



# governmentattic.org

*"Rummaging in the government's attic"*

Description of document:	International Trade Administration (ITA) Federal and State Export Coordination Plan 2017
Requested date:	23-December-2021
Release date:	04-February-2022
Posted date:	19-September-2022
Source of document:	Freedom of Information Act Request International Trade Administration Freedom of Information Officer Room 40003 14th and Constitution Avenue, N.W. Washington, D.C. 20230 Email: <a href="mailto:foia@trade.gov">foia@trade.gov</a> <a href="http://FOIAonline.gov">FOIAonline.gov</a>

The governmentattic.org web site ("the site") is a First Amendment free speech web site and is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



**UNITED STATES DEPARTMENT OF COMMERCE**  
**International Trade Administration**  
Washington, DC 20230

RE: FOIA DOC-ITA-000458

This letter is in response to your Freedom of Information Act (FOIA) request submitted to the U.S. Department of Commerce (Department), International Trade Administration (ITA) on December 23, 2021. In your request you sought:

A copy of the Federal and State Export Coordination Plan. This plan was developed by the TPCC State and Federal Export Program Coordination Working Group during the 2017-2019 timeframe. TPCC is the Trade Promotion Coordinating Committee.

ITA began its search December 29, 2021, which is the cut-off date for responsive records. After a thorough search, ITA has located thirty-one (31) pages responsive to your request and the entire record set is being released in its entirety.

If you have any questions or concerns or would like to discuss any aspect of your request, you may contact the analyst who processed your request Bianca Kegler at [Bianca.Kegler@trade.gov](mailto:Bianca.Kegler@trade.gov).

You may also contact ITA's FOIA Public Liaison, using the following information:

Mayank Bishnoi  
FOIA Officer  
Office of the Chief Financial and Administrative Officer  
International Trade Administration  
1401 Constitution Avenue, N.W., Room 40003  
Washington, D.C. 20230  
[foia@trade.gov](mailto:foia@trade.gov)

Please refer to your FOIA request tracking number, FOIA DOC-ITA-000458 when contacting ITA. In addition, you may seek FOIA mediation services offered by the National Archives and Records Administration, Office of Government Information Services (OGIS). You may contact OGIS using the following information:



Office of Government Information Services  
National Archives and Records Administration  
8601 Adelphi Road-OGIS  
College Park, MD 20740-6001  
Email: [ogis@nara.gov](mailto:ogis@nara.gov)

In accordance with 15 C.F.R. §§ 4.10(a) and (b), you have the right to appeal this determination within 90 calendar days from the date of this letter. The Department deems appeals arriving after normal business hours (8:30 a.m. to 5:00 p.m., Eastern Time, Monday through Friday) as received on the next normal business day. If the 90<sup>th</sup> calendar day for submitting an appeal falls on a Saturday, Sunday or legal public holiday, an appeal received by 5:00 p.m., Eastern Time, the next business day will be deemed timely. The appeal should include a copy of the original request, this response, and a statement of the reasons why you consider the Department made this determination in error. Please mail written appeals to:

Assistant General Counsel for Employment, Litigation, and Information  
U.S. Department of Commerce  
1401 Constitution Avenue, N.W. Room 5896  
Washington, D.C. 20230

You may send an appeal by e-mail to [FOIAAppeals@doc.gov](mailto:FOIAAppeals@doc.gov), or through FOIAonline at <https://www.foiaonline.gov/foiaonline/action/public/home> if you have a FOIAonline account. Clearly mark "Freedom of Information Act Appeal", in the e-mail subject line, or on both the appeal letter and envelope.

For the purpose of assessing fees, there are no billable fees for processing of this request.

Sincerely,

*Mayank Bishnoi*

Mayank Bishnoi  
FOIA Officer  
Office of the Chief Financial and  
Administrative Officer

# **FEDERAL AND STATE EXPORT PROMOTION COORDINATION PLAN**



**United States of America  
Trade Promotion Coordinating Committee  
Washington, DC  
April 2017**

## **TABLE OF CONTENTS**

Executive Summary .....	1
Introduction .....	2
The role of state trade promotion agencies in assisting exporters .....	2
The role of state trade promotion agencies and how it is different from federal agencies located within or providing services within the state .....	5
How to utilize state trade promotion agencies in the federal trade promotion program .....	6
How federal and state agencies will share information and resources .....	10
How federal and state agencies will coordinate education and trade events in the United States and abroad .....	12
Efforts to increase efficiency and reduce duplication .....	14
Identification of where businesses can receive appropriate international trade information under the plan .....	18
Conclusion .....	20
Alabama Case Study .....	22
Florida Case Study .....	24
Kentucky Case Study .....	24
Appendix 1: Service and Programs Offered to U.S. Companies at ITA's U.S. Field Offices.....	27

## **EXECUTIVE SUMMARY**

The Trade Facilitation and Trade Enforcement Act of 2015 directs the U.S. Secretary of Commerce, acting through the Trade Promotion Coordinating Committee and in coordination with representatives of state trade promotion agencies, to develop a comprehensive plan to integrate the resources and strategies of state trade promotion agencies into the overall federal trade promotion program.

Federal trade promotion agencies have historically placed great emphasis on partnering with state and local trade promotion entities to align efforts and reduce duplication of services to better serve U.S. companies. These collaborative activities among federal, state, and local trade promotion agencies have included joint strategic planning, joint export counseling, cross-training, referring clients, and event planning, while respecting differences in performance measures, reporting requirements, and organizational structures.

Coordination across all levels of government has improved in recent years, particularly after changes to federal performance metrics that emphasized the need for local coordination. The U.S. Department of Commerce's International Trade Administration (ITA) has the largest domestic presence of all federal trade promotion agencies, with over 100 domestic field offices. Each year, the directors of these field offices work with state and local partners to develop community-specific annual plans that take into consideration state and local priorities and capabilities and balance them with overarching federal trade promotion strategic objectives.

The newly-introduced annual Federal-State Export Strategies, also called for in the Trade Facilitation and Trade Enforcement Act of 2015, further solidify the role of state and local trade promotion agencies in collaborative long-term planning efforts with federal trade promotion agencies. Together, trade promotion partners can identify goals and plan activities that best utilize partner organizations' services and expertise and best serve the local business community, with the common goal of increasing U.S. exports and supporting U.S. jobs.

Although there have been significant improvements in coordination and efforts to reduce duplication, the commitment to continue to strengthen collaboration across all levels of government, with the shared objectives of broadening and deepening the U.S. exporter base and supporting U.S. jobs, can be renewed through additional efforts, particularly in international trade specialist training and direct training of exporters; coordination through the Small Business Administration's State Trade Expansion Program (STEP) award process; standardized client referral procedures; and greater utilization of existing partnership programs, among others.

## **INTRODUCTION**

Exports account for close to 13 percent of our nation's gross domestic product and support an estimated 11.5 million U.S. jobs, according to the most recent data. U.S. companies that export grow faster, are more productive, and are less likely to go out of business than non-exporting companies. Workers in export-intensive manufacturing industries earn, on average, 15 to 20 percent more than their counterparts in other manufacturing industries.

At the state and local level, exports are a major contributor to growth and employment. Since 2009, nearly every state has seen an increase in exports, and exports have increased by more than 25 percent in 37 states. In 2015, 156 metropolitan areas had more than \$1 billion in exports. Despite the economic benefits that exporting provides to businesses, workers, and communities, only about five percent of U.S. companies sell their goods and services abroad.

American small and medium-sized business – drivers of the U.S. economy and employment – often face unique challenges to exporting. Of the small and medium-sized enterprises (SMEs) that export, the majority export to only one market, leaving additional market opportunities unexplored. SMEs operating in the United States are already doing business in one of the largest, most dynamic markets in the world, and they may initially be unlikely, for a variety of reasons outlined below, to look abroad for sales revenues through exports.

U.S. companies, SMEs in particular, often face gaps in their ability to assimilate information and to make business contacts overseas. Most SMEs are unable to dedicate the necessary staff, management attention, and budget for international expansion. Social networks are a key vehicle for obtaining information about new business opportunities and finding buyers, agents, and other business partners; however, the social networks of SMEs often do not extend to foreign markets. Even with information and overseas business partners, most SMEs lack the staff expertise to manage export compliance issues, trade logistics, and global business planning. And even with international business processes in place, many SMEs do not have sufficient working capital to finance export transactions.

Furthermore, private sector sources of information and contacts overseas are often prohibitively expensive for SMEs, and these sources may not always act in the best interests of SMEs, as they may have commercial or other incentives that favor local or more sizable clients.

