

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

June 19, 2014

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

Dear Mr. President,

The Charter of the Export-Import Bank of the United States (Ex-Im Bank) is set to expire this September. We urge you to push for the reauthorization of the Ex-Im as expeditiously as possible. With some sixty other export credit agencies like Ex-Im Bank around the world aggressively supporting other countries' exporters, we believe this agency that has supported an estimated 1.2 million U.S. jobs over the past five years while earning money for the taxpayers is a necessary tool to keep American businesses competitive.

Since the Bank's 2012 reauthorization, Ex-Im has implemented Congressionally mandated reforms, providing increased transparency and more detailed reporting requirements. The development and implementation of best practices in risk management are necessary safeguards to ensure taxpayer protection and provide a solid basis for the Bank continuing its important role of supporting U.S. jobs and exports. As members of the President's Export Council (PEC), we have seen firsthand the importance of the Ex-Im and believe the rationale supporting reauthorization is straightforward:

Ex-Im Bank financing supports small business. In fiscal year 2013, Ex-Im Bank supported a record number of small businesses. Nearly ninety percent of all Ex-Im transactions directly supported small businesses while thousands of additional small businesses benefitted by supplying medium and large business exports. From the medical market in Latin America to the agricultural products market in Asia, thousands of small businesses across the country would not be able to compete in international markets without the support Ex-Im Bank financing provides.

Ex-Im Bank financing increases U.S. competitiveness. Some sixty countries around the world use export credit agencies to support their businesses in the global marketplace. Many are much more aggressive in using such programs and we urge the Administration and the United States Congress to negotiate bilateral and multilateral agreements that are fair, consistent and transparent around the use of such financing. Unilateral disarmament in export credit financing only harms American workers.

Ex-Im Bank financing earns money for taxpayers. The Bank charges fees and interest on all transactions. These fees cover all of Ex-Im Bank's operating costs, provide for appropriate loan loss reserves, and ultimately earn money for the United States Treasury. Since 2009, Ex-Im Bank has generated over \$2 billion to contribute to the Treasury Department's General Fund, including more than \$1 billion in fiscal year 2013 alone. Since 1934, Ex-Im's net losses on its entire portfolio have been less than 1.5 percent, and as of their March 31st report to the Congress, the Bank's default rate was less than a quarter of one percent (0.211 percent).

Support for U.S. exports has contributed to the resurgent growth in U.S. manufacturing and to meeting the goals of the National Export Initiative. We must continue to build upon these successes. While the United States has made great strides in increasing exports, creating jobs and ensuring America's competitiveness, we believe much more remains to be done.

Therefore, the PEC makes the following specific recommendations regarding Ex-Im:

1. The Administration and the United States Congress conclude Ex-Im reauthorization by September 2014;
2. The Administration and the United States Congress provide a reauthorization of five-year duration to provide U.S. exporters and their customers with certainty and continuity in business transactions;
3. The Administration and the United States Congress consider raising the portfolio level to \$160 billion in order allow Ex-Im to increase financing ability and guarantees annually;
4. The Administration nominate, and the United States Congress confirm, the remaining vacancy on Ex-Im's Board as expediently as possible to ensure a full-strength Board;
5. The Administration regularly review and encourage operational reforms 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;
6. The Administration and the United States Congress urge 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 significantly increasing Ex-Im's financing for SMEs over the next four years; and
7. The Administration and the United States Congress urge Ex-Im to implement an action plan to increase financing for the services sector of the U.S. economy, including those providing IT services exports.

Mr. President, members of the PEC look forward to working closely with you and your Administration over the coming months to support the timely reauthorization of Ex-Im and to move forward on these recommendations.¹

Sincerely,

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

Jim McNerney

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