



United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

August 18, 2011

The President
The White House
Washington, DC 20500

Dear Mr. President,

As you evaluate new ways to spur domestic job growth and increase investment in the United States, I urge you to consider utilizing the resources of the Export-Import Bank in order to help create domestic manufacturing jobs. This can be done at very little cost to the Federal government while leveling the playing field for U.S. manufacturing businesses competing in a global marketplace.

The Ex-Im Bank is currently authorized to have as much as \$100 billion in outstanding principal obligations for loans, loan guarantees, credit, and insurance, which should increase in its reauthorization. It is my understanding that the Bank has more than \$20 billion in unused authority at this time which should be used for job creation in this country.

I propose to allow the Export-Import Bank to utilize the \$20 billion in unobligated authority to lend directly to domestic manufacturing companies that are in competition with subsidized foreign competitors. At the same time, we should establish a one-stop shop that will assist manufacturing companies in navigating the complex and lengthy permitting process required in the United States. In order to be eligible, applicants would have to:

- Provide a business plan indicating the amount of domestic workforce expansion predicated on the Ex-Im loan, with the Ex-Im Bank giving more weight to applicants who will hire more employees on a loan dollar per job basis;
- Demonstrate they are in direct competition with foreign firms receiving subsidies in the form of grants, subsidized loans, special tax treatment, or beneficial land use, etc.;

- Demonstrate that the project will contribute to the follow-on expansion of the domestic workforce, capital investment, research and development, domestic supply chain, or manufacturing capability; and,
- Have a net positive impact on the United States trade balance.

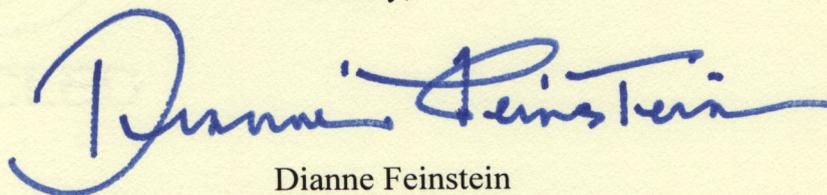
Additionally, the length of time and amount of money businesses must spend navigating the complex regulatory permitting process is a serious disincentive to invest in the United States. We must find a way to make the Federal government more responsive to the needs of global businesses. I suggest the establishment of a "one-stop" shop in the Department of Commerce where businesses can go for guidance and to expedite what can be and often is a very difficult start-up process, both nationally and locally.

The recent string of disappointing economic news underscores the need for us in Congress to continue to push for more robust job creation. Given the offsetting collections priced in to the structure of Ex-Im Bank transactions, this proposal is low-cost, and has the potential to achieve a substantial bang-for-the-buck. The longer we wait to counter the efforts being made by our strongest competitors, more and more of our manufacturing base will be siphoned away. In today's global economy, the Federal government must more actively partner with the business community. I believe my proposal is a good first step in achieving that goal.

This proposal seeks to draw upon America's strengths, including a well-educated workforce, a peerless track record of innovation, and a host of other resources. However, while countries like Germany and China recognize the need for a robust manufacturing base and actively support the business location of international manufacturing companies, the United States sits on its hands while the domestic manufacturing base erodes. Manufacturing is a proven source of well-paying jobs for those of all educational levels and we must have a thriving manufacturing sector in order to address our chronic trade imbalance and return our economy to sustainable growth.

I thank you for your leadership on this issue, and hope you will consider this proposal as a low-cost component of your effort to create jobs and grow the economy.

Sincerely,



Dianne Feinstein
United States Senator

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