Federal, state, and local trade promotion agencies help equip SMEs with the tools they need to overcome these obstacles to exporting. Through a collaborative and coordinated approach across all levels of government, trade promotion agencies help SMEs become export-ready by filling information gaps, by providing reliable, affordable services, and by lowering the opportunity cost of doing business internationally.

## **THE ROLE OF STATE TRADE PROMOTION AGENCIES IN ASSISTING EXPORTERS**

The role of state trade promotion agencies varies from state to state depending on agency mission, leadership, industry priorities, staffing, and resource levels. The same holds true at the

municipal and metropolitan level. Frequently, state and local trade promotion agencies combine export assistance functions with efforts to promote inward investment. An analysis of the nation's state trade promotion agencies reveals there is no singular model or organizational structure for trade promotion across the states.

Just as trade promotion models vary by state, resource deployment varies from state to state as well. Most state trade promotion agencies are included within the state economic development agency. Some states favor robust export and investment programs that include both local and international components, while others have strategically chosen to engage solely in investment attraction. Some pursue a hybrid program of export promotion and investment attraction, and others keep investment attraction and trade promotion functions organizationally distinct. Others limit their efforts to administering the Small Business Administration (SBA) State Trade Expansion Promotion (STEP) awards. Another approach pursued by some states is a public-private partnership. These programs are supported partly through state funds and partly through corporate fees. Finally, some states have no international trade promotion programs.

According to ITA and State International Development Organization (SIDO) surveys in 2015 and 2016, 31 states have a combined trade promotion and investment attraction program, 11 maintain separate trade promotion and investment attraction programs, four focus solely on investment attraction, three are dedicated only to trade promotion activities, and one state has no trade promotion program. A public-private partnership model exists in approximately six states.

Because of the varying scale and scope of state trade promotion programs, it is difficult to provide a singular definition that captures agencies' roles. State trade promotion agencies contribute to their respective state's overarching economic development strategy. Specific efforts generally focus on preparing firms for international business opportunities that will increase sales and support local jobs; attracting foreign direct investment; and implementing the governor's international priorities.

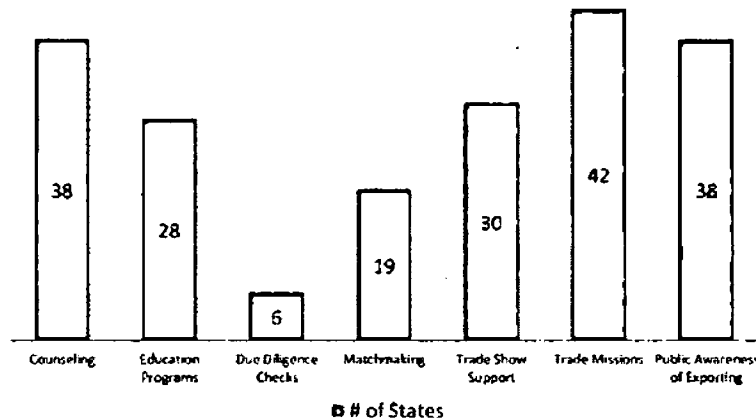
Generally, state trade promotion agencies execute their trade promotion objectives through a varied offering of services designed for active and potential U.S. exporters. According to a 2015 survey of domestic ITA field offices, a majority of states offer export counseling, general trade education programs, guidance for companies attending international and domestic trade shows, and trade missions. Below is a chart that shows how many states offer various trade promotion services.

Local communities' efforts to facilitate exports are newer and in many cases still in the development phase. However, there has been an increase in the number of metro areas that have developed export plans, due in part to federal efforts to raise awareness of the economic impact of exporting and the Brookings Institution's Metropolitan Policy Program.

Twenty-eight metro areas have developed export plans with the support of the Metropolitan Policy Program, and a few have been developed independently of the program. In most cases, federal and state trade promotion agencies have supported metro efforts by closely coordinating during the development and implementation phases of local strategies.



## Services Offered by State Trade Offices\*



\*Activities done by a World Trade Center were excluded.

1

In addition to providing trade promotion services directly to businesses, some state and local agencies are also engaged in the state and municipal strategy-setting process, providing counsel to executive state and local leadership, such as governors and mayors, and driving international trade priorities and objectives uniquely tailored to the individual state or region. State-level business data and export trends can inform a state trade strategy that maximizes resources to focus on export sales and job retention and creation. State and local trade promotion agencies often identify target sectors or markets based on local economic trends and allocate resources accordingly.

A variable which impacts a state's ability to deliver services to companies is their allocation of budget and staffing resources. A well-resourced state or local trade promotion agency, for example, can afford staff to organize gubernatorial trade and investment missions, support export education, conduct market research, counsel businesses, and plan trade events. However, many state and local agencies do not allocate sufficient resources to provide basic trade promotion services.

Budget uncertainty is a major risk to state and local trade promotion activities. Inconsistency in annual budgets for state and local trade promotion offices results in inconsistent provision of trade promotion services for businesses, particularly small businesses, which comprise the majority of users of federal, state, and local trade promotion programs.

To better capture data about resource allocation by state, SIDO has conducted surveys of state trade promotion agency staffing. States reported the following staffing levels in 2015:

0-1 staff.....13 states  
2-3 staff.....12 states

4-6 staff.....	12 states
7-11 staff.....	8 states
>11 staff.....	3 states

States with fewer staff are less likely to offer one-on-one export counseling to businesses. Instead, states with relatively small staff tend to focus on recruiting companies to participate in trade events, including trade shows, trade missions and general export education seminars. These efforts result in multiple companies benefiting from a single engagement or event. States with larger budgets and staff generally provide more opportunities for local businesses to receive individualized attention.

### **THE ROLE OF STATE TRADE PROMOTION AGENCIES AND HOW IT IS DIFFERENT FROM FEDERAL AGENCIES LOCATED WITHIN OR PROVIDING SERVICES WITHIN THE STATE**

State and local trade promotion agencies have varying roles depending on a variety of factors, including mission, operating structure, priority market focus, budget, and staff. On the other hand, federal trade promotion agencies provide uniform levels and types of services to companies across the country and offer export assistance for all industries and to all export destinations, while maintaining the flexibility through local offices to be responsive to state and local needs and priorities.

Federal trade promotion agencies provide many resources and services that are typically not available from any state or local trade promotion agency. Several federal trade promotion agencies have domestic field offices to better serve local clients. These agencies include ITA, SBA, and the Export-Import Bank of the United States (Ex-Im Bank). ITA specializes in market intelligence, export promotion, trade enforcement, and attracting inward investment, among other services. ITA's U.S. field offices, located in over 100 communities nationwide, represent the largest domestic network of any federal trade promotion agency, with staff directly connected to country, industry, and trade policy specialists based at ITA headquarters in Washington, DC and to commercial diplomats at U.S. embassies and consulates around the world. ITA field offices are uniquely positioned to provide the services of its global network at the local level and serve as a value-added gateway to global export opportunities. Additional federal resources and services unique to federal trade promotion agencies include working capital loans and export credit insurance, offered by SBA and Ex-Im Bank, respectively.

Federal trade promotion agencies are resources to both U.S. exporters and to state and local trade promotion agency partners. U.S. field offices are held to a core standard of client-centric performance measures and provide a suite of federal services that help develop new international sales channels for U.S. companies, particularly SMEs. For example, ITA assists companies to identify the best markets to export their U.S.-manufactured goods and services and to address trade barriers where they exist in foreign markets. In addition, ITA field offices guide and strengthen state and local trade partners by facilitating access to ITA's global trade network, providing policy expertise to inform local priority-setting, and serving as a convener for the local trade community.

With its focus on increasing U.S. exports and its integration into a network of federal trade offices around the world, ITA's U.S. field offices are sources of actionable business intelligence, practical transactional know-how, and information on foreign government treatment of imports; this information is publicly available, so state and local trade promotion agencies can share it with their clients.

ITA's domestic offices also maintain relationships with the U.S. Department of Commerce's Bureau of Industry and Security and other federal export control agencies, and are thus equipped to deploy resources and information to U.S. companies and state and local trade promotion agencies related to export compliance. Domestic ITA offices also liaison with federal trade promotion agencies that do not have a local presence, facilitating access to information and federal trade professionals for state and local agencies.

In most states, there is significant demand for training and individual export planning. Partnerships and collaboration in local exporting ecosystems extend the ability of federal, state, and local trade promotion agencies to deliver export promotion services, raise awareness of the benefits of exporting, and often provide additional business counseling in specific areas such as shipping and trade finance. In many locations nationally, companies considering exporting for the first time benefit from the assistance of Small Business Development Centers (SBDCs), a resource partner of the SBA. The Federal Government's online portal for exporting information, [Export.gov](http://Export.gov), is also a resource for this cadre of SMEs.

