

# Helping U.S. Businesses Increase Global Sales to Support Local Jobs

United States of America  
**Trade Promotion Coordinating Committee**  
Washington, D.C.  
December 2016

**NATIONAL  
EXPORT  
STRATEGY  
2016**



# Helping U.S. Businesses Increase Global Sales to Support Local Jobs

## National Export Strategy 2016

TRADE  
PROMOTION  
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COMMITTEE



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# Letter from the Secretary of Commerce

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As Chair of the Trade Promotion Coordinating Committee (TPCC), I am pleased to present to Congress the 2016 National Export Strategy. This strategy details efforts to increase exports from 2009 to 2015 under the National Export Initiative (NEI) and its successor, NEI/NEXT. The strategy further outlines the potential for even more American businesses to capitalize on opportunities to sell their goods and services worldwide and thereby support job creation across the United States.

U.S. exporters are essential contributors to the American economy, and exports played a critical role in the nation's economic recovery following the worst economic crisis since the Great Depression. Under the NEI and NEI/NEXT, exports fueled a quarter of our post-recession economic recovery through 2015 and the number of known goods exporting firms, as documented by the U.S. Census Bureau, increased by more than ten percent, or nearly 30,000 companies, through 2014. In 2015, exports supported an estimated 11.5 million jobs in the United States, approximately 8 percent of U.S. private sector employment. This is up from 9.6 million jobs in 2009. Furthermore, firms that export have been shown on average to employ a more skilled and productive workforce and pay up to 18 percent higher wages than non-exporting firms, regardless of their size.



Despite global economic headwinds, there are significant business opportunities beyond our borders. More than 95 percent of global consumers and 80 percent of global purchasing power reside outside the United States, and these consumers want to buy American goods and services. “Made in the USA” represents the highest standard of quality, value, and integrity. U.S. Government trade promotion agencies help American businesses provide these high-quality goods and services to global consumers by offering services and resources tailored for every phase of the exporting journey, from market research to buyer match-making to export finance and insurance.

These resources are particularly important for small businesses, which might not otherwise have the tools and capacity to engage in global sales. The U.S. Government is increasing access to resources and providing assistance to help American exporters of all sizes compete on a level playing field. We have gathered feedback from our customers, potential exporters, and stakeholders, including the President’s Export Council, to inform our new programs and enhancements to our current programs, which are focused on:

- Connecting more American businesses to their next global customer
- Making international shipments easier and less expensive
- Expanding access to export finance
- Promoting exports and investment as the next economic development priority for states and metropolitan areas
- Preparing the next global opportunity for American businesses by opening markets and enforcing international trade rules and laws

The improvements in our export promotion efforts also mean U.S. companies will be able to take better advantage of new market openings for U.S. products and services, such as in the Asia-Pacific region. The Trans-Pacific Partnership (TPP) would give U.S. exports tariff-free access to some of the most dynamic, fastest-growing countries in the world while affording American

businesses greater certainty and transparency, saving them time and money. If we fail to pass TPP, we risk the loss of greater market access for our firms and lose the opportunity to write the rules of trade in this strategically critical part of the world.

This Administration is committed to providing export assistance to help today's U.S. businesses succeed and prepare for the global opportunities of tomorrow. Helping more American companies sell their products and services worldwide is essential to advancing our economic recovery and middle class job growth. Working together, we can ensure that exporting remains a pillar of our economy, benefitting our businesses, workers, farmers, ranchers and innovators for years to come.



Penny Pritzker, Secretary of Commerce

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# Executive Summary

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American exports of goods and services fuel the U.S. economy. They contribute to higher rates of productivity, innovation, and wages that support business retention and expansion in American communities. Americans who work for firms that export earn up to 18 percent more on average than similar workers at firms that do not export. Whether to expand international sales is each business' decision, but the United States Government has a responsibility to support an environment both at home and abroad to help U.S. firms that decide to export.

Businesses attempting to close an export sale today face many hurdles, including lack of information about how to export, how to identify opportunities and buyers, how to obtain financing when their bank does not want to incur overseas risk, and how to compete with foreign companies that are supported by their own governments with both resources and advocacy. U.S. Government export promotion programs play a critical role in addressing these challenges and complementing private-sector services by filling market gaps, such as meeting the needs of small businesses and providing credit and information where there are market limitations.

To ensure coordination among these programs and develop government-wide priorities to support U.S. exporters, the President and Congress established the Trade Promotion Coordinating Committee (TPCC) in the early 1990s, consisting of leaders from 20 U.S. Government departments and agencies. Agencies outline their priorities in a National Export Strategy (NES).

This year's National Export Strategy serve as a review of results and a path forward, identifying critical areas of focus and highlighting how U.S. businesses, their employees, and their communities have benefited from the U.S. Government's export assistance programs and policies during the past eight years through the Obama Administration's National Export Initiative (NEI) and subsequent initiative, NEI/NEXT. Federal agencies—working together and with stakeholders—helped U.S. companies win record numbers of major projects, counseled thousands of new clients, financed a record number of small businesses and international deals, opened new dynamic markets, and aggressively enforced U.S. trade agreements. All of this growth was achieved despite significant economic headwinds.

