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## Export-Import Bank is hurting Virginia businesses

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Last Thursday and Friday, supporters of the U.S. Export-Import Bank met in D.C. for the agency's annual conference. With its charter up for congressional reauthorization in June, many of the attendees tried to convince pundits and politicians that the bank is an important part of America's economy.

What they didn't discuss is how the bank is harming Virginia.

Our representatives in Washington should know the facts before they decide whether to keep Ex-Im alive. They've already heard the bank's talking points, which lobbyists have been repeating on Capitol Hill for years.

The Export-Import Bank provides taxpayer-backed financial support for foreign companies that buy, or plan to buy, American exports. This is supposed to support jobs and help small businesses get a global footprint, all while turning a profit for taxpayers.

But that's just public-relations spin. By supporting transactions backed by your tax dollars to help companies overseas, Ex-Im stacks the deck against most American businesses. When local producers in Virginia take out a loan, they have to turn to the commercial market to get it. Foreign businesses receiving Ex-Im support get cheaper financing, backed by U.S. taxpayers.

This hurts businesses in key Richmond industries. Research from the Cato Institute shows that the chemical production sector, a major part of Richmond's economy, loses more than \$100 million a year because of Ex-Im's support for American chemical manufacturers' international rivals. Many other industries suffer similar losses, and Ex-Im's overall cost to America's economy is \$2.8 billion per year.

This is real money that local businesses could use to create jobs and increase wages. Instead, it's lost to foreign companies that have an American taxpayer-backed competitive advantage.

Ex-Im isn't just hurting our economy, either. It's losing taxpayer money along the way. Government accountants have shown that the bank only produces profits for the Treasury if it

uses nonstandard accounting methods. With standard, fair-value accounting, Ex-Im actually will cost taxpayers \$2 billion over the next decade.

It's hard to justify this cost to taxpayers, so the bank and its backers fall back on the claims that it supports American jobs. But be warned: Ex-Im has claimed to support jobs at companies that deny that Ex-Im funding affected their job growth. Analysts at another federal agency, the Government Accountability Office, found that, at best, Ex-Im shifts jobs from one industry to another, without actually creating any along the way.

And it's likely even worse. Many American businesses have documented job losses that resulted from Ex-Im's support for their international rivals. It's simple economics — and it's hurting our state's economy.

As for its claims of helping small businesses, Ex-Im actually spends most of its taxpayer money subsidizing large corporations. The vast majority of Ex-Im funding favors only a few huge companies — companies that don't need help from the U.S. government. In 2013, a single company received 46 percent of the bank's overall support. That same year, 93 percent of the loans it insured benefited just five companies.

Perhaps this is why President Obama once called the bank “little more than a fund for corporate welfare.”

Sadly, the average Richmond taxpayer didn't have a seat at Ex-Im's annual conference last week. What we do have is a chance to convince our representatives in Congress to make this meeting Ex-Im's last. Despite the fanciful claims being made this week in Washington, the Export-Import Bank mainly doles out special favors to certain companies while harming Virginia's economy. When the bank's charter comes up for reauthorization in the next two months, our elected officials should do the right thing and let Ex-Im expire.