



Marion C. Blakey
President and Chief Executive Officer

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To Members of the United States Congress:

For eighty years the Export-Import Bank of the United States (Ex-Im) has served the important function of assisting U.S. companies in all 50 states—large, medium and small—in developing new markets for Made-In-America goods, thus boosting our nation’s economy and job opportunities here at home.

There has been broad bipartisan support through the years for Ex-Im’s role in providing loan guarantees and financial assistance at no cost to the taxpayer to help American businesses compete for international sales. Ex-Im goes toe to toe against the export credit agencies of other nations to enable American companies to compete internationally based on product price and quality instead of favorable financing. Ex-Im supports U.S. exports when private finance is unable or unwilling to step in.

I am writing to underscore the importance to the U.S. aerospace industry—which is highly dependent upon Ex-Im to support foreign sales of passenger and business aircraft, helicopters, satellites, spacecraft and launch vehicles—of keeping the Ex-Im functioning at full throttle. When you add to original equipment sales the significant orders for aftermarket parts and components generated by U.S. aerospace exports, Ex-Im clearly contributes to the strength of our nation’s industrial manufacturing base and to our industry’s track record of achieving the largest trade surplus of any manufacturing sector.

Unfortunately, opponents of the Bank are attempting to block Ex-Im’s reauthorization this year with little regard for the consequences to the U.S. economy. They assert Ex-Im financing represents the government picking winners and losers. This is not the case. Any U.S. company that wants to compete globally can come to the Bank to help turn good export opportunities into sales. If the opponents are successful, their blocking move would amount to economic unilateral disarmament against 59 other nations whose export credit agencies aggressively support their businesses, often with massive subsidies. Certainly our foreign competitors would love to see the Bank eliminated and the playing field tilted in their favor, but our government should be advancing American competitiveness.

One line of attack used by Ex-Im’s opponents, that foreign airlines can save \$2 million to \$20 million in financing costs via Ex-Im (they have made different claims), is found nowhere in any credible independent analysis of this issue. In fact, the opposite is true. Rate changes negotiated in 2011 through the Organization for Economic Cooperation and Development (OECD) make government-backed export credit assistance as expensive, or in many cases even more expensive, than financing from private commercial markets. It also is worth noting that U.S. capital markets currently are providing the most attractive and accommodating private financing to U.S. airlines than can be found anywhere in the world. For more information on commercial airplane financing, I encourage you to consult a study conducted for the OECD by an independent technical expert, Professor Vadim Linetsky of Northwestern University, available at <http://www.awg.aero/assets/docs/Combine.pdf>. Furthermore, the latest industry analysis shows a robust and rising demand for international air travel, especially in Asia. So there is no excess capacity being created by Ex-Im-backed airplane purchases.

Ex-Im critics refuse to acknowledge – or take responsibility for – the consequences of ending U.S. export credit assistance. As noted in a recent Standard & Poors report, the elimination of Ex-Im would put the U.S. manufacturing sector – both large companies like Boeing and Caterpillar plus thousands of

smaller suppliers and partners – at a significant competitive disadvantage when it comes to global trade. A recent Government Accountability Office study affirmed that Airbus and its European suppliers have and would continue to have the support of three European export credit agencies. That report notes that domestic carriers would still face the same competition from foreign airlines that exists today even with the elimination of the Ex-Im Bank or restrictions on the financing of wide body aircraft. The only thing that would change is that domestic airlines' foreign airline competitors would likely buy more airplanes made outside the United States.

Ultimately, calls for restrictions on the financing of wide-body aircraft amount to unilateral disarmament for the U.S. commercial airplane industry. The three export credit agencies of Airbus' supportive European governments do not have today – nor will they prospectively adopt – restrictions on the financing of wide-body airplanes such as the A380. Consequentially, restrictions on Ex-Im financing of U.S. manufactured airplanes would lead to the loss of hundreds of thousands of American aerospace manufacturing and supplier jobs to European companies. Singling out a particular industry is punitive and unfair.

We urge you to do the right thing for U.S. workers and businesses – and provide both a more level global playing field in which to compete – by voting to re-authorize the Export -Import Bank of the United States by this September.

Best regards,

A handwritten signature in blue ink that reads "Marion C. Blakey". The signature is fluid and cursive, with a large initial "M" and "B".

Marion C. Blakey