- Chapter 1, "Success of the National Export Initiative," discusses U.S. export activity from 2009–15, outlines key NEI accomplishments and new programs, and explains how agencies adapted the NEI to NEI/NEXT to build a strategy reflecting emerging realities in global trade.
- Chapters 2 through 6 outline how the TPCC is enhancing trade assistance and service delivery through NEI/NEXT, laying the groundwork to help U.S. businesses decisively take advantage of opportunities unlocked by new trade agreements. Each chapter addresses a priority that responds to U.S. exporter needs:
  - Improved assistance and increased connections to overseas customers
  - A more streamlined export process and improved physical infrastructure
  - Expanded access to export finance
  - Strong local export assistance networks and ecosystems
  - Market access, new trade opportunities, and enforcement of trade rules
- Chapter 7 builds on the priorities in Chapters 2 through 6 and details where U.S. trade assistance programs and policies must focus to help U.S. exporters succeed in a challenging global environment.

Economic forces at work globally make supporting U.S. exporters, particularly smaller companies, more important than ever. U.S. exporters now face new challenges compared to eight years ago.

World economic recovery since the financial crisis has been weak, falling below growth expectations each year since 2010. World economic growth slowed in 2015. The U.S. economy grew faster than most other advanced economies, and 2015 was another year of solid job growth. The unemployment rate fell from 5.6 percent to 5.0 percent during 2015. The International Monetary Fund (IMF) projects that world economic growth will be 3.1 percent in 2016, the same as in 2015. In addition, the growth of

global trade has barely matched global gross domestic product (GDP) growth, after years of growing at a significantly faster rate. The IMF expects that growth in the volume of world trade will accelerate modestly in 2016. Slow growth in demand, among other factors, will present a challenging environment for U.S. exporters, making the priorities outlined in this report particularly important.

## **Importance of Exports to the U.S. Economy**

### **National Overview**

Exports of goods and services supported an estimate 11.5 million U.S. jobs in 2015, approximately 8 percent of U.S. employment. Despite a decline in value in 2015, the volume of U.S. exports continued to increase, rising 0.1 percent in 2015. Exports accounted for 12.6 percent of GDP in 2015, a drop from the record high of 13.7 percent reached in 2014, but still a higher share than any year before 2011.

### **Industry-Specific Benefits**

Exports allow U.S. firms to expand domestic production beyond what would be sustainable for only the U.S. market. This expansion is particularly important to high-tech industries such as aerospace, where 44 percent of U.S. employment is supported by exports, and to computer and electronic producers, where 41 percent of employment is export-supported. Other U.S. industries with more than one-third of their employment supported by exports include primary metals, chemicals, and electrical equipment. Exports are also important to services industries; exports support an estimated 2.3 million U.S. professional and business services jobs.

### **Importance of Exports in Recovery from the Recession**

In the two years following the recession, exports contributed half of GDP growth, as U.S. firms looked to consumers abroad to make up for weaker domestic demand. This is the only time since records have been kept (1929) that exports accounted for more than half of growth in two consecutive years. From 2010–14 exports accounted for more than one-third of U.S. economic growth. Despite slower growth in 2015, exports still account for more than one-quarter of U.S. economic growth post-2009.

### **Trade in Value-Added**

The United States is a global leader in the share of domestic content in its exports. Data from the Organization for Economic Cooperation and Development show that in 2011, U.S.-produced content accounted for 85 percent of the value in U.S. exports (the most recent data available). This is a larger share than most other major exporters, including China (68 percent), Germany (74 percent), the United Kingdom (77 percent), Canada (77 percent), and Mexico (68 percent). A larger share of domestic content means that U.S. exports add relatively more value to the domestic economy than our competitor nations do for their economies.

### **Agricultural Trade**

The past seven years have represented the strongest period in history for American agricultural exports, with international sales of U.S. farm and food products totaling \$911.4 billion between fiscal years 2009 and 2015. U.S. agricultural exports alone supported more than an estimated 1 million American jobs both on and off the farm in 2014. One-fifth of U.S. farm incomes come from agricultural exports as of 2013 (latest data available).

