

Renew the Export Import Bank

By: Lisa Howlett

On Monday, the House of Representatives will take a crucial vote for the economic future of small businesses in our state.

The issue is the Export-Import Bank, a small but vital agency that helps American companies sell their products overseas. Since 2006, Ex-Im has helped nearly 9,000 American companies export around \$300 billion in goods, supporting 1.2 million American jobs, including thousands here in the Bluegrass state.

The Bank has been shuttered since June, victim of the usual gridlock in Washington, leaving export businesses like mine out in the cold. I urge Congressman Rogers to join with practical, pro-business, pro-jobs colleagues and vote to renew the Bank for the sake of exporters in our state.

It is difficult to understand why any responsible leader would be against the Ex-Im Bank. Our company, Auburn Leather Company, has produced fine leather and leather laces in Kentucky since 1863, mostly for domestic sale.

With the shift in footwear manufacturing from the United States to China, the bulk of our customer base shifted from domestic based to Asian based. And for those unaware of US banking guidelines, foreign receivables are not considered part of an exporter's lending base. In other words, our growing export volume could not be used for collateral for a working line of credit.

As our sales grew to approximately \$7 million, the financial restrictions of the "normal" banking guidelines began restricting our growth. At that point we had approximately 50 employees and a high demand for additional capital to support the growing demand for our genuine leather laces, but we had trouble funding additional growth into the global markets. While we had solid relationships with our community banks, they didn't have the knowledge or confidence to support exports to far away and unfamiliar markets.

As we searched for help, we found the Ex-Im Bank. Thanks to Ex-Im's insurance policies for our foreign receivables, we now sell our products in 48 different countries. Roughly 80% of our business is exports. We now employ 110 people in Kentucky with sales surpassing \$20 million annually. Without Ex-Im, this would have not have been achievable. And our success story is just one of many, others Kentucky small and mid-sized businesses also depend upon the Bank to grow and create jobs in our state.

Against that straightforward record of boosting American business and jobs, the arguments from special interests in Washington D.C. seeking to kill the Bank simply don't hold up.

They claim that Ex-Im is “crony capitalism,” but our company doesn’t receive any handouts or special deals. Ex-Im is open to any American company who export American-made products – and those who use it pay for its services.

Critics claim it only benefits large companies, but 90% of the Bank’s transactions are with small and medium-sized firms like mine.

The opponents say Ex-Im hurts taxpayers, but since Ex-Im charges the companies using its services fees and interest on loans, Ex-Im doesn’t cost taxpayers a dime. In fact, over the last several years Ex-Im has returned more than \$2.6 billion to the Treasury - helping pay down our national debt.

Some of these critics say Ex-Im’s customers should simply go to the private market instead. That sounds good, but usually there is no private alternative available. In fact, because the Bank is barred from competing with private companies, anyone seeing Ex-Im’s help has to prove that no other alternative exists.

I have been in the manufacturing sector for 30 years. I have watched too many American businesses give up or move abroad. We have all witnessed our friends, neighbors, or family members struggle as their jobs are shipped overseas.

But thankfully over the past few years we have also started seeing some of the jobs coming back. At Auburn Leather, we hear from our customers about shoddy craftsmanship and poor quality of products they have received from our foreign competitors. They come to us to buy American-quality leather. When it comes to quality, we beat the competition hands down – we just need access to the same financial tools our competition has in order to compete.

Without Ex-Im, export markets will eventually shut off to us again, as customers turn to sellers from countries that haven’t shot their own businesses in the foot by cutting off the flow of financing and insurance export deals need.

Congressman Rogers has always been a practical no-nonsense politician, more interested in taking care of his constituents than pleasing the Washington crowd. I urge him and all of Kentucky’s representatives in Congress to support small businesses in our state and vote to re-authorize the Export-Import Bank.