

Assembly Joint Resolution No. 14

RESOLUTION CHAPTER 84

Assembly Joint Resolution No. 14—Relative to the Export-Import Bank of the United States.

[Filed with Secretary of State June 26, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 14, Chu. Export-Import Bank of the United States: reauthorization.

This measure would recognize the role of the Export-Import Bank of the United States in aiding the export of American goods and services and would urge the Congress of the United States to support legislation reauthorizing the Export-Import Bank of the United States.

WHEREAS, The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States and exists for the purposes of financing and insuring foreign purchases of United States goods; and

WHEREAS, The mission of the Ex-Im Bank is to create and sustain United States jobs by financing sales of United States exports to international buyers; and

WHEREAS, The Ex-Im Bank is the principal government agency responsible for aiding the export of American goods and services, and thereby creating and sustaining United States jobs, through a variety of loan, guarantee, and insurance programs for small and large businesses; and

WHEREAS, The Ex-Im Bank has supported more than \$400 billion in United States exports in the past 70 years and helps to cover critical trade finance gaps by providing loan guarantees, export credit insurance, and direct loans for United States exports in developing markets where commercial bank financing is unavailable or insufficient. For fiscal year 2014, the Ex-Im Bank provided \$20.5 billion in loan guarantees which leveraged \$27.5 billion in exports while supporting 164,000 United States jobs. Since fiscal year 2009, the bank has supported more than 1.3 million American jobs in all 50 states; and

WHEREAS, The Ex-Im Bank is a self-sustaining agency, which operates at no cost to the taxpayer and over the last three fiscal years has generated more than \$3 billion in fees from its foreign customers which were deposited in the United States Treasury to reduce the United States deficit and indebtedness; and

WHEREAS, The Ex-Im Bank enables United States companies large and small to turn export opportunities into sales that help to create and maintain jobs in the United States that contribute to a stronger national economy. On

average nearly 90 percent of the Ex-Im Bank's transactions support United States small businesses; and

WHEREAS, Exports are particularly important to the California economy as California is currently ranked second in exports among all states. If California's manufacturing base is to grow, we must continue to expand our ability to export goods from California facilities. Given the key role the Ex-Im Bank plays in facilitating export sales, failure to reauthorize it would be devastating to existing industry and to those that we hope to create in the future; and

WHEREAS, Over the past five years, the Ex-Im Bank has assisted more than 967 California companies to export their products. Nearly 200 of those companies are owned by women or minorities and over 700 are small businesses. These companies export their products and services around the globe totaling more than \$21 billion in sales. Fifty-two of the 53 congressional districts in California had companies benefit from the Ex-Im Bank loans; and

WHEREAS, A reauthorization of the Ex-Im Bank is critical to the ability of many United States exporters to compete on a level playing field in a commercial market where current and future competitors continue to enjoy aggressive support from their countries' export credit agencies; and

WHEREAS, A failure to reauthorize the Ex-Im Bank would amount to unilateral disarmament in the face of other nations' aggressive trade finance programs that favor their domestic companies over American companies; and

WHEREAS, Economic growth depends on increasing exports from both small and large manufacturers and service providers in California and reauthorization means support for California exports and California jobs; and

WHEREAS, in the 114th United States Congress, 1st Session, legislation is pending that would continue the Ex-Im Bank's capacity for creating jobs while also making its practices more accountable and transparent, as well as making the bank more solvent and self-sufficient; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature urges Congress to support legislation reauthorizing the Export-Import Bank of the United States; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.