# Chapter 1:

## Success of the National Export Initiative

### Laying the Groundwork for the 2016 National Export Strategy

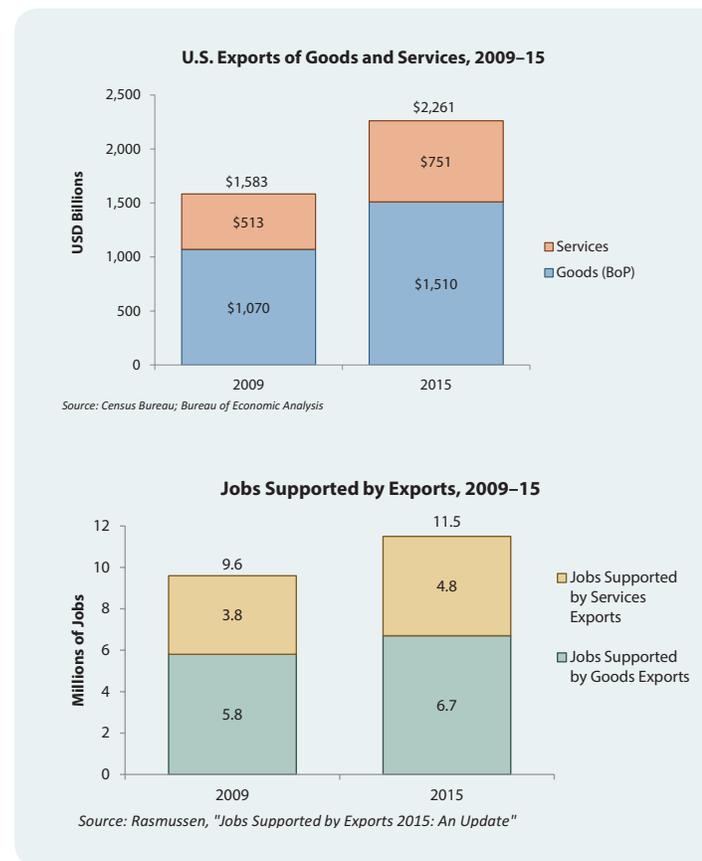
President Obama launched the National Export Initiative (NEI) in 2010 in the midst of the worst economic recession in eight decades. As demand declined and credit became scarce, the President charged his Administration with ensuring the full resources of the federal government were brought to bear to assist American companies and their workers in exploring and capitalizing on global demand. The NEI marked a turning point and concerted effort to help U.S. firms go global and transition from relying on only the domestic market for sales. The President’s national call—to dramatically transform the U.S. economy into one more deeply engaged in the global marketplace—also became an imperative at the state and regional level, with several state and local governments and economic development organizations (EDOs) launching and supporting sub-national export initiatives.

The NEI called for federal agencies to improve the conditions for the private sector to export by improving advocacy and trade promotion programs, ensuring greater access to export financing, reducing trade barriers, and enforcing international trade agreements. The NEI had a distinct focus to deliver assistance to customers that needed it most: small and medium-sized businesses, which overall have historically lacked the information and financing to pursue international opportunities compared to larger companies. Moreover, on behalf of both large and small companies, the Export Promotion Cabinet and Trade Promotion Coordinating Committee (TPCC) agencies<sup>1</sup> carried out promotion assistance and market access activities where they would be needed most—in emerging markets with less defined rules of the road and transparency, as well as in markets with a high level of opportunity.

### U.S. Export Activity in Review: 2009–15

From 2010–14 exports accounted for more than one-third of U.S. economic growth. Despite slower growth in 2015, exports still account for more than one-quarter of U.S. economic growth post-2009. The estimated number of jobs supported by exports grew by nearly 1.9 million, reaching 11.5 million in 2015. U.S. businesses achieved significant export growth, reaching \$2.26 trillion in 2015, up \$678 billion from 2009.

Importantly, the small business share of U.S. goods exports increased from a range of 27–29 percent in the 2000–06 period to a range of 33–34 percent in the 2009–14 period (latest data available). Census data show that the ranks of documented firms that export goods rose from 277,000 in 2009 to 304,000 in 2014—latest data available. The number of small and medium-sized companies exporting goods also increased during this period, from 270,000 in 2009 to 298,000 in 2014.