Local chambers of commerce, universities, ports, and economic development offices assist companies that are interested in exporting. Notable best practices among such entities include: scheduling regular meetings among locally-based trade promotion officials and export assistance providers; identifying at least one trade promotion official to coordinate local collaboration; and integrating export strategies into regional economic development planning.

## **HOW TO UTILIZE STATE TRADE PROMOTION AGENCIES IN THE FEDERAL TRADE PROMOTION PROGRAM**

State and local trade promotion agencies are important partners for federal trade promotion agencies. As noted in previous sections of this report, most state and local programs operate within a regional trade promotion framework and complement federal trade promotion activities. To continue to improve services for current and prospective U.S. exporters, federal agencies plan to utilize state and local agencies' expertise, programs, and business networks in the following ways:

***Strengthening the Local Exporting Ecosystem.*** ITA's U.S. field offices take a lead role in partnership with their state and local counterparts and other federal trade promotion agencies to develop and sustain a business environment that supports exporting and positions companies to realize success in international markets. Raising awareness of global opportunities, spearheading cultural exchanges, and coordinating activities of myriad organizations often falls to local leaders. Aligning local efforts to develop a global brand, enhance economic development, and support additional jobs through exports will require sustained engagement and cooperation at all

levels of government. Federal trade promotion agencies will continue to educate leaders on the benefits of exporting to ensure that export-related activities are a prioritized component of state and local economic development strategies. In many metro areas around the United States, Export Outreach Teams, or similar groups, have formed to advance cooperation between and among export service providers and the small business counseling community. Additionally, the 60 District Export Councils (DECs) around the country are among the most effective advocates for expanding exports. Appointed by the U.S. Secretary of Commerce for their global business knowledge and experience, DEC members are important contributors to the growth of local exporting ecosystems. Working in close coordination with ITA's U.S. field offices, DECs regularly serve as a forum for ongoing planning and collaboration across all levels of government and with the private sector. Export Outreach Teams and DECs will continue community outreach and digital engagement activities to increase awareness of the important role exports play in economic development.

***Referring Clients.*** In most cases, federal, state, and local trade promotion agencies offer complementary services. In instances in which states and local agencies are limited in their ability to provide necessary assistance to export-ready clients, the client should be referred to the appropriate federal counterpart. For instance, ITA's U.S. field offices specialize in market access, market entry, and advocacy. For export financing needs, businesses should be referred to SBA and Ex-Im Bank. For agricultural product export financing, businesses should be referred to the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS). Over the next year, the TPCC Secretariat will work with locally-based federal agencies and state and local partners to develop individualized client referral systems for states and major metro areas where they do not already exist. These systems will account for all participating trade promotion agencies and export assistance providers operating in a particular state or locality, including SBDCs, chambers of commerce, and DECs. A desired outcome is for trade professionals from any federal, state, and local trade promotion agency to be able to provide general information about federal, state, and local trade promotion and trade financing programs to any U.S. company and make appropriate referrals. State and local trade promotion agencies are encouraged to adopt the best practice of tracking client referrals made to and received from partner organizations.

***Recruiting for Trade Missions and Trade Events.*** Trade missions and trade events planned and executed by federal trade promotion agencies are open to all qualifying U.S. companies. Federal partners create a multiplier effect by working with state and local counterparts to share event information and identify interested businesses. Being aware of more opportunities to meet potential foreign buyers, partners, and distributors can help U.S. companies develop an individualized international expansion plan that fits their needs. SBA provides awards to states through STEP that can be used to help recover some of the costs of U.S. company participation in trade missions and trade events and other export promotion activities. States are encouraged to continue applying for and using STEP awards to facilitate greater international engagement by U.S. small businesses. State and local trade promotion agencies are also encouraged to engage federal agencies on state and locally-planned trade missions and trade events to provide value-added programs and services to participating companies, such as trade financing and overseas matchmaking. ITA will request a calendar of trade events on an annual basis from state and local partners to better understand projected demand for trade events and planning needs.

**Analyzing Local Industry Trends.** Federal trade promotion agencies study national data to identify trade trends that ultimately inform export strategies, programs, and resource allocation. The U.S. Government will continue to provide state and local trade and economic data and will work with state and local officials to determine additional needs. Similarly, data and anecdotes from state and local governments are helpful for educating and informing federal policy-makers. Additional data points can help federal trade officials select markets for potential trade missions and sectors of focus for market research reports.

**Improving Resources on Export.gov.** Federal trade promotion agencies continually seek feedback from state and local trade promotion agencies and their clients who use market research, training materials, and other resources on Export.gov. ITA invites all state and local users to submit feedback using the following submission form:

<https://www.export.gov/assistance>. The input will be reviewed and considered when making improvements to Export.gov. In the future, ITA will seek to improve local Export.gov webpages, which are managed by ITA field offices, and will solicit ideas for featured content, such as local trade events and resources, from state and local trade promotion agencies.

**Providing State and Local Input to the Federal Trade Policy-making Process.** Federal trade agencies value input from state and local governments in the trade policy-making process. The Intergovernmental Policy Advisory Committee on Trade provides the President, through the United States Trade Representative, with advice and policy recommendations on trade policy matters that have a significant relationship to the affairs of non-federal governmental interests, including those of any state and locality. Another mechanism to solicit input is the President's Export Council, which includes the heads of the National Governors Association and the United States Conference of Mayors.

**Educating Exporters and Trade Professionals.** Federal agencies have multiple educational resources, including a new series of "How to Export" videos, market-specific export webinars, and training videos. Federal agencies also have trade experts who can provide training on a variety of export-related topics, such as trade financing and U.S. export control regulations. Federal agencies will work with state and local agencies, as well as DEC's, to develop education plans tailored to local business needs and to identify and make available federal training resources to help execute the desired training program. Federal, state, and local trade promotion agencies have direct relationships with local businesses, and are well-positioned to collaborate to deliver impactful export training to increase the number of export-ready U.S. companies and to help current exporters expand their international sales. In addition to direct exporter education, federal trade promotion agencies will continue to train state and local international business counselors to best meet client needs.

**Expanding Utilization of Federal Export Financing Programs.** It is a best practice in trade promotion for regional, state, and local partners to have a thorough understanding of SBA and Ex-Im Bank and USDA trade and export financing programs. Locally-based trade professionals know the local businesses and can advise them on how SBA, Ex-Im Bank, and USDA products can enable them to increase their sales. Ex-Im Bank, SBA, and USDA will continue their efforts

to educate state and local officials and other partners on their products to ensure that exporters are knowledgeable of financing options.

- Ex-Im Bank manages the Regional Export Promotion Program (REPP), which brings state, county, and local nonprofit economic development entities together with Ex-Im Bank in an alliance to expand export opportunities. These entities have the local market knowledge and the ability to personally reach companies selling internationally. Meanwhile, Ex-Im Bank offers trade finance products and expertise specifically tailored to support U.S.-based companies selling internationally. Importantly, more jobs will be created and sustained with REPP Members' outreach.
- SBA operates a nationwide team of Export Finance Managers that work with regional, state, and local partners to ensure capital is accessible to small businesses. SBA has trade finance programs designed to guide small businesses throughout the export development cycle—from funding market development expenses to transaction financing to plant and equipment expansion due to exporting success. Export Finance Managers are regionally located and serve three vital roles for regional, state, and local partners: (1) providing tailored trade finance loans; (2) training and counseling small businesses on trade finance; and (3) training local lending institutions on trade finance.
- USDA offers credit guarantees programs through the Commodity Credit Corporation (CCC), which makes it possible for foreign buyers to purchase U.S. agricultural commodities in countries that may not have access to adequate commercial credit. The CCC program encourages U.S. lenders and U.S. exporters to extend credit terms on sales of agricultural commodities and products to overseas customers. By guaranteeing U.S. banks that provide this financing, the Export Credit Guarantee Program (GSM-102) helps to create and maintain jobs in agriculture production and the processing, transportation, distribution, and maritime industries. USDA also offers the Facility Guarantee Program (FGP) which is designed to boost sales of U.S. agricultural products in countries where demand may be limited due to inadequate storage, processing, handling, or distribution capabilities. The FGP program provides payment guarantees to facilitate the financing of manufactured goods and U.S. services to improve or establish agriculture-related facilities in emerging markets. Under both programs, the CCC reduces the financial risk to lenders by guaranteeing payments due from approved foreign financial institutions to U.S. sellers or financial institutions, where private-sector financing is otherwise not available. For both programs, all exporters of U.S. goods and services may apply for participation, including SMEs.

