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Manufacturers Rally for Ex-Im Bank

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WASHINGTON, Feb. 24 (LID) – U.S. business and manufacturing groups are calling on Congress to reauthorize Export-Import Bank of the United States (Ex-Im Bank) long-before its charter expires in the spring.

The Ex-Im bank was last chartered for a five-year term in 2006. The independent agency is operating on a temporary charter extension that expires May 31.

Proponents of the federal trade bank say uncertainty surrounding a reauthorization could temper U.S. competitiveness in the global marketplace.

“If the Bank is not reauthorized and the lending cap increased, the competitiveness of thousands of small and medium-sized businesses will be adversely impacted and we will lose out to our competitors, hurting job growth and our economy,” said National Association of Manufacturers (NAM) President and CEO Jay Timmons.

A member of the Organization for Economic Cooperation and Development (OECD), the Ex-Im Bank serves as the U.S. export credit agency. The agency guarantees intermediary loans from U.S. banks to foreign businesses that then buy U.S.-made products.

In 2011, the 80-year-old Ex-Im Bank approved loans totaling \$32.7 billion.

“Failure to re-authorize the Bank will give competitors, like China, an unfair edge in global trade, with the costs of decreases in U.S. exports and good American jobs,” a White House statement said.

NAM, the U.S. Chamber of Commerce and National Small Business Association (NSBA) are among business groups pressing for Ex-Im’s reauthorization — sooner rather than later so not to instill uncertainty in the markets.

With the charter approaching expiration, worry is beginning to escalate among manufacturers that rely on the bank to provide them the same credit terms provided by government lending agencies in Europe, China, Brazil and India.

In addition to pressing for Ex-Im reauthorization, industry groups are calling on Congress to increase the bank’s credit-exposure cap from \$100 billion to \$135 billion. The bank is expected to reach its \$100 billion ceiling in March.

Once the cap is met, the bank would be unable to extend new credit guarantees or issue new direct loans, and would have to turn away prospective exporters.

President Barack Obama (D) last week urged Congress to quickly reauthorize the charter, in a speech at The Boeing Company’s Dreamliner airplane plant in Everett, Wash.

Also supportive are House Speaker John Boehner (R-Ohio) and House Majority Leader Eric Cantor (R-Va.).

Meanwhile, the conservative Club for Growth, arguing the bank amounts to a corporate welfare program, has called on Republicans to oppose a reauthorization.

Club for Growth President Chris Chocola said rather than support Ex-Im reauthorization, lawmakers instead ought to promote expanded international trade through corporate tax reform and lower tariffs.

Critics have said the Ex-Im Bank unfairly makes loans to foreign carriers at favorable terms unavailable to



domestic businesses. The disparity, they say, places the United States at a competitive disadvantage.

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