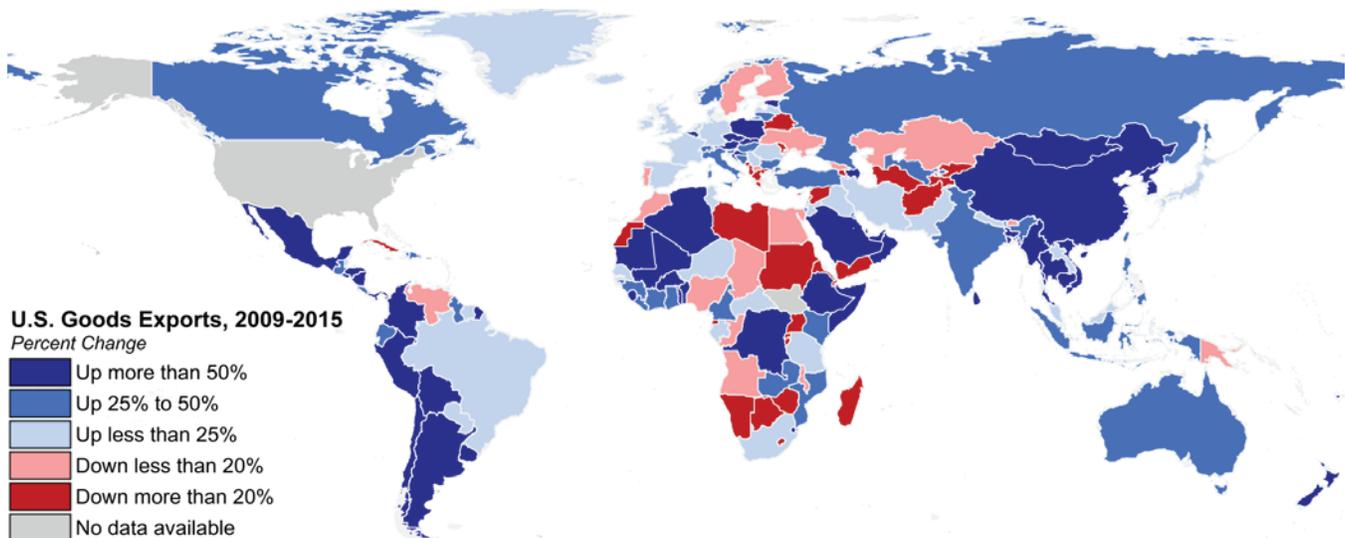


<sup>1</sup> All TPCC agencies are listed on the final page of this report.

## Market Spotlight: Exports during the NEI Period by Export Destination (2009–15)

U.S. export performance from 2009 to 2015 was strong, given weak global economic growth of around 3.3 percent annually since 2012, even lower annual growth in advanced economies, and declining growth rates in many emerging market economies.

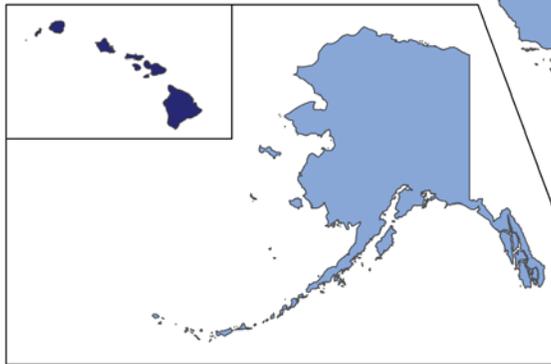
Total U.S. Exports by Region (USD millions)						
	Goods			Services		
	Export Value 2015	Change (\$) 2009–15	Change (%) 2009–15	Export Value 2015	Change (\$) 2009–15	Change (%) 2009–15
Western Hemisphere	669,923	225,088	51	215,740	78,919	58
Asia and Pacific	418,507	127,024	44	214,468	82,774	63
European Union (EU)	273,916	48,634	22	226,817	51,701	30
Middle East	71,931	27,098	60	29,218	6,362	28
Non-EU Europe	48,290	9,778	25	47,501	15,189	47
Africa	27,476	2,887	12	14,566	3,116	27



### State Goods Export Growth, 2009-2015

Percent change

- Up more than 100% (2)
- Up 50% to 100% (13)
- Up 25% to 50% (22)
- Up less than 25% (12)
- Drop in export value (1)



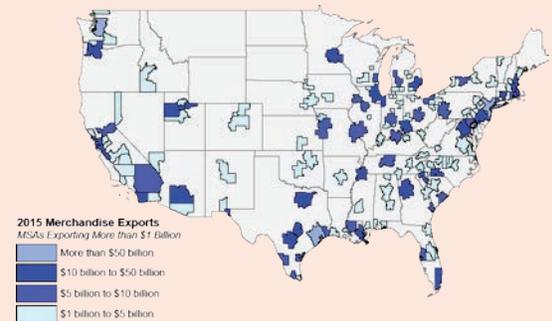
## Exports at the State and Metropolitan Level during the NEI Period (2009–15)

States and cities started integrating export assistance and foreign direct investment (FDI) strategies into their economic growth plans—making exporting a greater part of the DNA of our economy. New commitments made during the NEI at the federal, state, and local levels have substantially enhanced and broadened the local network of export assistance available to U.S. manufacturers, agricultural producers, and service providers.

## NEI Accomplishments

Thousands of U.S. companies started exporting and expanded their international sales from 2010 through 2014 as a result of the expanded availability of export assistance services and financing and new market access. For detailed information, please see Appendix A: NEI Progress Metrics, 2010–15.

### 156 Metro Areas Each Exported More Than \$1 Billion in 2015



## Improved Advocacy

For a U.S. company bidding on a foreign government procurement contract, exporting can mean more than just selling a good product at a competitive price. It can also mean dealing with complex rules, and the U.S. Government can help U.S. firms navigate these rules and can advocate on U.S. industry's behalf with other governments. An example of this includes foreign project advocacy, which became a critical NEI priority, given the rise of new competitors such as China and Brazil and continued strong competition from traditional export powerhouses such as Germany, Japan, and France. The Advocacy Center ([export.gov/advocacy](http://export.gov/advocacy)), housed within the International Trade Administration (ITA) at the U.S. Department of Commerce, was charged by executive order with coordinating an Interagency Task Force on Commercial Advocacy to ensure that the fullest extent of federal resources was coordinated to support commercial advocacy.

