

114TH CONGRESS
1ST SESSION

S. 1546

To establish an export credit insurance program in the Small Business Administration.

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2015

Mr. VITTER introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To establish an export credit insurance program in the Small Business Administration.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ensuring Small Busi-
5 nesses Can Export Act of 2015”.

6 **SEC. 2. FINDINGS.**

7 (a) IN GENERAL.—Congress finds that—

8 (1) the Export-Import Bank of the United
9 States administers—

1 (A) the Working Capital Loan Guarantee
2 Program, which—

3 (i) facilitates finance for businesses,
4 in particular small businesses, that have
5 exporting potential but need working cap-
6 ital funds to produce or market goods or
7 services for export;

8 (ii) provides repayment guarantees to
9 lenders on short- and medium-term work-
10 ing capital loans made to qualified export-
11 ers, which loans are secured by export-re-
12 lated accounts receivable and inventory;

13 (iii) provides a guarantee of up to 90
14 percent of the principal and interest on a
15 loan made to an exporter by a private lend-
16 er for export-related accounts receivable;
17 and

18 (iv) provides a guarantee of up to 75
19 percent for export-related inventory;

20 (B) the Global Credit Express Loan Pro-
21 gram, which provides direct working capital
22 loans to small businesses for a 6- or 12-month
23 revolving line of credit of not more than
24 \$500,000; and

1 (C) the Export Credit Insurance Program,
2 which—

3 (i) extends credit terms to foreign
4 customers;

5 (ii) insures against nonpayment by
6 international buyers;

7 (iii) covers both commercial and polit-
8 ical losses with a 95-percent guarantee;
9 and

10 (iv) arranges financing through a
11 lender by using insured receivables as addi-
12 tional collateral;

13 (2) the export loan programs of the Export-Im-
14 port Bank of the United States described in sub-
15 paragraphs (A), (B), and (C) of paragraph (1) are
16 less appealing to small businesses due to lending re-
17 strictions on loans under those programs, which pro-
18 vide that—

19 (A) the loans may not be used when the
20 export product being financed has less than 50-
21 percent United States content;

22 (B) the loans may not be used to finance
23 sales to foreign military buyers, with which a
24 growing number of small businesses are con-
25 tracting; and

1 (C) contracts and purchase orders sup-
2 ported by letters of credit may not be used in
3 determining the borrowing base; and

4 (3) the Small Business Administration admin-
5 isters—

6 (A) the Export Working Capital Program,
7 established under section 7(a)(14) of the Small
8 Business Act (15 U.S.C. 636(a)(14)), which
9 provides short-term working capital, including
10 revolving lines of credit, of not more than
11 \$5,000,000 with a 90-percent guarantee;

12 (B) the International Trade Loan Pro-
13 gram, established under section 7(a)(16) of the
14 Small Business Act (15 U.S.C. 636(a)(16)),
15 which provides financing of not more than
16 \$5,000,000 with a 90-percent guarantee for
17 fixed assets, or to improve a competitive posi-
18 tion that has been adversely affected by import
19 competition; and

20 (C) the Export Express Program, estab-
21 lished under 7(a)(34) of the Small Business Act
22 (15 U.S.C. 636(a)(34)), under which—

23 (i) exporters are provided with a
24 streamlined method to obtain financing
25 backed by the Small Business Administra-

1 tion for loans and lines of credit of not
2 more than \$500,000;

3 (ii) lenders use their own credit deci-
4 sion process and loan documentation;

5 (iii) the Small Business Administra-
6 tion determines eligibility and provides a
7 loan approval in 36 hours or less; and

8 (iv) the guarantee is 90 percent for a
9 loan that is not more than \$350,000 and
10 75 percent for a loan that is more than
11 \$350,000 and not more than \$500,000.

