



23 October 2015

Dear Honorable Ralph Abraham:

IEEE-USA applauds, with reservations, the efforts being made to reauthorize the Export/Import Bank. We understand that the Bank has recently reduced its minimum loan amount. This needed reform should make the Bank more useful to SMEs (Small to Medium Entities), which are also the companies most in need of its help. It is essential that any reauthorization of the Export/Import Bank maintain this reform and deepen the Bank's commitment to serving small companies.

SMEs and SMTEs (Small to Medium Technology Entities) are currently responsible for the largest share of quality jobs in the US, and unlike large multinationals, most or all their exports are created and/or manufactured in the US. In the past, SMEs and SMTEs, including many owned by IEEE members, have complained that the Bank was indifferent to their needs. We are pleased to hear this is changing.

On July 8th last year, Chris Tomlinson of the Houston Chronicle highlighted the impact the Bank can have on SMTEs:

“Richard Armstrong is chief financial officer at HPI, a privately held Houston engineering service company specializing in gas and steam turbines. He knows why the government-owned bank is both necessary and beneficial to HPI's 75 U.S. employees, more than half of whom rely on exports for their livelihoods.

HPI started out making replacement control systems for turbines, most of them overseas. But it could only take one job at a time because it lacked the capital to keep running between when it received a contract and when the foreign customer paid the bill, Armstrong said.

If HPI's customers were American, there would be no problem getting a loan, but because they fall under a foreign legal jurisdiction, U.S. banks can't take the risk under federal banking regulations. That's where the Ex-Im Bank comes in, evaluates the companies and, if approved, guarantees or provides a loan.”

As Congress moves to reauthorize the Export/Import Bank, we ask, on behalf of the 200,000 IEEE members in the United States, that you take steps to make sure that this commitment to small businesses is maintained and strengthened. Aiding smaller companies should not be something that the Bank does occasionally, but rather ought to be a guiding principle of the institution.

Congress should use the reauthorization process to make this clear.

Thank you.

James A. Jefferies,
President, IEEE-USA

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