The Advocacy Center coordinated a total of 389 wins supporting \$239.5 billion in U.S. export content during the NEI. The number of wins per year nearly doubled from 2010 to 2015, and the level of exports supported grew from \$18.7 billion in 2010 to an average of nearly \$40 billion per year after reaching all-time and NEI highs of \$49.1 billion in 2013 and \$47.1 billion in 2014. The Advocacy Center is on pace to exceed those numbers in 2016.

## Efforts to Identify, Prepare, Connect, and Support More Small and Medium-Sized Businesses

The U.S. Government made unprecedented strides toward streamlining and modernizing delivery of U.S. export promotion services for small and medium-sized enterprises (SMEs), establishing:

- A no-wrong-door approach to helping all small businesses
- A common approach to assessing clients' export readiness and resources available to each client segment
- A protocol for referrals to ensure that U.S. companies do not fall between the cracks.

Under this mandate, more than 600 Small Business Development Center counselors were newly certified to provide export assistance.

- Counseling assistance from U.S. Government agencies, including the Department of Commerce and the Small Business Administration (SBA) supported more than \$55 billion<sup>2</sup> in U.S. goods and services exports.

Although the typical business that sells goods to just one international market generates roughly \$400,000 in export sales, companies with two to four export markets have average export sales of \$1.2 million. Companies that export to five to nine markets average \$3.5 million in export sales.

- From 2010 through 2015, ITA and the U.S. Department of Agriculture (USDA) and their export program partners helped U.S. companies expand to more than 28,000<sup>3</sup> new markets.

To provide SMEs with affordable yet high-impact opportunities to directly meet foreign buyers, the NEI focused trade promotion events on key markets and industries and brought together the full suite of government resources at trade events.

- A total of 3,899 companies participated in foreign trade missions from 2010 through 2015, resulting in more than \$2.6 billion in goods and services exports supported. Agencies supported 27,198 companies at trade shows, resulting in more than \$21.1 billion in exports supported.
- Agency activities brought 98,862 foreign buyers to the United States.
- Since 2009, the U.S. Trade and Development Agency (USTDA) hosted more than 200 reverse trade missions that have directly supported more than \$5 billion in exports of U.S.-manufactured goods and services.

Highlights of innovative new products and programs developed for exporters and potential exporters during the NEI from 2010 to 2014 include:

- New exporter tools
  - An online, interactive SBA Export Business Planner ([sba.gov/exportbusinessplanner](http://sba.gov/exportbusinessplanner)) to start the critical process of export readiness and planning
  - A Free Trade Agreement (FTA) Tariff Tool ([export.gov/FTA/ftatarifftool](http://export.gov/FTA/ftatarifftool)) which allows small businesses to easily access the initial tariff treatment for their product under a given FTA
  - USDA's new Agricultural Tariff Tracker ([apps.fas.usda.gov/agtariiftracker](http://apps.fas.usda.gov/agtariiftracker)) to provide the agricultural export community with detailed information on FTAs
  - The Renewable Energy and Energy Efficiency Export Initiative (RE4I, [go.usa.gov/xKtJY](http://go.usa.gov/xKtJY)) that facilitated commitments from eight agencies for actions to address major export barriers
  - The U.S. Environmental Solutions Toolkit ([new.export.gov/envirotech/toolkit](http://new.export.gov/envirotech/toolkit)) to connect U.S. companies to clients across the globe

<sup>2</sup> Data from the International Trade Administration was not available for 2015, making this total a conservative estimate.

<sup>3</sup> Ibid.

- New collaboration, technical assistance, and grants at the state and local level
  - New strategic partnerships ([go.usa.gov/xKtJg](http://go.usa.gov/xKtJg)) with dozens of companies and associations have been established.
  - The State Trade Expansion Program (STEP, [sba.gov/step](http://sba.gov/step)) was authorized as a pilot program by the Small Business Jobs Act of 2010 and is now a permanent federal–state partnership program that increases the number of U.S. small businesses that export. During STEP’s first three years, state awardees reported that small businesses participated in more than 34,000 export activities.
  - Customized metropolitan export plans are now in place, which ITA and the Brookings Institution helped regional and state leaders create and implement starting in 2011. Regions continue to work on broader trade and investment strategies through the Brookings and JP Morgan Chase Global Cities Exchange with 28 participating metropolitan areas.
  - USTDA launched its Making Global Local initiative ([ustda.gov/makinggloballocal](http://ustda.gov/makinggloballocal)) in 2012 to connect more U.S. businesses to the Agency’s export promotion programs, including reverse trade missions, by forming partnerships with 58 EDOs across the country.
  - Through six rounds of U.S. Department of Transportation TIGER (Transportation Investment Generating Economic Recovery) grants beginning in 2010, the Administration has invested more than \$1.2 billion in U.S. freight transportation infrastructure. TIGER grant awards have gone to 78 freight-related projects on significant freight corridors, including rail, port, and highway projects. More than one-third of that funding—\$481 million—went to 39 U.S. port projects from coast to coast. These freight-related projects help speed the delivery of products from American factories, farms, and businesses to customers across the United States and around the world.

