

May 2, 2019

Dear Members of Congress:

On behalf of our groups and organizations, which collectively represent millions of Americans across all 50 states, we urge you to oppose the reauthorization of the Export-Import Bank, which is [slated](#) to expire on September 30, 2019. The Ex-Im Bank, as it is informally known, administers corporate welfare loan programs that grant unfair advantages to a few domestic companies at the expense of many others, all the while putting billions of taxpayer dollars at risk and fostering a danger of internal corruption that has too often materialized. Despite arguments from the Bank's supporters that Ex-Im doesn't spend taxpayer dollars, a 2014 CBO [estimate](#) revealed that, if the bank were to use generally accepted accounting principles, the bank would cost taxpayers \$2 billion over a decade.

The core of the Export-Import Bank's business is to back loans made to foreign customers of a handful of U.S. businesses, which tilts the playing field in favor of well-connected businesses and to the detriment of everyone else. Before losing its quorum in 2015, [65 percent](#) of the Export-Import Bank's activities benefited just 10 large and already successful domestic firms. Despite claims that 90 percent of the businesses to which it provides support are small businesses, [recent analysis](#) from Veronique de Rugy of the Mercatus Center at George Mason University shows that Caterpillar and Boeing were included as the first- and fourth-largest beneficiaries of "small business" funds.

But the Export-Import Bank doesn't stop at picking dubious winners and losers at home or pitting domestic industries and firms against each other. Internationally, a handful of state-owned firms such as Ethiopian Airlines, China Air, and PEMEX, the Mexican oil and gas company, are [consistently](#) among the top foreign beneficiaries of the bank's activities. By handing out taxpayer backed loans to favored companies, the Export-Import Bank distorts the free market at the expense of the larger U.S. economy. The Air Transport Association has [estimated](#) that the bank's loans to foreign airlines have killed as many as 7,500 jobs for domestic airlines in the United States. Ironically, this is while Boeing [racked up](#) 70 percent of all Export-Import Bank loan guarantees and the benefit of 40 percent of its total activities.

Furthermore, a 2014 [report](#) from the Cato Institute found that of the 225 domestic non-aircraft manufacturing industries that received a collective \$50 billion in financing from the bank, 189 of them incurred higher costs from Ex-Im's activities than benefits. That is because for every time Ex-Im picks a "winner" by authorizing a loan, there are many more losers throughout the broader economy. Eliminating the Export-Import Bank would end this harmful practice and instead allow businesses to compete on a more level playing field, focused on creating value for their customers rather than vying for special treatment from government agencies.

Harms aside, de Rugy finds that even without a quorum to approve larger loans, the U.S. export market is "on par with the one that prevailed when the agency was functioning at full capacity." This is because even during its most active year, 2012, over 97% of exported goods never received the benefit of the Bank's largesse.

Making matters worse, it is no secret that the Export-Import Bank, like all corporate welfare programs, has been a petri dish of fraud, bribery and corruption. Many employees have been investigated, accused, and indicted over the years; a notable recent example of graft was found to have cost taxpayers almost [\\$20 million](#). Taxpayer support of such deplorable and criminal behavior is simply unacceptable.

To reauthorize a government loan program which has, time and again, been shown to be a breeding ground for corruption and as well as a wellspring of handouts for a few well-connected businesses at taxpayer expense, would be an insult to the hardworking Americans whose tax dollars are put on the line with each loan authorization. We, the undersigned organizations, urge you to oppose the reauthorization of the Export-Import Bank.

Sincerely,



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