

Statement of The Honorable Spencer Bachus III
Nominee to Serve as a Member of the Board of Directors, Export-
Import Bank of the United States
United States Senate Committee on Banking, Housing, and Urban
Affairs
November 1, 2017

Chairman Crapo, Ranking Member Brown, and distinguished Members of the Committee, thank you for considering my nomination to be a member of the Board of Directors of the Export-Import Bank of the United States. I also appreciate very much the recent opportunities we had to discuss my nomination and your concerns.

It is an honor to be selected by President Trump. I welcome the opportunity, if confirmed, to work for American workers and promote U.S. business interests and exports.

Today, I am pleased to have my wife and best friend, Linda, join me. During my entire public service, she has been by my side encouraging me along the way and making me a better person.

There is a familiar phrase from the 1967 movie *Cool Hand Luke* that somewhat inarticulately says, “What we’ve got here is failure to communicate.” I think that may sum up the current situation of the Export-Import Bank. After being nominated to the Ex-Im Board by President Trump in April, it didn’t take me long to be reminded that there are serious and strongly held differences between what the supporters of Ex-Im and its detractors believe about its mission, importance to the economy, and indeed, the need for its existence.

That is particularly disturbing since the Export-Import Bank has a proud history including financing the Burma Road during WWII and the Marshall Plan under President Eisenhower. Furthermore, Ex-Im has returned a profit to the taxpayers since the Reagan Administration. Nonetheless, its more recent lack of responsiveness to concerns expressed by many in the Legislative branch has created a hostile and adversarial relationship that has brought the Bank’s operations to a virtual standstill: and, this is seriously constraining the competitiveness of US manufacturers and other businesses in the global economy.

Unfortunately the timing couldn't be worse. We are increasingly shut out of a large portion of the world marketplace because of an unlevelled playing field. And that is extraordinarily regrettable at a time when markets are increasingly global. When America was the world's leading exporter, the American dream of the greatest generation was home ownership. Today, I suggest, that dream is a good job.

The failure of the bank to adequately communicate with Congress and the American public has resulted in bad blood, outright hostility, and ultimately, the fundamental loss of confidence in the institution.

Allowing this situation to continue would be a calamity, not just for the Bank, but for our whole country and its place in the global economy. If the failure to communicate involving Ex-Im isn't resolved, it won't be at the expense of the fictional character Cool Hand Luke played by Paul Newman. It will be at the expense of the jobs of thousands of American workers, present and future, as export opportunities both large and small are scuttled and lost. Sadly with those lost jobs will go the dreams of a better life for many American families.

The duties of individual Ex-Im Board members are not defined in the Bank's charter. It has been the practice for each Board member to determine how they can best serve the mission of the Bank to create jobs and spur economic growth through greater support of exports. If I am confirmed as a member of the Ex-Im Board, improving the communication between the Bank and both Congress and the Bank's customers, big and small, present and prospective, will be priority one for me. I've heard legitimate concerns that Ex-Im's efforts to support small businesses grow their workforce by increasing their exports have fallen short. We must better reach and serve American's smaller employers and their workers. Improving Ex-Im's small business products to ensure small business have a first class experience will be a critical first step toward fulfilling it's mission to level the playing field for America's best job creators. Bringing Ex-Im's technology platforms into the 21st Century will aid in protecting the U.S. taxpayer against potential external fraud attempts.

During my tenure on the House Financial Services Committee, I helped guide the passage of legislation reforming many of the Ex-Im operational requirements. I look forward to being able to work with the nominee for Chairman of the Bank, my former colleague and good friend Scott Garrett, and the other Board members to restore the confidence of Congress and others in this vital

institution. A first step in that direction will be to ensure better communications with Congress.

Please permit me to leave you with one final thought as I conclude my remarks. As members of Congress, you and I have had the immense pleasure and honor of meeting many American workers. What I have heard from those workers is that, if given a chance to compete on a level playing field, they will compete with workers anywhere else in the world and they will produce the best product at the best price. I truly believe that and look forward to working with you at the Export-Import Bank to make that a reality.

If I am confirmed by the Senate, I pledge to work with you alongside my fellow Board members to carry out and pursue the mission of EXIM as written in its charter. Mr. Chairman, Ranking Member Brown, and Members of the Committee, I truly appreciate your time today and consideration of my nomination. I look forward to answering any questions you may have.