



Written Statement of Michael P. Boyle
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before the
U.S. House Committee on Financial Service Hearing
“Examining the Export-Import Bank’s Reauthorization Request and the
Government’s
Role in Export Financing”
June 3, 2015

BES&T is an exporter of U.S. Patented Commissioning Technology know as SigmaCommissioning. The most advanced equipment and engineered process available in the world today. BES&T and Sigma significantly helps its clients (global energy companies) start (commission) their energy infrastructure projects for far less cost, fuel, water and time.

In short, we convert the largest power plants and refineries from a construction environment into an operating environment faster, less costly and with a higher degree of quality than is available anywhere else in the world.

In the first 10 years of BES&T’s history we did 90% of our work in the US.

We then spent 4 years inventing and perfecting our new commissioning technology before declaring our services, equipment, and engineering to be out of the R&D stage and therefore commercially viable.

We began exporting the work. Foreign companies had very limited technical support for our work and the competition for technical services was very weak. This meant that our clients would most likely be first adopters of this new technology. We were right. We also wanted to be tested, to apply our services in remote locations, in extraordinary terms on the toughest projects.

To be certain we could pay our people and vendors should clients not pay in far off lands, we insured our work with the EXIM bank. We sought to protect against major cash-flow disruption as we had little knowledge of collection, legal recovery, or any other understanding of the commercial codes of the countries where we were deploying our services. We could do the work but did not know what we would do if a foreign buyer did not pay us.

As our service became accepted and our abilities grew, so did our receivables. We solicited a National US Bank to provide us with the needed credit to support our working capital. They were agreeable to it domestically but we were informed that they had no means of securing our collateral to perfect full collection from foreign countries if we were to default. Even though those receivables

were insured. So we worked with them to apply for a working capital guarantee package with EXIM much as we had done when we bought our first building using 504 support through the SBA. We were approved and fees were required and paid. Since the time we began with the credit insurance and the working capital LOC we have had neither claims nor losses that required EXIM support to the bank.

Here are some of the results. In the 7 years since we began exporting and working with EXIM we have:

- Become known as the most advanced technical commissioning service company in power in 22 countries
- Spent \$71 million on the cost of producing our work
 - Trucking
 - Pipe and materials
 - Valves
 - Pumps
 - Filters
 - Manpower
 - Airfare
 - Fabrication
 - Chemicals
 - Hoses
 - Fittings
 - Ocean Freight
 - Air Freight
- Spent \$25 million on back office or SGA support.
- Paid 25% of our profits in federal taxes to the Treasury Department
- Repatriated *all* of our profits.
- Increased our revenue 4x
- Increased our employment 6x
- Paid 100% health insurance for all our workers.
- Paid Christmas and Profit sharing bonuses
- Provided an average wage of \$100K USD over our entire employment force
- Increased benefits by adding dental, 401k, Life insurance, PTO, Family Leave etc.
- Worked in 22 countries
- Filed for and received further US Patents
- Received an Audit by the IRS with received a notice of no changes or faults.
- Donated \$218,000 to local charities and non-profits in New Hampshire
- Successfully completed 60 projects
- Completed 5x the revenue in the second 10 years of the company as was completed in the first 10 years
- Eliminated 80,000,000 gallons of hazardous chemical waste in foreign countries.
- Opened new markets in Oil and Gas production to augment power plant work.
- Commissioned more than 27,351 megawatts of power and 200,000 barrels of oil per year from natural gas.

I personally have so enjoyed, and our company has benefited so much from the experience of and value derived from the EXIM bank that I was honored to be asked to volunteer my time to serve on the Advisory Committee of the bank, and have cosigned the 2013 and 2014 Competitiveness Report to the Congress of the United States. During that time I was chosen to serve as Chairman of the Subcommittee on Public Engagement to the Advisory committee. I have also worked and consulted directly with Chairman Fred Hochberg on the issues impacting small business. I have also been asked to consult on the operational content and usability of the website offered by the bank. I have given voice to my experience to members of congress, regional resource and economic development offices in New Hampshire, to local businesses thinking of working with EXIM. I have even been so honored as to join Chairman Hochberg in a discussion of the EXIM bank in the Roosevelt Room of the Whitehouse. To date my finest hour.

I can therefore state that I have been witness to positive changes in the bank's operating approach since my colleagues and I volunteered to serve on the advisory committee. We, and the information we have imparted, have had a direct impact on the bank because the bank's leadership was fully intent on providing the best support not just to small business, but to *all* businesses using the bank's services. The bank and each and every employee of the EXIM bank I met and worked with cared greatly about our concerns and took action to make the experience and value greater.

I have very good knowledge of the value of this bank to both the US exporter companies using the bank and the taxpayers in the US.

While I wish that there were no ECA global competition for credit support, there is. In as much as I have read and been required to review and make comment on the OECD and Non-OECD research of the activities of the global competitors to US exporting I am fully aware that both good and bad actors are in abundance across the world, and that their supporting ECAs are outspending in both percentage and real dollars the EXIM bank of the US. These actions are deliberate and these organizations will go to great lengths to create the unbalanced competition that we would like to have eradicated.

Until such time as there is no further need for global ECA competition, I would therefore ask the House and Senate of the United States to consider the following actions.

1. Re-authorize the EXIM bank for 7 years.
2. Add an addition 20 billion USD authority to the Bank
3. Allow the bank greater flexibility to advertise its existence and benefits.
4. Allow the bank greater budget flexibility to conduct regional training and recruitment of customers.
5. Establish treaties with Non-OECD countries to severely restrict and penalize unfair ECA support or non-competitive actions related to exports
6. Ensure 100% compliance with the law of the United States and all foreign Borrower nations.

7. Ensure that US policy support by the bank is fair and equally balanced.
8. Promote the establishment of a global Uniform Commercial Code or similar instrument for the security of international assets derived from commercial transactions.
9. Empower domestic banks to further support export credit of viable receivables and exported collateral under some strict country limitation schedule.
10. Negotiate ECA interest rates worldwide to stabilize differentials.
11. Vigorously promote the bank to small businesses.

In conclusion, we, as American business people value our support from our government. I personally have benefitted from being a citizen of the United States. When I was young my mother reached out for food stamps and welfare to assist us till we could get on our feet. I had school lunch programs in the public schools I attended. Not being able to afford college I joined the United States Navy. I was trained to be a boiler technician over a 6 year period. I traveled the world on 3 destroyers and a tender and earned a great education in life, leadership, steam, and boilers. I was honorably discharged and have gone on to build a family and a company. My company has 60 families employed and we all still travel the world and we still work on boilers. I have been blessed to have the people and government of these United States beside me then and beside me now. I have estimated that my work in this regard has returned many time over the money given to my mother for my benefit and the salary I earned in the Navy. I have visited the White House, and am now here in the Capitol speaking to our Congress. Beyond all that I have accomplished, my mother and father are proud, my wife and sons too.

So I will make you a promise. When I don't need to use the EXIM bank any longer, when we have grown our business and employed hundreds more people, I will stop using the bank. But even then, I will volunteer my time to defend this organization and its people, and to help each and every small business that asks me to help them learn to export and how to do so with EXIM.

I love my country, am grateful to have its help, and wish to thank the Congress for making this valuable tool available.

Thank you for the honor of participating in this discussion.

God Bless the United States of America

Michael P. Boyle

President and CEO