

Without Ex-Im, Texas Oil-Rig Maker Could Lose Half Its Employees

Applied Machinery Corp. - Houston, Texas

Sometimes the outcome is certain and severe and in the case of Texas oil-rig manufacturer Applied Machinery Corp. it is.



"If you remove Ex-Im from the picture, our company could shrink by 50 percent. In jobs terms, that's a few hundred jobs," said Mr. James McDevitt, who is the chief operations officer of Applied Machinery.

And the direct effect is only the beginning. Several hundred more people would also likely get laid off because Applied Machinery buys tons of steel – mostly from American companies – and other parts for its custom-made oil rigs.

"It's a chain effect," said Mr. McDevitt, adding that the company spends \$1 million to \$2 million annually on steel alone. "The operation of transporting our equipment touches hundreds of others who support ports, shipping companies, and the countless others who support the biggest exporting industry in the country."



Applied Machinery is just one of the hundreds of small and medium-sized businesses that rely on the Ex-Im Bank to compete abroad and keep jobs local. Those jobs—amounting to about 1.2 million jobs across the U.S. in the last five years—are at stake if Congress doesn't reauthorize the Ex-Im Bank

The Ex-Im bank supports American manufacturing and job growth, bottom line. If we lose Ex-Im we lose jobs, we lose manufacturing capabilities and customers will go abroad for these products to countries that have the framework in place to support international sales.

Some in Congress want to stall and slow the economy by abolishing the Ex-Im Bank due to philosophical ideas and political theories. "The opposition doesn't make sense to me, at a time when we are firing on all cylinders to get back to being a world leader in exports, why are we cutting off our nose to spite our face?"

If Ex-Im isn't reauthorized, customers might have to go back to buying the lower quality equipment from China because of financing issues. The oil rigs Applied Machinery makes cost \$14 million to \$30 million apiece and customers need financing to pay for them. If the U.S. cannot compete with the financing terms offered by China, the Chinese firms will win out.

"What does make sense is that the Ex-Im Bank is supporting billions in exports and hundreds of thousands of jobs in the private sector while actually making money and paying down our deficit. You would have to be crazy not to support that."