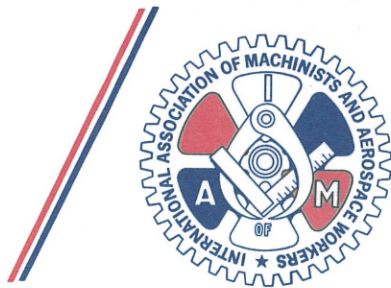


**International
Association of
Machinists and
Aerospace Workers**



9000 Machinists Place
Upper Marlboro, Maryland 20772-2687

Area Code 301
967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

June 24, 2014

Dear Representative,

As the largest North American union in both the airline and aerospace industries, the International Association of Machinists and Aerospace Workers (IAM) fully supports a full reauthorization of the U.S. Export-Import (Ex-Im) Bank that includes a multiyear reauthorization, an increase in the exposure cap, and a continuation of the strong job creating domestic content provisions. Attempts to weaken the Ex-Im Bank's ability to support thousands of aerospace jobs critical to our nation's economy must be rejected.

We are dismayed by the spurious objections from the Ex-Im Bank's opponents. We can only conclude that opposition to a highly successful government program that provides valuable financing for the purchase of U.S. made products, supports over 200,000 American jobs, and helps to reduce both the trade and federal deficit without cost to the taxpayer, can only be based on ideological grounds. We know that some believe that the government can do nothing right and that the continued success of the Ex-Im Bank challenges the ideological based assumptions of these opponents of the Ex-Im Bank.

The Ex-Im Bank is the only federal institution that makes it possible for U.S. manufacturers and workers to compete fairly with our global competitors in Europe and Asia, particularly in the aerospace industry, one of the last sectors in which the U.S. enjoys a positive balance of trade with the rest of the world.

The Ex-Im Bank's mission is "to assist in financing the export of U.S. goods and services to international markets", enabling "large and small companies to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy". Historically, the Ex-Im Bank's mission is directed at facilitating exports that support U.S. jobs, and not in balancing the interests of U.S. exporters against the interests of an airline like Delta, which, it should be noted, has also availed itself of Ex-Im Bank financing.

Some have claimed that Delta lost out on the New York to Mumbai route to Air India because of the Ex-Im Bank's help in financing a "flood" of an American made Boeing 777 aircraft. It should be noted that Air India flies one daily flight between New York (JFK) and Mumbai. That number rises to two flights per day if Newark is included. This hardly constitutes a "flood" of aircraft. What is missing from the "flood" analogy is the acknowledgement that if Air India is prevented from utilizing Ex-Im Bank financing for the purchase of Boeing aircraft, then it has only one other company to purchase long-haul aircraft from, Boeing's European competitor, Airbus, which would provide financial support from a European export financing authority. Consequently, Air India

would still be flying the same routes—only with European produced wide body aircraft produced by European workers and Delta's competitive position would be unchanged.

Simply stated, U.S. airline workers have not been hurt by the use of Ex-Im Bank financing by foreign airlines, and, as the largest union in the airline industry, the IAM would never support government policies that would harm our members at U.S. airlines.

If the small number of organizations that want to stifle Ex-Im Bank's ability to support U.S. workers were truly interested in supporting U.S. workers, they would argue that the Ex-Im Bank's rules be changed so that it could be permitted to assist U.S. airlines in the purchase of domestically produced aircraft. Sadly, it seems that these isolated groups may be more interested in destroying one of the U.S. government's most effective tools for spurring export growth and creating American jobs by pursuing language in the Ex-Im Bank reauthorization that could lead to the elimination of export financing for aircraft.

Additionally, it is disingenuous to claim to support a robust manufacturing industry and at the same time press for legislation that would undermine the Ex-Im Bank's ability to simply provide loan guarantees for the sale of U.S. manufactured aircraft, including wide-body aircraft. If the Bank is hindered, or prevented from supporting the export of aircraft made by U.S. workers, then U.S. workers, the communities where they live, and our nation's economy will lose—and lose big. Valuable jobs will be lost as foreign airlines purchase aircraft made from global competitors whose governments' willingly provide financing.

According to the U.S. Chamber of Commerce, small businesses make up 87 percent of Ex-Im Bank transactions. If the Ex-Im Bank is prevented from supporting U.S. manufacturers, thousands of additional American jobs will be lost as U.S. companies ship more production work abroad where they can take advantage of the financing provided by other countries' export credit agencies—financing that they would have preferred to obtain from the Ex-Im Bank.

Efforts to eliminate export credit financing with all export credit agencies in OECD and non-OECD countries presumes that these countries are like the U.S. and rely solely on export credit to support exports. Without Ex-Im Bank financing, the U.S. aerospace industry will be at severe disadvantage as European and non-European competitors would continue supporting their companies through their comprehensive industrial policies. Lastly, as China's export credit agency grows dramatically, why would we want to eliminate one of the only effective tools the U.S. has to compete with China?

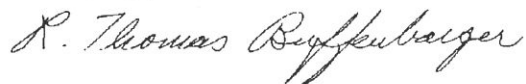
Similarly, attempts to weaken the Ex-Im Bank's domestic content requirements are dangerous and misguided. Greater domestic content means that a greater

percentage of the product for export is made here in the U.S. by American workers. If anything, the Ex-Im Bank's domestic content requirement should be strengthened. Multinational corporations that seek to lower domestic content requirements are the same corporations that have shifted thousands of production jobs outside of the U.S.

America's global competitors know that exports, and particularly aerospace exports, are vital to a strong economy and have repeatedly demonstrated a resolve to provide all necessary means of support to enhance export growth. Now is not the time for America to unilaterally disarm and surrender one of our last remaining engines of export growth, the aerospace industry. The Ex-Im Bank needs to be fully reauthorized with its exposure cap at adequate levels. It also needs to be reauthorized without language limiting its ability to support any manufacturing industry, including aerospace, and without damaging language that could lead to weakening its domestic content requirements.

If you have any questions, please contact Legislative Director Hasan Solomon at (301) 967-4575.

Sincerely,

A handwritten signature in cursive script that reads "R. Thomas Buffenbarger".

R. Thomas Buffenbarger
International President