium-sized businesses, which account for more than 85 percent of Ex-Im’s transactions. Tens of thousands of smaller companies that supply goods and services to large exporters also benefit from Ex-Im’s activities. In FY 2011, Ex-Im provided more than \$6 billion in financing and insurance for U.S. small businesses — a 90 percent increase since FY 2008.

Most importantly, failure to reauthorize Ex-Im would amount to America’s unilateral disarmament in the face of other nations’ aggressive trade finance programs. Canada, for example, supports an export credit agency that has extended nearly three times as much export financing as Ex-Im, though its economy is one-tenth the size of that of the United States. China has three export credit agencies that last year provided \$300 billion in export finance to its exporters — 10 times more than Ex-Im provided.

With other countries' export credit agencies providing an estimated \$1 trillion in export finance — often on terms more generous than Ex-Im can provide — failure to approve this reauthorization legislation would put U.S. exporters at a sharper competitive disadvantage.

The Chamber strongly supports the amendment expected to be offered by Sens. Cantwell and Graham to H.R. 3606. **The Chamber will consider including votes on, or in relation to, this amendment in our annual *How They Voted* scorecard.**

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first name "R." being a simple flourish, "Bruce" written in a clear cursive, and "Josten" written in a more complex cursive style.

R. Bruce Josten