## Greater Access to Export Financing

The NEI expanded access to trade financing for U.S. businesses through the Export–Import Bank of the United States (EXIM Bank) and the Small Business Administration and partnered with lenders and EDOs to expand awareness and the use of federal trade financing and insurance. Financing is not limited to manufacturing and agricultural products: during the NEI period, EXIM Bank supported more than \$26 billion in U.S. services exports, including engineering, design, construction, computer software, oil and gas drilling, architecture, transportation services, legal services, training, and consulting.

Highlights of new financing products and programs developed for exporters and potential exporters during the NEI include:

- In response to the requests of exporters and EXIM Bank’s broker-partners in 2011, EXIM Bank added a new product to its flagship Trade Credit Insurance program, Express Insurance ([go.usa.gov/xKtJ4](http://go.usa.gov/xKtJ4))
- The Small Business Jobs Act of 2010 made SBA’s Export Express program ([go.usa.gov/xKtJ2](http://go.usa.gov/xKtJ2)) permanent and increased the maximum loan amount and guarantee limit for SBA’s Export Working Capital ([go.usa.gov/xKtJj](http://go.usa.gov/xKtJj)) and International Trade Loan ([go.usa.gov/xKtJD](http://go.usa.gov/xKtJD)) programs to \$5 million and a 90 percent guarantee. Between fiscal year (FY) 2010 and FY 2015, the number of SBA loans made under those three core export financing programs grew from 380 loans for \$135.8 million to 547 loans for \$729.8 million, a 43.9 percent increase in loan numbers and a 437 percent increase in loan value. In addition, the number of delegated lenders authorized to do SBA Export Working Capital loans grew from 9 in FY 2010 to 18 in FY 2015, a 100 percent increase.
- In 2012, ITA published a new version of the *Trade Finance Guide: A Quick Reference for U.S. Exporters* [export.gov/tradefinanceguide](http://export.gov/tradefinanceguide) and in 2013, ITA published the first Spanish-language version of the guide. The guide is an easy-to-understand and use tool created specifically to help U.S. SMEs overcome one of their major export challenges: how to get paid for export sales.

## Successful Removal of Trade Barriers

To create economic opportunities for American workers, farmers, and businesses, the Obama Administration has undertaken an ambitious trade policy agenda, working to eliminate barriers to U.S. exports, trade, and investment across the globe.

America’s SMEs face numerous barriers to international business. Through trade agreements, the U.S. Government works to tear down those barriers and allow U.S. companies to compete more effectively in the global marketplace. The United States

now has FTAs with 20 partner countries. Since 2009, exports of U.S. goods to our FTA partners increased more than 52 percent, significantly outpacing the increase of around 34 percent to our non-FTA partners. The International Trade Commission's 2016 report on the economic impact of U.S. trade agreements found that in 2012, U.S. bilateral and regional trade agreements increased U.S. trade by 3.6 percent, U.S. real GDP by \$32 billion, and expanded U.S. employment by 159,000 jobs. The report also found that U.S. bilateral trade with FTA partner countries increased by 26.3 percent.<sup>4</sup> To realize the full benefits of our existing trade agreements, we continue to use the consultative mechanisms established in the agreements to ensure that all relevant commitments are upheld.

### The Trans-Pacific Partnership (TPP)

The TPP is the most advanced trade agreement negotiated by the United States to date. The agreement would cut more than 18,000 taxes (in the form of import tariffs) on *Made in USA* exports, including by U.S. small- and medium-sized businesses, support more high-paying U.S. jobs, and ensure that trade rules in the fast-growing Asia-Pacific region reflect U.S. interests and values. In addition to its economic benefits, TPP would strengthen U.S. leadership by deepening U.S. economic ties with key countries, bolstering our partners and allies, and shaping the rules of the road for regional trade.

According to the International Trade Commission, U.S. exports to TPP countries would increase by \$57.2 billion annually by 2032 if TPP is passed, and overall U.S. real income would increase by \$57.3 billion annually by 2032. Other studies have found that the benefits would be even higher, including a report from the non-partisan Peterson Institute which projects that TPP would lead to an increase in U.S. exports of \$357 billion and an increase in U.S. real income of \$131 billion, when taking into account the full impact of TPP's intellectual property rights protections, services sector benefits, disciplines on state owned enterprises, reduction of non-tariff barriers, and many provisions on digital trade.



### The Transatlantic Trade and Investment Partnership (T-TIP)

The Transatlantic Trade and Investment Partnership (T-TIP) would significantly reduce barriers to trade and investment with the European Union (EU) and its 500 million consumers. This would make it easier to connect American entrepreneurs with markets in the United States' largest trading partner.