12 (b) ADDITIONAL FINDINGS.—Congress further finds
13 that—

14 (1) the export loan programs of the Small Busi-
15 ness Administration described in subparagraphs (A),
16 (B), and (C) of subsection (a)(3)—

17 (A) are not restricted by the limitations
18 described in subparagraphs (A), (B), and (C) of
19 subsection (a)(2); and

20 (B) should be commended for their flexi-
21 bility, quick turnaround times, and the one-on-
22 one assistance from Small Business Administra-
23 tion personnel in structuring loan deals, negoti-
24 ating payment terms, and ensuring that the fi-
25 nancial needs of small businesses are met;

1 (2) the Export-Import Bank of the United
2 States only has Regional Export Finance Managers
3 co-located in 12 Department of Commerce United
4 States Export Assistance Centers, whereas the Small
5 Business Administration—

6 (A) has Regional Export Finance Man-
7 agers co-located in 20 United States Export As-
8 sistance Centers; and

9 (B) currently has Regional Export Finance
10 Managers co-located in 10 additional United
11 States Export Assistance Center locations that
12 the Export-Import Bank of the United States
13 does not, including in—

14 (i) Arlington, Virginia;

15 (ii) Boston, Massachusetts;

16 (iii) Charlotte, North Carolina;

17 (iv) Cleveland, Ohio;

18 (v) Denver, Colorado;

19 (vi) Los Angeles, California;

20 (vii) New Orleans, Louisiana;

21 (viii) Philadelphia, Pennsylvania;

22 (ix) Portland, Oregon; and

23 (x) St. Louis, Missouri;

24 (3) the Small Business Jobs Act of 2010 (15
25 U.S.C. 631 note) increased the maximum loan size

1 under the 2 largest export loan programs adminis-
2 tered by the Small Business Administration to
3 \$5,000,000, which could cover approximately 80 per-
4 cent of all small business export loans currently
5 guaranteed by taxpayers through the Export-Import
6 Bank of the United States;

7 (4) the export loan programs administered by
8 the Small Business Administration and the export
9 loan programs administered the Export-Import
10 Bank of the United States are—

11 (A) duplicative of each other, except for
12 the Export Credit Insurance Program of the
13 Export-Import Bank of the United States; and

14 (B) under the current structure, competing
15 against each other for small business clients;
16 and

17 (5) the Export Credit Insurance Program of the
18 Export-Import Bank of the United States is a vital
19 component of export loan programs.

20 (c) DECLARATION OF POLICY.—It is hereby declared
21 to be the policy of this Act—

22 (1) that, should the statutory authority for the
23 export loan programs administered by the Export-
24 Import Bank of the United States lapse, the Small
25 Business Administration shall serve the small busi-

1 ness clients of the Export-Import Bank of the
2 United States under existing statutory authority of
3 the Small Business Act (15 U.S.C. 631 et seq.);

4 (2) to create an Export Credit Insurance Pro-
5 gram within the Small Business Administration
6 similar to the Export Credit Insurance Program of
7 the Export-Import Bank of the United States; and

8 (3) to ensure that small business exporters are
9 served by the programs of the Small Business Ad-
10 ministration.

11 **SEC. 3. EXPORT CREDIT INSURANCE PROGRAM.**

12 Section 22 of the Small Business Act (15 U.S.C. 649)
13 is amended—

14 (1) by redesignating subsection (l) as subsection
15 (m); and

16 (2) by inserting after subsection (k) the fol-
17 lowing:

18 “(l) EXPORT CREDIT INSURANCE PROGRAM.—

19 “(1) IN GENERAL.—The Administrator shall es-
20 tablish a program under which the Administration
21 shall provide insurance for the exports of small busi-
22 ness concerns, including insurance against non-
23 payment by international buyers.

24 “(2) REGULATIONS.—Not later than 90 days
25 after the date of enactment of this subsection, the

1 Administrator shall promulgate regulations to carry
2 out the program established under paragraph (1),
3 which shall be, to the maximum extent practicable,
4 substantially similar to the Export Credit Insurance
5 Program of the Export-Import Bank of the United
6 States, as in effect on the day before the date of en-
7 actment of this subsection.”.

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