***Making Global Local.*** In response to dramatic shifts in the global economy, U.S. companies are increasingly reaching out to emerging markets as export destinations. Given its unique role, the U.S. Trade and Development Agency (USTDA) is positioned to guide U.S. businesses interested in entering or expanding their presence in developing and middle-income countries. In order to connect even more U.S. companies with its trade promotion programs, USTDA launched *Making Global Local*, the largest outreach campaign in USTDA's history. The foundation of

*Making Global Local* is formed by strategic partnerships between USTDA and state and local trade promotion agencies, local business associations, and economic development organizations. By understanding USTDA's programs and priorities, these partner organizations can help companies in their communities identify sales opportunities abroad through various USTDA-funded activities. Joint activities can include conferences, industry roundtables, webinars, and reverse trade missions. USTDA will target additional state and local agencies to become strategic partners and enhance U.S. export performance in emerging markets.

## **AN EXPLANATION OF HOW FEDERAL AND STATE AGENCIES WILL SHARE INFORMATION AND RESOURCES**

There has been ongoing collaboration and coordination among trade promotion agencies across all levels of government for decades, but to date, federal, state, and local trade promotion agencies have not had a formalized framework for sharing information and resources related to trade promotion. State and local agency staff have developed knowledge of trade and investment-focused information and resources through on-the-job experience, rather than a systematic knowledge management system or other effort to inform and train all international trade professionals. This coordination plan proposes multiple methods for information sharing and a periodic review of additional information needs.

***Annual Federal-State Export Strategic Planning.*** Collaboration within local exporting ecosystems is paramount to delivering effective trade promotion services to U.S. businesses. Federal, state, and local trade promotion agency participation in regular planning meetings and completion of annual Federal-State Export Strategies will help local partners share information about: (1) trade promotion and investment attraction priorities; (2) planned events, such as trade missions and trade shows; (3) resource availability, such as matching funds or financing programs; and (4) training needs. All states completed annual Federal-State Export Strategies in 2017, which were submitted to the Trade Promotion Coordinating Committee Secretariat. Federal and state agencies will increase efforts to engage additional local partners in annual Federal-State export planning for 2018.

***Trade Promotion Coordinating Committee.*** The TPCC Secretariat's coordinating role will expand to include state and local agencies. Resources and information that may be timely and useful to state and local agencies will be disseminated by the TPCC Secretariat. The key conduits for information sharing will be the TPCC State and federal Trade Promotion Coordination Working Group; ITA's U.S. field offices; the State International Development Organization; America's SBDC, the national network of Small Business Development Centers; NASBITE International, the organization for international trade educators and business counselors; and direct outreach to states. The TPCC Secretariat will regularly engage these partner organizations for feedback on the quality and clarity of information and assess future information needs.

***Agency-Specific Partnership Programs.*** Some federal trade promotion agencies have formal partnership programs with state and local agencies as well as U.S. corporations and non-profit entities, all of which are designed to facilitate direct access to resources and information. This allows state and local agencies to provide feedback directly to the federal partner on available

products and services and to receive targeted training on federal programs. Examples include the *Making Global Local* program at the USDA, Ex-Im Bank's *Regional Export Promotion Program* (REPP), SBA's relationship with Small Business Development Centers, ITA's network of 60 District Export Councils, and ITA's Strategic Partnership Program.

***State Trade Expansion Program (STEP) Applications.*** Collaboration between state trade promotion agencies applying for STEP awards and designated ITA STEP Liaisons during the application process will provide an opportunity to mitigate areas of duplication of services provided to U.S. exporters and will serve as an element of coordination to be included in annual Federal-State Export Strategies. This collaboration should include the ability for ITA STEP Liaisons to provide recommendations and feedback on proposals, and states should share information on STEP beneficiaries with the ITA STEP Liaisons so they can inform STEP beneficiaries of federal programs and services that facilitate trade expansion, such as SBA financing programs, Ex-Im Bank credit insurance, and ITA services (see Appendix 1). Federal and state cooperation should be sustained throughout the year, and as appropriate and pending approval from participating companies, states should provide referrals and contact information to federal agencies that can respond to specific exporter needs.

***State Regional Trade Groups.*** The U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) partners with four State Regional Trade Groups (SRTGs), which assist U.S. companies with creating and expanding export markets for value-added food and agricultural products. These non-profit organizations work closely with state Departments of Agriculture and offer services including: exporter training and education; analysis of export markets and opportunities; trade shows and buying missions; and guidance for international marketing campaigns and product promotion activities. All promotional activities conducted by the SRTGs are coordinated with FAS offices in Washington and overseas.

***Export.gov.*** ITA collaborates with 19 U.S. Government agencies to develop the content housed on Export.gov. Export.gov helps U.S. companies plan, develop, and execute international sales strategies necessary to succeed in the global marketplace. The platform is also a resource for state and local agencies, with access to market intelligence, tariff planning tools, trade events calendar, *Country Commercial Guides*, *Top Markets* reports, state export profiles, and export readiness assessments. In the future, Export.gov aspires to increase information about state and local resources and to feature local trade events.

***Trade Promotion Coordinating Committee Trade Officer Training.*** The Trade Officer Training program is offered by the TPCC Secretariat three times per year. The program imparts broader knowledge of federal trade programs and how they align to effectively serve U.S. businesses, and it also covers trade policy developments. The three-day training session gives participants the opportunity to learn about the missions of all federal trade promotion agencies and how they complement state and local activities, respond to changing customer needs, and craft customized solutions using real-life case studies. Participants also benefit from networking opportunities with program trainers and fellow attendees from multiple federal, state and local trade promotion agencies. The TPCC reserves thirty seats per year for non-federal partners. This includes trade directors and specialists from state and local agencies, as well as international



business counselors from other partner organizations, such as Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), and Minority Business Centers (MBCs).

## **DESCRIPTION OF HOW STATE AND FEDERAL AGENCIES WILL COORDINATE EDUCATION AND TRADE EVENTS IN THE UNITED STATES AND ABROAD**

In January 2017, federal and state trade directors initiated the first co-planning exercises to establish annual Federal-State Export Strategies. During the planning process, state trade promotion agencies coordinated with federal counterparts in ITA's U.S. field offices to include state-specific calendars of events, including both training and trade events, in the annual strategies. This strategic planning process will continue annually, with joint strategies from each state due to the TPCC Secretariat in February of each year.

Regarding education and training, the annual strategic planning process provides an opportunity for state and federal trade directors to identify: (1) training needs in the local business community; (2) partner organizations that can help host education sessions; (3) potential speakers or sources of content on the topic; and (4) marketing channels to recruit for education events.

The TPCC Secretariat will review the education events included in the Federal-State Export Strategies to identify trends in training needs. For example, if multiple states identify intellectual property protection and enforcement as a planned area of training, the TPCC Secretariat may develop a training module utilizing resources from ITA's Office of Intellectual Property Rights and the U.S. Patent and Trademark Office to share with state and local trade promotion agencies. This will ensure consistent delivery of training resources to state and local partners, exporters, and potential exporters.

In addition to improving training resources for U.S. businesses, the TPCC Secretariat will also improve training for international business counselors, many of whom work for partner organizations outside the purview of state and local trade promotion agencies. Increasing the number of counselors who are Certified Global Business Professionals and actively counseling companies on international trade issues will create a larger resource network for U.S. companies, which often need one-on-one export counseling to become successful exporters.

ITA will continue to play a central role managing and coordinating trade missions and trade events with its partners. ITA will continue to compile a trade events listing, which includes trade events from ITA, SBA, U.S. Department of State, and the USTDA. This events listing is available via application programming interface (API) on the ITA data services platform for public use. The listing is also searchable on Export.gov ([http://2016.export.gov/eac/trade\\_events.asp](http://2016.export.gov/eac/trade_events.asp)). State trade promotion agencies are encouraged to register to use the API and include the federal trade events feed in state trade calendars. In the future, Export.gov local sites will host a calendar of events. This calendar will include all trade missions and trade events open to the local business community, whether they are organized by federal, state, or local trade promotion agencies.

ITA will share information about the trade mission and trade event planning process and timelines and identify opportunities for input from states to improve coordination. ITA will ensure federal trade events are incorporated into annual Federal-State Export Strategies.

**Trade Missions.** ITA organizes trade missions in countries and regions around the world that demonstrate strong economic growth, lower barriers to trade, or other relevant market conditions favorable to U.S. goods and services exports. Designed to generate export sales, ITA trade missions: (1) provide first-hand education to U.S. businesses about economic conditions and regulatory environments in host-country markets; (2) allow U.S. businesses to conduct one-on-one meetings with counterpart companies from targeted countries; and (3) enable senior U.S. Government officials to engage foreign government representatives in trade-related policy dialogue that furthers U.S. interests and bolsters commercial relations. ITA solicits ideas for trade missions in the spring and fall of each year. Once a mission is approved, it is included in a calendar on Export.gov. ITA will also notify all state trade directors when missions are approved so they can consider incorporating them into Federal-State Export Strategies or assist with recruitment. ITA will include specific information about the itinerary, cost, and benefits of participation for each trade mission so state trade directors can provide counsel to companies about which trade missions are the best fit for companies' market expansion plans. States are also encouraged to apply to be part of ITA's Certified Trade Mission program. Likewise, ITA U.S. field staff will ensure their clients are aware of relevant state-organized missions and encouraged to participate. States should include all planned missions in the annual Federal-State Export Strategies to ensure ITA staff can help promote the missions effectively.