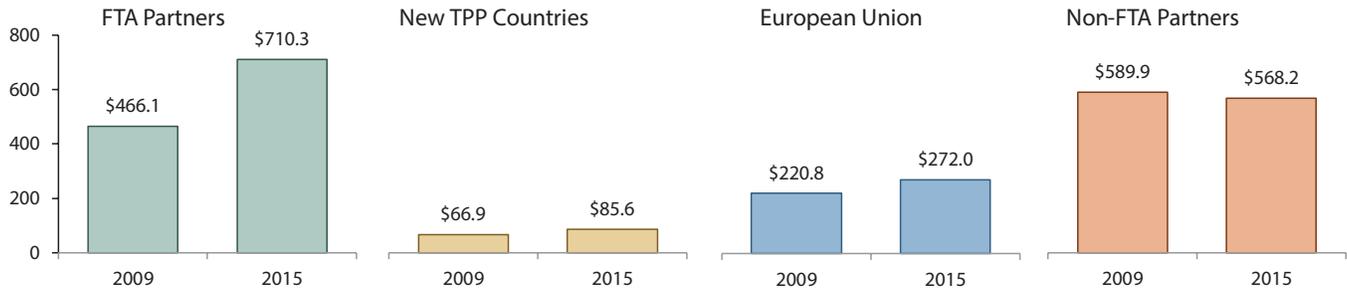
### Additional Accomplishments

Additional major trade accomplishments under President Obama include the following:

- Improving and securing Congressional approval of the FTAs between the United States and Korea, Colombia, and Panama
- Working with Congress to update and renew bipartisan Trade Promotion Authority and extending and improving Trade Adjustment Assistance
- Launching negotiations on the Trade in Services Agreement and Environmental Goods Agreement
- Renewing the Generalized System of Preferences program and the African Growth and Opportunity Act to promote economic development in Africa and elsewhere
- Expanding the World Trade Organization (WTO) Information Technology Agreement, concluding the WTO Trade Facilitation Agreement, and rejuvenating the WTO negotiating process

<sup>4</sup> [go.usa.gov/xKtJZ](http://go.usa.gov/xKtJZ)

### Goods Exports to FTA Partners Have Increased 52% Since 2009, While Exports to Non-FTA Partners Declined Slightly



### Stronger Enforcement of Trade Rules

To bring the full benefit of trade agreements to America’s businesses, families, farmers, and workers, the Administration has undertaken the most ambitious upgrade of trade enforcement in modern U.S. history.

The United States, through the Office of the U.S. Trade Representative (USTR), has filed 23 WTO complaints since 2009, more than any other WTO Member. Of those 23, the United States has won every one that has been decided so far. This Administration also has broken new ground on enforcement, including bringing the first ever dispute to enforce labor rights. That case is against Guatemala under the provisions in the Dominican Republic–Central America FTA.

The Administration has been keenly focused on leveraging available government resources to secure enforcement victories. An important step forward in this effort was the 2012 creation of the Interagency Trade Enforcement Center (ITEC) and, in 2016, its successor, the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME). The Center upgraded America’s ability to identify and address actions by its trading partners that may breach its trade agreement commitments.

Since 2009, the Department of Commerce’s Trade Agreements Compliance Program ([tcc.export.gov/trade\\_agreements\\_compliance](http://tcc.export.gov/trade_agreements_compliance)) has opened more than 500 new cases (more than half on behalf of SMEs) on complaints regarding foreign government non-compliance with trade agreement obligations causing barriers in markets large and small. In 219 cases, the Program has successfully influenced foreign governments to remove specific non-tariff barriers or prevent imposition of barriers affecting a broad range of industries.

### Assessment of Progress

After developing new programs and providing a new national focus on exports from 2010 through 2013, the TPCC agencies, led by the U.S. Department of Commerce as TPCC chair, reflected on new and emerging realities in the trade landscape and assessed the NEI strategy. Federal trade agencies actively solicited feedback from customers, stakeholders, associations, and U.S. industry, including through advisory committees such as the President’s Export Council—representing sectors across the U.S. economy.

Agencies analyzed macroeconomic trends and the outlook for trade, including the following:

- **Global Consumer Growth:** Slower global growth in major trading partner markets and emerging economies and the fact that the greatest global demographic growth will occur outside of the United States, mean that the global trading environment will grow more competitive. Thus, U.S. Government assistance to help American firms make international sales will be a continuing need. Already more than 95 percent of the world’s consumers and 80 percent of global purchasing power is outside the United States. The middle-class population of the Asia-Pacific markets alone is expected to be eight times the size of the United States’ by 2030.
- **The Impact of Technology and Use of E-Commerce Platforms to Export:** Markets and production are becoming increasingly integrated, driven by advances in technology, communications, transportation, and lower barriers to trade. These

transformations have lowered transaction costs and the threshold for smaller companies to do business internationally, spurring significant growth in trade. Whereas available government data show that less than 5 percent of U.S. companies export goods, research by eBay on its sellers shows that as much as 97 percent of U.S. companies selling online are selling to international customers. This research shows that online sellers also reach a more diverse set of export markets than traditional exporters.

