

TESTIMONY OF KEVIN S. LAW BEFORE THE HOUSE SUBCOMMITTEE ON  
INTERNATIONAL MONETARY POLICY AND TRADE

Thank you Chairman Miller, Vice Chairman Dold, Long Island's Congresswoman Carolyn McCarthy, and the other committee members for the opportunity today to give this testimony regarding the Export-Import Bank of the United States.

My name is Kevin Law and I am the President and CEO of the Long Island Association, ("LIA"). The LIA is the largest business organization of its kind in New York State. Our membership includes thousands of businesses both large and small, which employ hundreds of thousands of employees. The LIA has been in existence for over 80 years and our mission is "to lead and unify the region in order to strengthen Long Island as a place to live, work, and do business"; a charge we take very seriously.

Long Island, like the rest of the nation, has suffered through the recent recession and has been plagued by falling home values, high unemployment and businesses closing their doors. The Long Island economy is very much a small business driven economy. Ninety percent of Long Island businesses are companies that employ twenty people or less. It is estimated that exports from Long Island are valued at over \$10 billion. Increasing the export capabilities of our manufacturing and service sectors would certainly be a boost to companies exploring new markets.

The LIA supports the re-authorization of the Export Import Bank when its current authorization expires this September. The financial and technical service it offers is invaluable to companies to reach international markets. I would like to thank Fred Hochberg, Chairman and President of the Export Import Bank for helping many Long Island companies over the past couple of years.

Unfortunately, and despite the assistance from the Bank to date, many smaller companies are not aware of the Export Import Bank or the services they provide. Too often, small business owners are caught up in the day-to-day aspects of running their business to take the time to explore new opportunities to grow their businesses. They are also painfully aware that when there are government agencies willing to assist, they are overwhelmed by the paperwork necessary that is often required by these agencies because they do not have procurement professionals to assist them.

As the Committee considers the re-authorization legislation for the bank, we feel it is important for you to not only consider ways for the bank to be made more accessible to small businesses but to also streamline the application process, so more small businesses can take advantage of the opportunities to expand into international markets. Additionally, we feel, there needs to be stronger cooperation between the various federal agencies that play a role in the Export Import Bank's spheres of influence. This includes the US Department of Commerce, the Small Business Administration and the Department of State. Perhaps you can utilize the services of organizations like the LIA to help

educate the business community of the numerous programs available to them by the various federal agencies administering these programs. We also think this committee should take a look at how technology might be better used for small businesses in the application process. We have seen a rapid movement towards a digital economy and the Ex-Im Bank Intranet should be used to streamline the application process for small businesses. Any efforts that make this process easier for small businesses should be one of the goals of this committee.

The Ex-Im Bank's Global Access for Small Business forums are a prime example of how to start that process. The goal of this program is to reach 5,000 small businesses across the country with twenty such forums being held this year alone. I am happy to say that we have been working closely with Congresswoman McCarthy on a forum to be held on Long Island on April 11 and we are marketing the event to our membership so they can take advantage of what the Ex-Im Bank has to offer.

The recent announcement by the Ex-Im Bank of its "Supply Chain Financing Initiative" should be a boon to thousands of small businesses that supply US based corporate operations. By supplying competitively priced working capital finance to suppliers of US exporters, this program lowers costs to these suppliers and thereby strengthens the supply chain. An additional benefit of this supply chain finance program is that it allows suppliers to get paid faster and decreases the receivables on their balance sheets. This is another tool in the tool kit that we feel could be vital to many of Long Island's small businesses and I look forward to working with the Bank to encourage eligible Long Island businesses to take advantage of this opportunity.

Another area we feel the committee should take a closer look at is military and defense items. We understand, most of Ex-Im Bank's Loan Guarantee, Direct Loan and Working Capital Guarantee programs are generally not eligible for Export Import Bank benefits. A large number of smaller businesses on Long Island are involved in the defense industry and as many of you know, Long Island is the Cradle of Aviation and has a proud history in the air and space industry. Many of the goods and services produced by the defense industry sector can have other applications and we feel their exclusion from the programs should be revisited and amended.

The last re-authorization of the Ex-Im Bank also expanded its powers for competing against the export/import banks of other countries. It was encouraging earlier this year where the US Ex-Im pursued General Electric's sale of 150 locomotives to Pakistan and made an offer designed to be competitive with China's offer. It's these kinds of actions that the US will need to take if we are to succeed on a global stage. During this year's reauthorization, I would encourage Congress to again enable the Bank to compete against the export/import banks of other countries.

The LIA and the Ex-Im Bank have similar goals in trying to create jobs and to grow the economy. To this end, I look forward to working with the Bank and bringing its valuable services to the small business members of the LIA and look forward to a productive and

prosperous working relationship as we try to improve the business climate for Long Island, our State and our country.

Again, thank you Mr. Chairman, Mr. Vice Chairman and Ranking Member McCarthy, for the opportunity to provide this testimony today.

Respectfully submitted,

A handwritten signature in black ink, reading "Kevin S. Law". The signature is written in a cursive style with a large, stylized initial "K".

Kevin S. Law  
President and CEO  
Long Island Association

United States House of Representatives  
Committee on Financial Services

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

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| <b>1. Name:</b><br><br>Kevin S. Law   | <b>2. Organization or organizations you are representing:</b><br><br>Long Island Association  |
| <b>3. Business Address and telephone number:</b><br><br>   |   |
| <b>4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b><br><br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | <b>5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b><br><br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>6. If you answered .yes. to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.</b><br><br> |   |
| <b>7. Signature:</b>  |   |

Please attach a copy of this form to your written testimony.