**Trade Shows.** Each June, ITA informs U.S. embassies and consulates of International Buyer Program (IBP) events, which are U.S.-based trade shows. Shortly thereafter, ITA also posts these IBP events on Export.gov. In the future, ITA will also disseminate the IBP event list directly to state trade directors so they are aware of the U.S. trade shows for which ITA is recruiting foreign buyer delegations. In addition, ITA certifies overseas trade events on a rolling application basis. Certified events can be found on Export.gov.

**Agricultural Trade Events.** USDA/FAS endorses international and U.S. agriculture-focused trade shows that will provide the best exposure and marketing opportunities for U.S. agricultural companies and producers. The list and schedule of endorsed trade shows is updated annually, covers a two-year time horizon, and is published on the FAS website on or about each October 1st. FAS meets quarterly with a Trade Show Working Group, which includes SRTGs and other partners, to solicit formal input into the trade show endorsement process. FAS works with show organizers, SRTGs, and partners to create a "U.S. Pavilion" to showcase the variety of quality made-in-the-USA products. FAS, SRTGs, and partners also provide participating companies with marketing and promotion services, market intelligence, logistical support, and on-site assistance.

**Agriculture Trade Missions.** SRTGs and other partners conduct in-bound and out-bound trade missions, providing opportunities for U.S. agriculture companies and producers to connect with international buyers. SRTGs coordinate with their respective state Departments of Agriculture on trade mission schedules and submit them to FAS as part of their Unified Export Strategy, which accompanies their annual funding requests. The sharing of information in the Unified

Export Strategy enhances coordination between FAS and the SRTGs, particularly in the planning of trade missions. FAS also conducts Agribusiness Trade Missions (ATMs) in countries and regions around the world that demonstrate strong economic growth, lower barriers to trade, or have other relevant market conditions that support U.S. agricultural exports. ATMs provide first-hand education to U.S. businesses and state Departments of Agriculture representatives about economic conditions and regulatory environments in host-country markets; allow U.S. businesses to conduct one-on-one meetings with companies from targeted countries; and enable senior leadership from USDA to engage government representatives in trade-related policy dialogue that furthers U.S. interests and strengthens commercial relations. FAS coordinates participation in ATMs with SRTGs and other U.S. agricultural non-profit trade associations. FAS has recently implemented an outreach campaign with SRTGs when exploring possible locations for ATMs to avoid overlap, leverage resources, and gain additional insight into potential markets whenever possible. Since the time horizon for planning ATMs is limited to within a single fiscal year, this communication plays a critical role in coordinating SRTG and individual state calendars. Finally, FAS invites the head of each state Department of Agriculture to participate in ATMs and encourages them to make their constituent agribusinesses aware of the opportunities to participate.

***Annual Planning Process.*** The annual Federal-State Export Strategies planning process is intended to foster long-term strategic planning for training and trade events. This will provide appropriate lead time to recruit business participants and establish partnerships among trade promotion agencies to deliver high-quality events. However, some training programs and events may arise that are not captured in the annual planning process. To be responsive to U.S. businesses and adapt to changing economic realities, federal, state, and local trade promotion agencies should have the flexibility to develop training programs and plan trade events that address specific, potentially unforeseen, needs. Federal, state, and local trade promotion agencies are encouraged to establish a regular communication schedule, such as holding monthly conference calls or hosting quarterly meetings, to effectively collaborate on training and trade events.

## **DESCRIPTIONS OF EFFORTS TO INCREASE EFFICIENCY AND REDUCE DUPLICATION**

There are several efforts underway at all levels of government to increase efficiency and reduce perceived areas of duplication in the provision of trade assistance to U.S. businesses. However, challenges remain and key opportunities for additional collaboration are identified below that federal trade promotion agencies will address over the coming year.

### **Existing Efforts to Improve Coordination**

Most states and localities report good working relationships with their locally-based federal trade promotion agency partners. In the 2017 Federal-State Export Strategies, all the states that received SBA STEP awards indicated that they coordinated with their ITA U.S. field office counterparts in the development of the application. States and territories that did not receive awards also highlighted their coordination in preparing their applications. SBA intends to

continue encouraging states to coordinate with their federal partners during the application preparation process, as well as during the implementation phase of the awards.

As outlined in the 2016 National Export Strategy, the Federal Government undertook several steps in 2015 to increase collaboration among federal, state, and local trade promotion agencies, due in part to an increased focus on exporting by states and municipalities. These steps included the following:

- ITA conducted a survey of its U.S. field office staff to better understand the level of collaboration between state and federal export assistance programs. Three-quarters of ITA respondents said they coordinated with state counterparts on a regular basis – either daily, weekly, or monthly – to define common goals, roles, and duties as well as to plan trade missions; to connect businesses to trade events; to raise public awareness of exporting; to promote available services; and to train exporters. ITA staff in 39 states reported client success was a result of joint work between them and their state counterparts.
- ITA has continued to emphasize partnership development in trade professionals' performance plans. This longstanding performance metric includes specific guidance on how ITA U.S. field office staff will foster communication and coordination with state and local partners. This element is tied to the Department's strategic plan element to increase U.S. exports through strategies designed to broaden and deepen the exporter base.
- The TPCC Secretariat established a monthly call series for state trade directors that includes senior leaders and field staff from ITA and other relevant TPCC agencies. These calls cover federal agency activities, such as new exporter tools and services, major conferences, trade missions, performance measures, client intake, and best practices in export services. Calls are coordinated by the State International Development Organization and have resulted in regular dialogue and joint trade promotion efforts, such as recruiting for Hannover Messe 2016. ITA led the 2016 Partner Country commitment to the world's largest industrial exhibition, Hannover Messe, which included over 430 U.S. exhibitors (five times the average prior years), making it by far the largest group of exhibitors that the United States has brought to Hannover Messe.

Below are additional examples of federal-state coordination. In these cases, state trade promotion agencies and their ITA U.S. field office counterparts have identified specific sectors, programs, or training needs around which to collaborate. These locally-defined and mutually-agreed upon objectives have created a framework for productive cooperation.

- In Connecticut, the Department of Economic and Community Development funds military veterans to work as contractors in the ITA U.S. field office as part of a Veteran's Workforce Development Program. This program enables ITA's Middletown field office to lead and coordinate all the trade activities for the state. Together, the state and the ITA field office support investment attraction activities, with the state leading these activities. The state administers the STEP award with both the state and the ITA

field office promoting exporting opportunities at major aerospace trade shows. The ITA field office supports all trade missions. The State of Connecticut has prioritized development of the aerospace and defense sectors, resulting in ITA-led export compliance training and market opportunities training.

- In Hawaii, ITA's field office in Honolulu is located at the State of Hawaii's Foreign Trade Zone, which is a hub of international trade activity and events. The local ITA office partners regularly with the state to host export-related events and training programs. The Hawaii ITA office has also played an instrumental role in the state's very successful STEP program, collaborating on the program's development and activities, and securing new partners to facilitate the program. This includes the local District Export Council, the Hawaii Pacific Export Council, which has facilitated all export training programs related to STEP, including Export University and ExporTech, and has provided export mentoring to individual companies. Due to its geographic location, the ITA office in Hawaii leads coordination of local Asia-focused events and its District Export Council includes members from Guam and the Northern Mariana Islands.
- In Texas, ITA's Austin field office is co-located with the State of Texas Economic Development and Tourism Division. This has led to enhanced collaboration and coordination across many trade promotion activities. The state has an office in Mexico City with four employees who support Texas businesses across Mexico, which helps alleviate demand on the ITA staff in country. The co-location of ITA and the Economic Development and Tourism Division gives clients ready access to ITA's global network. In 2016, the State of Texas invited ITA field office staff to join the STEP award application planning process. Several other trade promotion partners also participated, and the application was reviewed for potential duplication. The state also leverages ITA field office staff expertise to recruit for and counsel businesses who participate in state-funded trade events.
- In Missouri, multiple trade service providers have teamed up to guide small business at every stage of international business – new to export, novice exporter, and experienced exporter. The State of Missouri International Trade and Investment Office and the ITA field offices in St. Louis and Kansas City work directly with small businesses and partners to recruit for overseas missions and offer matchmaking services. The Small Business Development Center provides new-to-export training. The World Trade Centers in St. Louis and Kansas City offer educational and market research services. Limited by the number of state-funded foreign offices where services can be provided, the state often purchases services from the ITA field office to assist Missouri companies in markets in which the state does not maintain a presence. The state and the ITA field office work closely on trade show presence, primarily at Certified Trade Fairs.

