

March 24, 2014

Assemblymember Al Muratsuchi  
State Capitol 4117  
Sacramento, CA 95814

**Re: Assembly Joint Resolution 37 (Muratsuchi) - SUPPORT**

Dear Assemblymember Muratsuchi:

On behalf of the **Los Angeles County Economic Development Corporation (LAEDC)**, an organization dedicated to promoting job growth, economic expansion, and increasing the overall global competitiveness of Los Angeles County, and the LAEDC's wholly-owned **World Trade Center – Los Angeles (WTC-LA)** subsidiary, L.A. County's only World Trade Center dedicated to export assistance and foreign direct investment in the Los Angeles region, we are writing to express our shared support of Assembly Joint Resolution (AJR) 37, which would urge Congress to reauthorize the U.S. Export-Import Bank (Ex-Im Bank).

At the outset, the LAEDC and WTC-LA want to commend you for your leadership on this critically important issue. Since its founding by President Franklin D. Roosevelt more than 80 years ago, the Ex-Im Bank has acted as the official export credit agency of the United States, supporting over \$600 billion in U.S. exports by providing loan guarantees, export credit insurance and direct loans for U.S. exports. While its clear-cut mission is to assist in financing the export of American goods and services to global markets when the private sector is unable or unwilling to do so, the Ex-Im Bank's reach and impact are so much broader than that. By making it easier to bring U.S. products, processes, services and technologies to more international markets, the Ex-Im Bank is at the same time helping to foment, foster and strengthen the cultural, economic and social ties that are so vital in a hyper-connected, flat economy.

Unfortunately, our nation's export participation rate remains extremely low.\* And if we are to boost this low level of exporting and grow the number of export-ready firms, we must increase access to capital for these firms as a critical component of any viable, comprehensive international trade and investment strategy, not shrink the pool of available capital by failing to reauthorize the Ex-Im Bank.

To this end, the trade finance program, offered through Ex-Im bank, is one of the most valuable tools in America's arsenal to support the goal of doubling American exports. The critical portfolio of Ex-Im Bank assistance tools has helped to facilitate and grow international business opportunities for not only large businesses, but also for small ones, with nearly 90 percent of the EX-IM bank's transactions in FY 2013 supporting our nation's small businesses.

The economic impacts and cost-benefits associated with the Ex-Im Bank speak for themselves. During the past four years, the Ex-Im Bank has supported an estimated 1 million American jobs. Most amazingly, these considerable economic impacts come at little-to-no cost to the taxpayer since the Ex-Im Bank is a self-sustaining institution; in fact, from fiscal year (FY) 2009 – FY 2013, the Ex-Im Bank has *returned* \$2 billion to the American taxpayers above and beyond the cost of its operations. As such, the Ex-Im Bank is

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\* According to the United States Department of Commerce, less than one percent of U.S. companies export. See, Suresh Kumar, "Helping U.S. Manufacturers Expand Exports," U.S. Department of Commerce (2011).

not just an economically prudent, geopolitically helpful and socially responsible investment—it's a smart fiscal move and wise public policy.

As economic developers, we also understand and appreciate that the economic impacts attributable to the Ex-Im Bank's financial support of America's traded industries (e.g., agriculture, aerospace, automobiles, energy, IT, medical technology) go well beyond the direct impacts experienced by and confined to these export-oriented industries. That's because innovation and exporting are two sides of the same coin; in that, firms only export products, processes, technologies and services that other countries cannot develop, commercialize and/or produce for themselves – which means we're also innovating. Thus, by supporting these export-oriented sectors, the Ex-Im Bank is also helping to unleash a powerful and reinforcing cycle of job creation, income growth and economic development as concentrations of businesses, support services, suppliers and competitors innovate and grow to form and generate better products, improved processes and more skilled workers. In turn, this triggers potent ripple effects that are felt across our nation's population-serving industries (jobs, wages and tax revenues) and offer the best chance to lift all boats, bring prosperity to all of our nation's communities, and incite greater investment and innovation overall.

Here in Los Angeles County, we have a nearly \$600 billion economy with leading export-oriented industry clusters ranging from entertainment to aerospace to biomedical and so on. These clusters help to support and grow our nation-sized local serving economy by bringing more capital and investment dollars back into the region. Yet, "access to capital" remains a very real and formidable roadblock for many of our export-ready businesses. Consequently, the discussion Congress *should* be having is: how to ensure an even stronger, more viable and doubly active U.S. Export-Import Bank – not simply whether or not to reauthorize it.

For all these above reasons, we submit our support for AJR 37.

Sincerely,



Bill Allen  
President & CEO  
LAEDC



Lessing Gold, Co-Chair – World Trade  
Committee  
World Trade Center – Los Angeles



Steve Olson, Co-Chair – World Trade Committee  
World Trade Center – Los Angeles