

ILLINOIS MANUFACTURER NOT PREPARED TO 'ABSORB THE SHOCK' OF EX-IM BANK CLOSURE



BECAUSE MEPC SUPPLIES SEVERAL LARGE MANUFACTURERS THAT ALSO USE EX-IM, THE BANK'S CLOSURE WOULD HAVE A PROFOUND EFFECT ACROSS THE ENTIRE BUSINESS.

Anybody who has been involved in a fender bender can appreciate the importance of shock absorption equipment. It can prevent injury and damage and even save lives. Not many companies have been perfecting the science of shock absorption for as long as Miner Elastomer Products Corp. (MEPC) located in Geneva, Illinois, 45 miles west of Chicago.

MEPC is a division of Miner Enterprises, a privately held company started in 1894 to make equipment that cushioned the impact between rail cars. MEPC was launched in 1985 to develop shock absorption products under the TecnPak® brand name for industrial, automotive, mining, and other industries. MEPC proprietary products can be found on fitness equipment such as treadmills, military vehicles, construction and mining equipment, and commercial lawnmowers.

Increasingly, MEPC is exploring overseas markets for growth. Exports currently account for fifteen percent of its sales, with Mexico, the recipient of two to three MEPC shipments a month, its top foreign market.

Its ability to capture additional foreign customers rests in part on the continued support of the U.S. Export-Import (Ex-Im) Bank. MEPC uses Ex-Im to insure its accounts receivables, guaranteeing the company payment in full for orders that aren't paid in a timely manner, says MEPC president Richard Beranek. Seventy-five percent of its sales to customers in such countries as Australia, India, South Africa, and Canada are backed by Ex-Im. In addition, MEPC is planning to take advantage of another Ex-Im service—customer financing for the purchase of its mining truck suspensions.

The prospect of Ex-Im closing at the end of September due to congressional negligence it is unsettling for Beranek. "Without Ex-Im, our liabilities would increase," he says. "We would hesitate selling to some customers. We'd have to think long and hard before taking on that risk."

Because MEPC supplies several large manufacturers that also use Ex-Im, the bank's closure would have a profound effect across the entire business. "What we consider domestic business isn't really domestic because our products are components to other bank users' exports," Beranek says. "So the impact of Ex-Im's closure on MEPC would be felt far beyond just the fifteen percent of our sales to foreign customers."