### **Areas of Future Focus**

Federal agencies will focus efforts on enhancing coordination in the following areas: (1) shared use of alternative service providers by states and ITA U.S. field offices to address long wait

times at U.S. embassies and consulates where there is high demand for services; (2) use of state and local resources, when available, to alleviate the costs for small businesses to become export-ready; and (3) more frequent joint counseling and alignment of performance measures.

***Alternative Service Providers for Foreign Market Entry.*** Federal trade promotion agencies are represented overseas by a combination of senior commercial diplomats, who comprise ITA and FAS international staff, and locally-engaged staff who have deep knowledge of foreign markets. They work together with domestic ITA offices and headquarters staff to connect U.S. companies to international markets and to address trade barriers around the world. ITA and FAS senior international staff serve as the head of the embassy's or consulate's Commercial and Agricultural Section, respectively, and report directly to the Ambassador, who may advocate on behalf of U.S. companies if needed.

Some states maintain a presence in foreign countries focused on attracting foreign direct investment or supporting the international expansion of companies located in their state. A few states and localities directly employ international representatives, and some use consultants and contractors on an intermittent basis in major export markets. The practice of using international consultants has increased among states, which has been attributed to long wait times for federal services at U.S. embassies and consulates in attractive markets, and to competition for foreign direct investment.

To address long wait times, ITA tracks service wait times around the world and sets wait time standards. Furthermore, ITA implemented an Alternative Service Provider policy in March 2017, giving overseas offices flexibility to subcontract or refer clients to independent trade counselors operating in the markets, in accordance with federal procurement laws. The Alternative Service Provider policy included minimum service standards to ensure all companies receive a uniform level of high-quality service whenever an alternative service provider has been engaged by ITA. To improve coordination and deliver high-value service to all businesses interested in a market, ITA encourages states to employ or contract the same alternative service providers.

***Reducing the Cost of Getting Export Ready.*** A major barrier for companies that do not export is lack of familiarity with the basic mechanics of international business. To address this knowledge gap, SRTGs provide export readiness training to the agricultural export companies in their respective regions and ITA has developed a series of standardized, short training videos that cover exporting basics. The training series will continue with twenty market-focused videos expected to be completed by mid-2017. ITA encourages state and local trade promotion agencies, as well as other organizations engaged in trade promotion, to feature the video content on their websites. The provision of free training materials will expand the reach of training efforts and allow U.S. businesses to quickly access needed information about international trade.

States and localities that provide export resources are encouraged to target their work on areas that affect the costs to small businesses of international commerce, such as product certification, intellectual property protection and enforcement, website translation and globalization, international sales kits, trade show booths and related product shipping, and legal assistance, among others. These are areas where businesses, particularly small businesses with limited

resources, face barriers to trade. Federal trade promotion agencies provide training to address some of these issues, but cannot help to underwrite technical assistance and other costs associated with these barriers, which can be formidable for small businesses.

***Joint Counseling and Aligning Performance Measures.*** Establishing client intake and referral protocols across federal, state, and local trade promotion agencies and other export assistance providers will ensure U.S. companies are best served and will develop a pipeline of export-ready firms. Client intake processes can be integrated across organizations through joint counseling. Some areas have already adopted this best practice. Integrating metrics for referrals into organization and individual performance measures could also support increased coordination. When federal, state, and local trade promotion agencies are working towards the same goals, collaboration becomes more focused and advantageous for all partners.

## **IDENTIFICATION OF WHERE BUSINESSES CAN RECEIVE APPROPRIATE INTERNATIONAL TRADE INFORMATION**

There are numerous sources of information about international trade that business can consult, both in-person and online. An excellent place to start is Export.Gov, the Federal Government's online platform for exporters. Export.gov provides a comprehensive portal for tools, assistance, market channel intelligence, and expert knowledge to expand U.S. companies' international sales.

For in-person customized assistance, U.S. companies can visit one of ITA's more than 100 U.S. field offices across the country, where staff are trained to handle export-related questions and serve as a seasoned, globally-connected resource for companies seeking to increase export sales by entering new international markets. These local offices house ITA trade specialist staff, and several also include SBA and Ex-Im Bank staff. In some cases, federal staff are co-located with state and local trade promotion agencies, SBDCs, and local economic development organizations. Joint counseling among local partners is considered a best practice and is encouraged. ITA professionals across the country engage with strategically-minded exporters to implement International Expansion Blueprints, a roadmap to mastering international business.

***Learn to Export.*** Businesses that are unfamiliar with basic exporting mechanics should consult Export.gov, which features a "How to Export" section. A series of short videos guide companies through key exporting topics, from developing a market entry strategy to financing international sales. In addition, SBA offers a video training program (<https://www.sba.gov/tools/sba-learning-center/training/take-your-business-global-introduction-exporting>) to help U.S. companies determine their export readiness and if they are a good fit for exporting, and small businesses exporting agricultural products may consult their regional SRTG. For in-person learning, potential exporters should visit their local SBDC (<https://www.sba.gov/tools/local-assistance/>). The TPCC Secretariat has prioritized international trade training for SBDC staff, who are equipped to help companies become export ready and initiate export business planning. Training programs are free or low-cost, and some costs for services, such as export business planning, may be covered by STEP awards. Local chambers of commerce and economic development organizations also train companies and can help develop a pipeline of export-ready businesses.

**Market and Sector Information.** Once a company determines that it is ready to export and would like to develop an export plan, market research is readily available, including detailed *Country Commercial Guides* written by ITA and the U.S. Department of State covering 125 countries around the world. These reports are fully searchable on Export.gov and include content on best sector prospects, market entry strategies, trade barriers, eCommerce strategies, and regulatory issues. ITA publishes *Top Market* reports for 25 sectors that include up-to-date and industry-specific market intelligence for export markets and offer commentary on the opportunities and challenges facing exporters in key markets. Companies should also consult with their state or local trade promotion agency to learn of additional market data that may be available. Many states purchase private databases with market and industry information and make it available to local businesses. For agricultural exporters, FAS's Global Agriculture Information Network (GAIN) provides timely information on the agricultural economy, products, and issues in foreign countries that are likely to impact trade. Staff at U.S. embassies and consulates collect information on the agricultural situation in more than 130 countries. These reports are available on the FAS website (<https://gain.fas.usda.gov/Pages/Dcfault.aspx>).

**Trade Finance Assistance.** For information on financing international sales, businesses should meet with their financial institution about the availability of export financing for their products or services. In addition, both SBA and Ex-Im Bank have financial advisors around the country who can counsel companies about federal products that provide credit insurance, working capital, and buyer financing guarantees. For financing options for overseas sales, a general overview is available on Export.gov, where the *Trade Finance Guide* (<https://www.export.gov/tradefinanceguide>) provides the basics of financing techniques, ranging from cash-in-advance to government-assisted foreign buyer financing.

**Trade Events and Matchmaking.** Export.gov includes lists of domestic and international trade shows that are certified by ITA. Companies should check with their local or state trade promotion agency to find out which shows are supported by the state and determine if a STEP award or other assistance is available to support trade show attendance. Most states also publish event listings, including trade missions, on their state trade promotion agency websites.

**Intellectual Property Protection and Enforcement & Export Compliance.** Any market entry strategy should include a plan for intellectual property protection and enforcement and compliance with U.S. export controls. These issues are among the checklist of critical business considerations covered by ITA's International Expansion Blueprint for exporters, a comprehensive gap analysis and client engagement methodology specific to a company's export operations and international goals. Companies can learn how to protect innovations and secure their intellectual property rights (IPR) abroad through STOPfakes.gov, which serves as a one-stop shop for U.S. government tools and resources on IPR protection, such as online training modules and country toolkits (<https://www.stopfakes.gov>), as well as a toll-free IPR assistance hotline (1-866-999-HALT). Companies can locate training resources and information on U.S. export controls through the Department of Commerce's Bureau of Industry and Security (<https://www.bis.doc.gov>) and the Department of State (<http://pmddtc.state.gov/>).

