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COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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June 23, 2015

Fred P. Hochberg
Chairman and President
Export-Import Bank of the United States of America
811 Vermont Avenue, NW
Washington, DC 20571

Dear Chairman Hochberg,

The authorization of the Export-Import Bank (Ex-Im) expires in five business days. This creates a number of uncertainties for many small businesses currently utilizing the Bank's export credit insurance and lending programs. You could be doing a lot to prepare for the inevitable lapse of Ex-Im's authorization, yet to date you appear to be playing a game of chicken with Congress. Your remark that, "there is no plan B. We are plan B," is cavalier and irresponsible. Affected small businesses need alternatives to export credit, capital, and insurance to continue their international sales should the Bank's authority lapse or terminate. I urge you to stop playing games and instead take immediate steps today to coordinate with the Small Business Administration (SBA) on alternatives for small businesses that use Ex-Im when your authorization lapses next week.

I have similarly urged the SBA to coordinate with Ex-Im to create a contingency plan that prepares for the possibility of the Bank's closure, ensuring that small businesses' export capital and insurance needs are supported through existing SBA programs. Collaboration between the two agencies is imperative in order to communicate the fact that SBA can fill the gap in financing for most small businesses exporters, should the Bank's charter lapse or terminate. The SBA's three export credit programs already serve the same functions as the working capital programs at the Export-Import Bank. In 2010, the Small Business Jobs Act increased the maximum size of SBA's two largest export loan programs to \$5 million, which gives the SBA the needed capacity to absorb the vast majority of the Bank's small business export loans. Since the SBA does not currently administer a program comparable to the Export Credit Insurance program, I introduced legislation earlier this month titled "Ensuring Small Businesses Can Export Act of 2015" that will authorize the SBA to implement such a program for small business exporters.

The overlap of the footprint of the SBA and Ex-Im offices also makes for a seamless transition from Ex-Im to the SBA for almost all small businesses currently using Ex-Im. The SBA's Regional Export Finance Managers are already located in every office that the Export-Import Bank has staff, with two exceptions. And, in those two instances (Houston, Texas and San Diego, California) the SBA serves those markets out of other offices that are located in nearby Dallas/Ft. Worth, Texas and three other California offices (Irvine, Los Angeles and San

Francisco), respectively. The SBA also has export finance staff in ten cities where there is no Export-Import Bank staff, including Arlington, VA; Boston, MA; Charlotte, NC; Cleveland, OH; Denver, CO; Los Angeles, CA; New Orleans, LA; Philadelphia, PA; Portland, OR; and St. Louis, MO. The Export-Import Bank should be communicating to its small business clients nationwide that the SBA is open for business and available to assist them with their export financing needs on July 1st, even when Ex-Im isn't.

With the Bank's expiration date just five business days away, I cannot stress strongly enough how important it is for the SBA and the Export-Import Bank to communicate your contingency plan and existing alternative options for all small business exporters. Simply stating there is no plan B, while not making small businesses aware of their alternatives, makes it appear as though you are only interested in your own job security rather than the needs of small businesses. Please respond with an update of your coordination efforts with the SBA by Friday, June 26, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Vitter", is written over a horizontal line.

David Vitter
Chairman