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Connecticut-friendly Export Import Bank facing hurdles

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May 15--The U.S. Export Import Bank, which has loaned hundreds of millions of dollars to Connecticut companies in the last five years, faces a tougher test than expected to get Congress to reauthorize it.

"The extreme right wing has been blocking reauthorization," U.S. Sen. Richard Blumenthal, D-Conn., said Monday by phone. "Connecticut business people tell me (the bank) has played a pivotal role in encouraging and supporting exports and making Connecticut competitive ... It's a smart investment and a no-brainer for Connecticut."

The bank was created 77 years ago during the Franklin Roosevelt administration as a way to help businesses export their goods. Congress is required to reauthorize the bank's charter, set to expire at the end of this month. But some members of Congress and conservative groups object to the U.S. government providing banking services that could be duplicated in the private sector at a time when the U.S. is facing massive deficits.

The House has passed legislation to reauthorize the bank, and the Senate is expected to vote this week on it.

The **Cato Institute**, a libertarian think tank, questions the solvency of the loans given the history of federal lending institutions, such as Fannie Mae. Institute representatives did not return a call for comment Monday.

The Export Import Bank is popular with Connecticut companies, especially in Fairfield and New Haven counties, where businesses accessed more than \$502 million in credit since 2007.

Those companies include [General Electric Co.](#), Sikorsky Aircraft, R.C. Bigelow, Terex Corp., Cogent Fibre and FuelCell Energy.

FuelCell, headquartered in Danbury, produces fuels cells for industrial and power-grid uses in Torrington.

Michael Bishop, FuelCell's chief financial officer, said the Export Import Bank provided his firm with a revolving line of credit through its banker. He said other countries have similar banks.

"It supports our export business to South Korea," Bishop said, and the bank helps American companies compete.

Joe McGee, vice president of policy at The Business Council of Fairfield County, agreed. He said GE has defended the bank in the past as a way to help even the playing field in the global market, where U.S. companies compete against businesses in other countries with lower tax rates.

"It never should have been controversial," said U.S. Rep. Jim Himes, D-Conn., who voted for reauthorization last week. "These are loans that are in direct support of American jobs."

Himes said that 3,600 companies across the country were able to tap the bank for loans and add almost 300,000 jobs as a result.

He said the U.S. Export Import Bank has no history of making a bad loan. "It doesn't cost the taxpayer a dime."

Fred Hochberg, the Export Import Bank's president and chairman, said after the bill passed the House, "We are hopeful that the Senate will expeditiously consider and pass the bill and send it to the president for his signature."

Should it pass, the bank will be authorized to continue lending through fiscal year 2014 and increase its portfolio cap to \$140 billion.