**Foreign Trade Barriers.** Companies impacted by a foreign trade barrier can report it to Commerce through Export.gov (<https://www.export.gov/Report-a-Trade-Barrier>) and request



assistance. The SBA Office of International Trade also has a trade barrier reporting hotline specifically for small businesses. Businesses can call toll-free: (855) 722-4877. When businesses report trade barriers, ITA assembles a team, which may include multiple federal trade promotion agencies, to investigate the barrier and help companies overcome them. For in-person assistance, local ITA U.S. field office staff counsel companies on addressing trade barriers and unfair business practices. Some barriers U.S. companies face include: high or unfairly applied tariffs; classification and customs issues at the border; certificate of origin issues; import licensing requirements; discrimination in government procurement; discriminatory or trade-distorting investment requirements; and technical barriers to trade, such as unfair standards, testing, labeling, or certification requirements.

In general, federal trade promotion agencies have developed a “no-wrong door” protocol for client intake. Regardless of a business’ exporting experience or specific needs, any federal trade professional can guide them to the best resource, including state and local trade promotion agencies, SBDCs, and other service providers. ITA U.S. field offices located in the local business community are well-positioned to maintain regular communication and coordination with relevant federal agencies, as well as state and local service providers to ensure new or experienced exporters receive appropriate guidance. In addition, annual TPCC Trade Officer Training, which is open to all TPCC agency staff, state and local trade promotion agencies, SBDC international business counselors, and other strategic partners, facilitates this client-focused approach.

## CONCLUSION

The time and expertise needed to become a successful exporter prevents many firms from embarking on international expansion. U.S. companies, particularly SMEs, benefit from export assistance no matter who provides it, whether federal, state, or local trade promotion agencies. The role of state trade promotion agencies varies from state to state depending on agency mission, staffing, and resources levels. Federal agencies, through a combination of international and domestic offices, provide a uniform level of service at little to no cost to exporters, and have the flexibility to address unique business community needs.

U.S. businesses benefit from robust export promotion activities at all levels of government and from other partners. Trade promotion agencies at the federal, state and local level only reach a small percentage of U.S. companies with time- and cost-saving services and counseling each year. Enhanced coordination is necessary to ensure more companies achieve export readiness and to improve the overall competitiveness of U.S. manufacturers, service providers, farmers, and ranchers in the modern global economy.

The annual Federal-State Export Strategies are a first step to improve coordination in the development of export promotion priorities, planning of trade missions and events, and provision of resources at the state and local level. The strategies, however, do not provide an opportunity to engage all organizations involved in trade promotion at the local level. Federal trade promotion agencies will work together with state and local counterparts to ensure all partners and service providers have a role in developing a supportive export ecosystem for U.S. companies.

Moving forward, the TPCC has identified the following next steps to further enhance trade coordination at all levels of government:

- Develop individualized client referral systems for each state and locality, and integrate referral metrics into performance measures.
- Improve local websites on Export.gov and include additional links to state and local resources.
- Use STEP award planning to improve coordination in the development of state export priorities.
- Notify state and local trade promotion agencies of federal trade missions and certified trade events, and encourage states and localities to apply for Commerce certification of their trade missions.
- Expand utilization of federal export financing programs.
- Strengthen local exporting ecosystems by educating local and state leaders on exporting.
- Encourage federal, state and local use of the same alternative service providers when service wait times exceed the standard wait time in high-demand markets.
- Encourage states to target export assistance to alleviate direct costs, such as product certification or website translation.

## CASE STUDIES

Two case studies were provided by state trade promotion agencies and one by a local trade promotion program to illustrate the trade promotion coordination that already exists in many states and local areas. These cases detail dynamic trade promotion agencies that have integrated program partners into all aspects of their trade promotion activities. In Florida, Enterprise Florida is a public-private model that has one of the largest staff and trade promotion budgets in the country. In Alabama, a small state agency has created an effective alliance to leverage experience and resources to support a diverse exporting community. In Kentucky, the cities of Lexington and Louisville have teamed up for a regional approach.

### CASE STUDY 1: ALABAMA

The State of Alabama Department of Commerce's International Trade Division is the lead state agency for the promotion and development of international trade. Historically, the Trade Division has a long-standing partnership with the local ITA field office, working together to accomplish the shared mission of increasing exports and supporting jobs.

The Trade Division, and the state as a whole, take advantage of the worldwide network that the ITA field office offers, including the expertise and experience of local industry specialists in the international markets of interest. These specialists, through counseling and through the arrangement of company-specific business matchmaking appointments on trade missions, provide services that Alabama companies would otherwise not have access to since the State of Alabama does not have overseas offices. In addition, the specialists' recommendations and client feedback on joint calls allow the Alabama Trade Division to gain a better understanding of the challenges faced by companies, and thus inform programs to train companies to succeed on a global scale.

***The Alabama Export Sector.*** Alabama was ranked 24th in the nation for total dollar value of exports in 2016. According to ITA, some 3,245 SMEs exported goods from Alabama in 2015, accounting for 80 percent of the state's exporters. These companies are from a diverse range of industry sectors with limited exporting clusters. Therefore, the Alabama Trade Division works with a wide variety of products and companies that require export assistance.

***The Alabama Approach.*** With a staff of three professionals and a budget less than \$450,000, the Trade Division began a formal partnership in 2004 with the ITA field office and the Alabama International Trade Center (AITC) to expand its outreach to assist SMEs. Both organizations worked state-wide with SMEs to provide export assistance. To further the goal of reaching more companies, additional local, regional and state partners were added. Today, the Export Alabama Alliance serves as a seamless network of government agencies, business and professional associations, and economic development entities in Alabama that share the fundamental goal of helping Alabama companies to grow their business internationally (a list of Alliance members is shown at the end of this document).

This strategic partnership has allowed Alabama to maximize available resources without duplicating efforts. Federal, state, and local organizations work together to develop and coordinate programs that facilitate the export of Alabama's goods and services overseas. In

addition to jointly promoting government-led or certified overseas events, such as trade missions and trade shows, the Alliance counsels and assists companies in all aspects of global commerce, from assessing export readiness and developing a marketing plan, to export financing, credit insurance, documentation, delivery, and payment. Workshops and seminars, as well as individual counseling sessions, are coordinated by the Alliance to help educate and prepare Alabama companies to compete in the global marketplace.

Since its inception, the Alliance has developed a yearly strategic plan that outlines all activities to be undertaken by each organization. The annual strategic plan is a tool to coordinate the activities of all federal, regional, and local partners, and it guides the Alliance's efforts to promote the benefits of exporting and develop a pipeline of SME exporters. The Alliance meets quarterly and maintains close communication. Making joint on-site calls to SMEs and listening to client feedback allows us to develop and conduct programs that train companies to succeed on a global scale.

A prime example of this partnership in action is executing a trade mission; the Alliance recently collaborated on a trade mission to Spain and Morocco. The Alabama Department of Commerce was the lead agency responsible for coordinating the mission. The North Alabama International Trade Association hosted a seminar on the markets to encourage companies to join the delegation. The ITA field office facilitated a speaker from ITA's international staff, worked with the state to assess each company's market prospects, as part of the Gold Key Service, and handled the paperwork to facilitate the mission, i.e. participation agreement. The Alabama International Trade Center provided pre-mission research and worked with companies on export financing. All Alliance partners promoted the activities surrounding the mission and assisted in recruiting companies. This model is followed for all activities undertaken by the Alliance - no matter how small or large.

During 2016, the Alliance conducted two trade missions and participated in one major international trade show, in which 24 SMEs participated. Over 40 programs, training sessions, and other export-related events were hosted with approximately 1,600 individuals representing Alabama companies in attendance. These were successful because ITA's U.S. and international staff worked together to provide expert speakers to talk about specific foreign markets, export compliance, and numerous other subjects. Having this relationship with the local ITA field office and other federal trade promotion agencies helped Alabama companies understand the nuances of selling in foreign markets.

The state relies heavily on the ITA data and programs to help Alabama's SMEs find new and promising markets throughout the world. The success of companies overseas would not be possible without the market research and other information resources that are found on Export.gov and that ITA field staff provide to the state. There are no other sources that provide current, on-the-ground research and data that surpasses that provided by ITA. Any similar information provided by a commercial entity would be unaffordable to the Trade Division. Furthermore, Alabama companies call the ITA field office when facing unfair dumping and subsidy issues. This support is not provided anywhere but at the federal level.

The partnership between the Alabama Trade Division and ITA has been successful and productive. There certainly is not a duplication of efforts, but a common goal to help Alabama SMEs overcome international trade challenges and successfully take advantage of the opportunities to sell products and services overseas. Each organization's activities and strengths complement the other.

The Export Alabama Alliance will continue to integrate its strategy into a comprehensive economic vision and plan for growth. By doing so, it will leverage existing resources to ensure maximum assistance is given to the private and public sectors throughout the state for export development.

