

Jay Timmons  
President and CEO

October 25, 2017

The Honorable Mike Crapo  
Chairman  
Banking, Housing and Urban Affairs  
Committee  
U.S. Senate  
239 Dirksen Senate Building  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member  
Banking, Housing and Urban Affairs  
Committee  
U.S. Senate  
713 Hart Senate Building  
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown:

Manufacturers are grateful to have an ally in the White House who seeks to ensure that America and its workers are not left behind as foreign governments do all they can to win in the global economy. Like President Donald Trump, the National Association of Manufacturers (NAM)—the voice of the more than 12 million manufacturers in America—strongly supports a robust U.S. Export-Import (Ex-Im) Bank to provide manufacturers in the United States a fair opportunity to win sales overseas in the face of very active foreign government export financing activity.

To ensure that the Ex-Im Bank is providing American firms and workers a fair shake, the NAM strongly supports the confirmation of Spencer Bachus, Kimberly Reed, Claudia Slacik and Judith Pryor to the Ex-Im Bank Board of Directors. At the same time, the NAM is firmly opposed to the nomination of former U.S. Rep. Scott Garrett (R-NJ) as president of the Ex-Im Bank given his longstanding opposition to its mission and his past actions to destroy the agency.

As you know, the Ex-Im Bank plays a targeted and critical role in promoting exports to create more American jobs. That is why the agency needs at its helm a leader who will ensure it is able to function at its full potential and promote U.S. exports in the face of substantial competition from manufacturers overseas who are supported by very active foreign export credit agencies. To compete in the global economy, manufacturers need a strong Ex-Im Bank that can respond to the demands of our global customers and put U.S. exporters on a level playing field.

With Mr. Garrett's long record of opposing the fundamental mission of the Ex-Im Bank to support U.S. jobs through exports, manufacturers are rightfully concerned that he will not empower the agency to achieve its full capability but will instead hobble it. Beyond his votes against a multiyear reauthorization of the Ex-Im Bank in both 2012 and 2015, his opposition appears based on a fundamental misunderstanding of the agency and a disregard of the extremely tilted international landscape that manufacturers in the United States face.

Mr. Garrett has been an outright opponent of the Ex-Im Bank, rather than a supporter of pragmatic reform. In a 2015 speech on the House floor, Mr. Garrett dismissed the agency as a “fund for corporate welfare” even though exporters and their foreign customers pay hefty fees for the loan guarantees and export credit insurance that unlock private-sector lending and enable exports; in fact, those fees and interest generated by direct loans cover the operating expenses of the agency and often generate a surplus that is paid to the general U.S. Treasury fund. On the House floor, Mr. Garrett once said the agency “embodies the corruption of the free enterprise system,” ignoring that any applicant can seek Ex-Im Bank tools once they meet the basic eligibility requirements and that thousands of small businesses have utilized Ex-Im Bank programs to support their exports. He also ignored U.S. banking regulations that place a unique burden on U.S. exporters, which the Ex-Im Bank helps to address to provide such. exporters the tools they need to seize opportunities with foreign customers.

Most significantly, Mr. Garrett’s past statements are evidence of a fundamental misunderstanding of the Ex-Im Bank’s ability to level the playing field globally, as a much-needed counterweight to substantial foreign export financing. At last count, an estimated 96 government-backed export credit agencies around the world are working aggressively to support their own domestic industries at the expense of manufacturing in America. Countries like China, Japan, Germany and the United Kingdom are devoting billions of dollars to official export credit agency support for their own domestic manufacturers. China remains the world’s largest provider of official export credit, with an estimated \$34 billion in medium- and long-term export credit and approximately \$50 billion in investment support last year. In fact, China provided more trade-related investment support than the rest of the world combined. Together, the BRICS countries (Brazil, Russia, India, China and South Africa) provided a combined total of more than \$51 billion in medium- and long-term export credit in 2016—nearly half of the total official export credit provided worldwide. In comparison, the Ex-Im Bank, which has been hobbled by the lack of a Board quorum since July 2015, provided \$5 billion in authorizations that supported \$8 billion in exports in 2016.

While the Ex-Im Bank has been without a quorum for its Board of Directors, foreign governments have been providing support to their own manufacturers and enticing U.S. companies to make new investments overseas—inflicting long-lasting harm on the U.S. manufacturing base. The Ex-Im Bank needs a leader who understands these facts, not someone who has repeatedly rejected them on multiple occasions at the expense of manufacturing workers in America.

Manufacturers in the United States are missing out on major new business opportunities overseas every day that the Ex-Im Bank faces vacancies on its Board of Directors, to the detriment of local economies and American jobs. That is why manufacturers call on your committee to move forward the nominations of Mr. Bachus, Ms. Reed, Ms. Slacik and Ms. Pryor to the Ex-Im Bank Board of Directors. By contrast, Mr. Garrett is untrustworthy and unqualified to be the leader who strengthens and defends the Ex-Im Bank. His confirmation would be catastrophic to U.S. exporters, manufacturing workers and families.

We would welcome the opportunity to further discuss our significant concerns with you and your colleagues.

With all best wishes, I remain,

Sincerely,

A handwritten signature in black ink, appearing to read "J. Timmons". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jay Timmons

Cc: Members of the Senate Banking Committee