



Dear Members of Congress:

On behalf of our organizations, which represent millions of Americans across all 50 states, we're presenting you this movie poster as a Halloween reminder to oppose the reauthorization of the Export-Import Bank and the renewal of the so-called "tax extenders." Ex-Im and tax extenders epitomize all that's wrong with business-as-usual in Washington and are a raw deal for taxpayers—corporations get the treat, taxpayers get the trick.

The taxpayer funded bank was slated to expire on September 30 but a provision in the continuing resolution keeps it going until November 21—a temporary reprieve while congressional leaders figure out how to renew it on the sly by attaching it to a must-pass spending bill, meaning the bank will never get the scrutiny taxpayers deserve.

By financing riskier export transactions with sweetheart terms backed by the American taxpayer, Ex-Im rigs the game in favor of a few well-connected companies, both here and abroad, at the expense of their competitors and taxpayers. Indeed, the lion's share of Ex-Im subsidies go to a handful of the biggest corporations in America and their equally large foreign customers in places like China, Mexico and Saudi Arabia. If Ex-Im loans go bust, taxpayers pick up the tab.

The bank also has a history of corruption and mismanagement. A General Accountability Office study found that, between 2014 and 2016, \$1.7 billion was awarded to 32 companies that may have been delinquent on their federal debts—a violation of federal law. Another GAO report found the bank has no framework to deter fraud and needs substantial fraud risk management reform. As a consequence, the bank poses significant risk of loss to taxpayers. Now that's scary.

And yet like some Frankenstein monster, Congress will reanimate it without asking some serious questions about the bank and how it functions. There was a single hearing in the House, but no attempt to debate and pass a reauthorization out of committee. For its part, the Senate hasn't even held a hearing, much less a committee or floor vote. Time to bring the issue out of the basement lab and into the full light of public scrutiny.

And you really couldn't find a better example of how Washington rigs the system for the politically-favored and well-connected at the expense of everyone else than tax extenders, a package of special-interest tax breaks, most of which expired at the end of 2017—or so we thought! Like a bad horror movie, Congress now wants to bring them back from the dead and even apply them retroactively to last year. That's a trick even Boris Karloff couldn't pull off.

The irony is that with the passage of the Tax Cuts and Jobs Act of 2017, Congress took an important step forward by eliminating a number of tax loopholes and carveouts for the politically connected. And because of tax reform, billions of dollars in tax credits, carve outs and loopholes for special interests were allowed to expire at the end of 2017. What is the economic rationale for bringing them back, especially when the economy is healthy and growing?

You can dress up those two in any costume you want but lurking beneath will always be the ugly face of corporate welfare and cronyism. It's time for Congress to stop the corporate welfare horror show and put taxpayers first. No more Ex-Im Bank; no more tax extenders. Let both rest in peace.

Sincerely,

*Russ Latino*

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