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Is Ex-Im Bank's Bob Morin Boeing's biggest booster?

Bob Morin, the vice president of transportation at the U.S. Export-Import Bank, is largely responsible for Boeing's relative success in riding out the recession, The Wall Street Journal [reported](#) Wednesday.

"No company has deeper relations with Ex-Im Bank than Chicago-based Boeing," The Journal said. "Without Ex-Im, aviation officials say, Boeing this year could have been forced to slash production, endangering hundreds of U.S. suppliers, thousands of skilled American jobs and billions of dollars in export contracts."

The Journal, in much more detail, follows the line of my [November report](#) on the bank's role in supporting Boeing sales.

The bank guarantees loans to aircraft buyers, enabling financing while charging buyers a fee for the service. While that doesn't cost taxpayers -- in fact, the bank put \$135 million into the U.S. treasury last year, after paying all of its own costs -- they are on the hook for potential defaults if costs were ever to exceed funds recovered by reselling aircraft (they haven't so far).

Also in November, the Pew Charitable Trusts Subsidyscope project released a [study](#) noting that 65 percent of the Export-Import Bank's loan guarantees in 2007 and 2008 went toward the purchase of Boeing commercial aircraft.

The Journal explores the "subsidy" argument, the bank's entry into new financing mechanisms, whether its financing is warping the aircraft market and whether its support for Boeing is costing other companies.

On the last point, it quotes Dan Griswold, director of the Center for Trade Policy at the libertarian Cato Institute, as saying: "All Ex-Im has been able to do is steer some money to Boeing and away from small exporters -- it's a zero-sum game."

That argument could be true to the extent that it diverts private capital to the Ex-Im-backed loans for Boeing customers. But bank officials argued to me in November that they have never turned down a loan for lack of funds, so it isn't a zero-sum game on their side.

Posted by [Aubrey Cohen](#) at December 9, 2009 12:31 p.m.

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