

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 21

S.P. 48

In Senate, January 26, 1989

Reported by Senator ANDREWS from the Committee to study Maine's Participation of International Trade and Effect of International Trade on Maine's Economy. Approved by the Legislative Council on April 17, 1988.

Reference to the Committee on Housing and Economic Development suggested and ordered printed pursuant to Joint Rule 19.

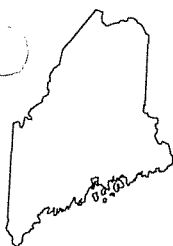
Handwritten signature of Joy J. O'Brien in cursive.

JOY J. O'BRIEN
Secretary of the Senate

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

**Resolve, to Provide for the Evaluation of Financing Available to Small
Businesses for Exporting .**



1 **Preamble.** Whereas, the private sector of Maine is composed
principally of small businesses; and

3 **Whereas,** small businesses have very limited or no
5 experience in exporting; and

7 **Whereas,** private financial institutions in Maine are
reluctant to finance trade with foreign nations, particularly
9 with respect to small Maine businesses with little or no
experience in exporting; and

11 **Whereas,** small businesses consider financing programs of
13 the United States Export-Import Bank to be too bureaucratic and
not conducive to the needs of small businesses; now, therefore,
15 be it

17 **Finance Authority of Maine to undertake analysis. Resolved:** That
the Finance Authority of Maine, in consultation with the
19 Department of Economic and Community Development and an
association representing Maine firms engaged in international
21 trade, study the availability of financing to small businesses
for exporting and consider the feasibility of a low-interest
23 state loan program to finance exporting activities of small
businesses in Maine; and be it further

25 **Report. Resolved:** That the Finance Authority of Maine report
27 its findings and recommendations to the Joint Standing Committee
on Economic Development by January 15, 1990.

31 **STATEMENT OF FACT**

33 This bill is the product of a study conducted by the Joint
35 Standing Committee on Economic Development with respect to the
impact of international trade on the State of Maine. The
37 committee found that a major barrier to exporting is inadequate
export financing. Private lending institutions are very hesitant
39 to provide export financing to businesses because of the risks
involved. Banks in Maine are more hesitant to provide export
41 financing to Maine businesses because many of these businesses
are small.

43 The United States Export-Import Bank, or Eximbank, in the
45 past has financed exporting primarily for large firms. Eximbank
provides limited export financing to small businesses now, but
47 small businesses have found the process extremely bureaucratic.
In addition, the financing has been neither timely nor sufficient.

49 Many states have come to the same conclusions as Maine about
51 export financing availability. Several states provide
low-interest state loans for export purposes.
53

1 This bill directs the Finance Authority of Maine, in
3 consultation with the Department of Economic and Community
5 Development and an association of exporting firms, to study the
7 issue of low-cost export financing for small Maine businesses.
 The Finance Authority shall report its findings and
 recommendations to the Joint Standing Committee on Economic
 Development by January 15, 1990.