***Export Alabama Alliance Members***

- Alabama Department of Commerce
- Alabama Department of Agriculture
- Alabama International Trade Center
- Alabama State Port Authority
- Alabama World Trade Association
- Birmingham Business Alliance
- Business Council of Alabama
- Madison County Commission International Trade Development Center
- Mobile Area Chamber of Commerce
- North Alabama International Trade Association
- Port of Huntsville
- U.S. Chamber of Commerce
- U.S. Department of Commerce, Birmingham Export Assistance Center (ITA field office)
- U.S. Small Business Administration, Alabama District Office

**CASE STUDY 2: FLORIDA**

From inception, the Enterprise Florida international trade promotion program was designed to leverage U.S. export assistance programs, particularly those provided by ITA, and to complement them with state programs to better serve Florida's vast exporters.

***The Florida Export Sector.*** Florida has the second largest export sector in the United States in terms of the number of companies that export. According to 2015 ITA data, more than 59,600 companies export goods from Florida and 95 percent of Florida exporters are small businesses, which are typically in need of more assistance from trade promotion agencies than larger companies. In addition, Florida is a large and diverse state with multiple export clusters.

***The Enterprise Florida Approach.*** The State of Florida trade promotion agency, Enterprise Florida, Inc (EFI) chose to decentralize staff deployment and place personnel in five locations around the state, in addition to the Miami Division headquarters. Each member of the staff is assigned a number of counties so that every company in the state has a business counselor assigned to their location. Five of these locations coincide with ITA field offices which enables staff to interact more effectively.

In addition, EFI quite consciously made every effort to avoid duplication of efforts. We rely on ITA, Commerce's Bureau of Economic Analysis, and other federal resources for market information, trade data, compliance information, and export education, and on ITA offices worldwide for on-the-ground support for international trade events. The State of Florida is one of the largest purchasers of ITA's Gold Key Service. The state maintains offices in twelve markets around the world; the principal focus of these offices is investment attraction and follow-up support for Florida exporters.

This reliance on marketing and information resources from federal trade promotion agencies enables EFI to channel staff and financial resources toward helping Florida exporters find new clients and diversify their export markets, achieved through an aggressive program of trade missions and trade exhibitions. For example, during the last fiscal year, EFI conducted 21 international trade events worldwide, in which more than 700 Florida companies participating. EFI provided export counseling to more than 2,700 individual Florida companies.

Further, EFI's partnership with ITA also enables the state to work with a wide variety of sectors including aviation and aerospace, life sciences, IT, marine industry, professional services, and manufacturing.

EFI also provides trade awards to new-to-market Florida manufacturers and high tech companies to help them offset some of the costs of market entry. These awards are available to Florida-based companies that use ITA services if they qualify under the program criteria. In partnership with the Small Business Development Centers of Florida, EFI also provides awards to offset the cost of developing company-specific export marketing plans.

***Building the Partnership.*** Enterprise Florida and ITA have built a model partnership in Florida. Initiatives include an annual all-hands staff meeting with both agencies to share program information, best practices, and priorities. EFI relies on ITA to help conduct outreach to companies for trade missions and trade exhibitions. EFI often takes steps to enable ITA field office staff to attend trade mission and trade exhibitions and to connect participating companies to federal trade promotion programs. EFI and ITA mutually promote each other's trade events and educational programs.

EFI encourages close cooperation between state industry specialists and their direct ITA counterparts, and in many cases this has resulted in joint counseling with clients and reciprocal client referrals.

EFI has also signed an MOU with the Small Business Development Centers of Florida to provide counseling to manufacturers and high tech companies that are new to exporting or infrequent exporters to help them develop company-specific marketing plans. The plans are developed by the SBDCs with support from EFI.

To summarize, EFI has learned that by working effectively with federal trade promotion agencies, it is better able to provide impactful and timely assistance to Florida clients engaged in international business.

### **CASE STUDY 3: KENTUCKY**

The state-wide Kentucky Export Initiative and the regional Bluegrass Economic Advancement Movement (BEAM) export initiative, which is led by Kentucky's two largest cities of Louisville and Lexington, promote the export growth of SMEs. The BEAM region, comprised of less than 20% of Kentucky's 120 counties, produces roughly half of Kentucky's GDP and exports. Louisville is the nation's 43<sup>rd</sup> largest city by population. Lexington ranks just below this top 100 group. If the BEAM region were a united metropolitan area, it would rank 37<sup>th</sup> among top 100 cities.

These two initiatives have common goals and generally share the same partners. These dual initiatives recognize the importance of SME export performance across the state, as well as the unique responsibility of the state's largest metropolitan area to contribute to overall progress. The metropolitan-led BEAM initiative is part of the Global Cities Initiative and has produced both an exports plan and a foreign direct investment plan for the region, and implementation is led by partners in both cities. Both partners turn to ITA to help with market intelligence, trade counseling, business matchmaking and advocacy.

## **APPENDIX I**

### **Service and Programs Offered to U.S. Companies at ITA's U.S. Field Offices**

#### ***Trade Counseling (non-exhaustive list of topics)***

##### **Planning and Strategy**

- Create a comprehensive international business plan for entry or expansion into targeted markets.
- In-depth consulting on target market analysis, website globalization, and International Expansion Blueprint to identify potential growth markets.

##### **Legal and Regulatory Issues**

- Determine export licensing needs for shipping products.
- Understand global product standards, certification requirements, electricity regulations, and packaging laws.
- Understand intellectual property issues and how to protect and enforce their intellectual property rights.

##### **Documentation and Product Requirements**

- Learn about export documents, including Electronic Export Information filing, invoices, packing lists, and certificates of origin.
- Verify tariff rates and import fees; determine your product's Schedule B and HS numbers.

##### **Trade Problems**

- Get assistance with customs-related issues.
- Obtain support if your company's exports or foreign bids are adversely affected by a trade barrier.
- Limit the risk of non-payment and receive assistance if problems arise.

##### **Trade Finance and Insurance**

- Formulate an export finance strategy leveraging loan programs provided by the Export-Import Bank of the United States, the Small Business Administration, and other trade finance organizations to reduce risk and enable your company to offer competitive terms of sale.
- Get guidance on pricing your products and services to ensure competitiveness in your target markets.

#### ***Market Intelligence***

**Country Commercial Guides:** Provides free commercial information on countries and explains market conditions, best export prospects, financing, finding distributors, and legal and cultural issues.

**Top Markets Reports:** Help U.S. exporters determine their next export market by comparing opportunities across borders. Ranks future export opportunities by country within an industry and provides detailed assessments of the competitiveness



landscape within a sector, as well as the opportunities and challenges facing U.S. exporters in key markets.

**Customized Market Research:** Provides U.S. firms with *customized* information on overseas markets. Companies have the flexibility to design their own set of questions or choose from a core menu of standardized questions.

**Initial Market Check:** Customized preliminary market assessment to help determine if there is market potential for products/services.

### ***Matchmaking Services***

**International Partner Search:** ITA identifies up to 6 qualified distributors, agents, representatives, licensees, or other partners that have expressed an interest in partnering with your company.

**Gold Key Service:** ITA arranges face-to-face meetings with pre-screened contacts in the target market. The GKS is flexible and can include other services, such as transportation, interpretation and discount hotel.

### ***Due Diligence on Foreign Parties***

**International Company Profile:** Background check that investigates the capabilities, legitimacy and financial strength of a potential overseas business partner gleaned from government, industry and financial contacts, the local press and other sources.

### ***In-Country Promotion***

**Single Company Promotion:** Provides support and official sponsorship in a specific market under the auspices of the U.S. embassy or consulate. ITA staff overseas assist in organizing a product launch, technical seminar, reception or similar event at a recognized location.

**Featured U.S. Exporters (FUSE):** A directory of U.S. products featured on ITA websites abroad. Translated into the local language of business, this year-long promotion allows companies to target five markets for a nominal fee: [www.export.gov/fuse](http://www.export.gov/fuse)

### ***Trade Events***

**International Trade Shows:** Feature your product at a U.S. initiated Exhibit or display in the U.S. Pavilion at selected domestic and international trade shows. Companies often utilize our matchmaking services during major international trade shows to meet with key industry contacts.

**International Buyer Program:** ITA recruits qualified foreign buyers, sales representatives, and business partners to selected U.S. trade shows. Increase your international exposure without travel: [www.export.gov/ibp](http://www.export.gov/ibp)

### ***Commercial Diplomacy***

**Advocacy in Foreign Tenders:** Leverage U.S. Government resources to level the playing field on behalf of U.S. business interests as they compete against foreign firms for foreign government contracts.

**Overcoming Trade Barriers:** ITA can help U.S. firms overcome barriers, bureaucratic hurdles, or unfair trade practices abroad to ensure that your company can compete and sell its U.S. products and services. Companies benefit from coordinated, government-to-government engagement to help resolve unfair business practices or ensure that governments honor their trade agreement commitments.