

## Export-Import Bank Reauthorization

*Congress should pass a long-term reauthorization and an increase in the lending cap*

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**Problem:** The Export-Import Bank of the U.S. (Ex-Im Bank), an independent federal government agency, is the official export credit agency (ECA) of the U.S. Ex-Im helps create and maintain U.S. jobs by filling gaps in private export financing at no cost to American taxpayers—providing a variety of financial guarantees to help foreign buyers purchase U.S. goods and services. Ex-Im operates under a renewable charter – it was last reauthorized in May 2012, and the Bank's current charter expires on Sept. 30, 2014.

- The reauthorization issues facing Congress are two-fold: whether to renew the Bank in its current form, or pursue alternatives, such as privatizing or reorganizing its functions.
- Debate continues over how long Ex-Im should be reauthorized with some calling for a shorter renewal period, as provided in 2012, which would allow for more active Congressional oversight of Ex-Im, but engrains a certain level of instability within the Bank and therefore makes planning more difficult for the small firms that utilize it.
- Congress has periodically raised the Bank's exposure cap, and given growing demand for its services, NSBA supports such an increase from its current \$140 billion to \$160 billion incrementally by FY 2018, as suggested by the administration.
- The current mandate that 20 percent of the value of Ex-Im Bank's transactions go *directly* to small business could be stripped based on the administration's proposal in Section I which would allow Ex-Im to include the U.S. goods and services *supplied* by small businesses that are included in Bank-supported exports. Specifically, it recommends including so-called "indirect support" in addition to direct support in the 20 percent calculation.
- A lapse in Ex-Im authorization would threaten the competitiveness of businesses in the U.S., particularly the thousands of small and medium-sized enterprises that depend on the Ex-Im Bank to reach new markets.

**Solution:** NSBA, working with its international trade arm, the Small Business Exporters Association (SBEA), has been actively lobbying Congress for a long-term reauthorization of Ex-Im Bank that includes an increase to its lending cap.

- Congress should act now to reauthorize Ex-Im Bank and avoid any lapse of its operational authority.
- Omit Section 1 of the administration's proposal; indirect suppliers should not be counted toward Ex-Im's small business goals.
- Enact a longer renewal, such as four to five years, which will enhance the Bank's long-term planning and provide more assurance to those involved in Ex-Im-supported transactions.

### Learn More:

Download the NSBA/SBEA 2013 Exporting Survey

<http://www.nsba.biz/wp-content/uploads/2013/06/Exporting-Survey-2013.pdf>

Read NSBA's latest updates on Ex-Im Bank and other key exporting programs

<http://www.nsba.biz/?cat=13>