

LUMBER COMPANY USES THE EX-IM BANK TO EXPORT WOOD



Don Pettis remembers a time when his town, Conover, North Carolina, was the furniture making capital of the world. But now, much of the furniture has gone the way of so many other manufactured products: to Asia.

Mr. Pettis is the co-owner of Tradewinds International Inc., a small lumber distributor and wholesaler that has been in business for almost 30 years. In addition to sitting in what was once the furniture capital of the world, the company provides jobs in a place that has had persistently high unemployment since the recession.

Tradewinds International is just one of hundreds of small and medium-sized businesses that rely on the Ex-Im Bank to compete abroad while keeping about 1.2 million jobs in the U.S. Those very jobs are at risk if Congress doesn't reauthorize the Bank's charter.

Mr. Pettis's company exports up to 95% of its lumber overseas, mainly to Europe, the Middle East, and the Far East. Of those sales, they rely on the Ex-Im Bank to assist in just 5% of their transactions, but for a small business that makes a big difference.

"If you look at your bottom line, and you go along and break even, 5% more in sales generates a profit," said Mr. Pettis. "And the last five or six years you've needed every sale you can get."

The last five years have been marked by intense competition that led Tradewinds International to begin using the Ex-Im Bank for receivable insurance. Many of the company's sales wouldn't have been made otherwise.

Mr. Pettis said lawmakers should understand what will happen if the Ex-Im Bank isn't reauthorized. "As we lose profitability, we lose earnings that we have to pay taxes on," which means, "the Treasury gets less money," said Mr. Pettis. This effect would be felt by competitors, suppliers, and customers that would no longer be able to purchase American lumber.

"IF YOU LOOK AT YOUR BOTTOM LINE, AND YOU GO ALONG AND BREAK EVEN, 5% MORE IN SALES GENERATES A PROFIT" SAID DON PETTIS, CO-OWNER OF TRADEWINDS INTERNATIONAL INC. WHOSE COMPANY RELIES ON THE EX-IM BANK FOR 5% OF SALES.