- The Expansion of Digital Trade: Not only have advances in e-commerce expanded the customer base for U.S. products, but U.S. trade in services enabled by digital technologies has grown at a faster pace than trade in all other services. Bureau of Economic Analysis data show that from 1999 to 2014, information and communications technology (ICT)-enabled services sector exports grew at an annual rate of 8 percent,<sup>5</sup> compared with a growth rate of 5 percent for all other services sector exports.
- The Rise of Tariff and Non-Tariff Barriers to U.S. Businesses, Creating a Need for Modern Trade Agreements: The Administration's ambitious trade agenda is especially important as other countries continue to enter into FTAs, putting U.S. businesses on an uneven playing field if the United States cannot move forward with 21st-century agreements, including the TPP and T-TIP. China is currently negotiating with major markets, including a trilateral FTA with Japan and South Korea, and has implemented a bilateral agreement with South Korea. The sixteen countries negotiating the Regional Comprehensive Economic Partnership, a proposed FTA among the ten nations comprising the Association of Southeast Asian Nations (ASEAN), Australia, China, India, Japan, South Korea, and New Zealand, will hold the 15th round of discussions this October. The EU recently concluded negotiations with Canada and Vietnam and is pursuing a bilateral investment agreement with China.
- Agencies also conducted customer surveys, focus groups, and data analysis to better understand our customers and their needs, and they evaluated the performance of critical programs, such as trade missions and trade shows.
- Feedback showed that U.S. companies are well-positioned to capitalize on growing opportunities around the world but require more accessible, focused, and coordinated export assistance to be successful.
- Altogether, more than 6,000 entities—including SMEs, financial institutions, associations, and other stakeholders across the United States provided feedback on U.S. trade promotion efforts and programs. The results, which included substantial praise for NEI efforts, also identified key avenues to strengthen services and information.

Despite the immense benefits of selling U.S. products and services to international consumers, U.S. companies have yet to reach their full exporting potential. To fulfill this untapped potential, NEI/NEXT is the federal government's customer service-driven strategy to make it easier for more businesses to engage in foreign transactions to sell even more to overseas markets. The Administration's focus is on making as many of these improvements as possible so that by the time the new trade agreements come into force, U.S. companies will have a strengthened set of federal government programs to help them seize the opportunities the trade agreements present.

Through NEI/NEXT, the 20 TPCC agencies, including offices and agencies within the Executive Office of the President, are advancing program and policy improvements to

- Provide U.S. exporters more tailored assistance and information, connecting them to their next global customer;
- Streamline U.S. Government export reporting requirements, services, and processes, making exporters' first and next shipments easier and less expensive;
- Expand access to export financing to better support their next transaction;
- Partner at the state and local level to support export and FDI attraction strategies, promoting exports and FDI as the next economic development priority; and
- Ensure market access and a level playing field to support U.S. businesses taking advantage of their next global opportunity.

Success on these objectives will primarily be defined as outcomes provided for customers. Those outcomes will contribute to trade and FDI becoming a bigger part of the United States' economic DNA. Several new initiatives and desired outcomes are outlined in the chapters that follow.

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<sup>5</sup> [go.usa.gov/xKtJK](http://go.usa.gov/xKtJK)

## Chapter 2:

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# Connecting More American Businesses to Their Next Global Customer

*Providing focused assistance and actionable information, including for early-stage companies and those enabled by the Internet*

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In focus groups and surveys held throughout the past eight years, U.S. exporters and non-exporters have identified a need for industry-specific information to help them capitalize on potential export opportunities and connections to verified buyers or partners and to help navigate the export process.

ITA performed its first agency-wide customer experience survey in 2015 and confirmed that the majority of clients seek assistance with marketing and planning needs, such as gathering market research and arranging appointments in a prospective market. Nearly one-third of survey respondents came to ITA for assistance with the mechanics of exporting, and a growing number of clients are taking advantage of ITA's more customized services. A significant majority of clients were highly likely to recommend this assistance, and 80 percent of respondents anticipated achieving a positive result, such as increased or retained sales and revenue. A majority of respondents who achieved results credit a moderate to significant amount of their success to ITA and federal services.

ITA's survey data correspond with information in the National Small Business Association's 2016 survey on exporting.<sup>6</sup> When asked what government support would be helpful, top answers included more training and technical assistance, coordination among service offerings, assistance with documentation and intellectual property, better market research, and improved connections to customers.

To meet these identified needs, agencies are focused on

- Supplying actionable information to U.S. companies on export mechanics and reaching customers in additional international markets;
- Developing and providing more tailored and focused assistance to U.S. exporters; and
- Providing assistance and developing private sector partnership efforts that address the needs of emerging industries and new types of exporters, such as those enabled by the Internet.

## Supplying Actionable Information to U.S. Companies

- U.S. industry clusters can now easily find top global markets for their products based on qualitative and quantitative analysis from industry experts in the U.S. Government.
- U.S. exporters now have access to searchable market research and trade leads from U.S. trade experts in markets worldwide.
- To make data on everything from trade events to export compliance easier to access, even through private-sector services, agencies embarked on new, best-in-class approaches to capturing data, sharing it, and presenting it online. These approaches include creating new online tools and updating web platforms, including [export.gov](http://export.gov).

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<sup>6</sup> [bit.ly/2dlfAQn](http://bit.ly/2dlfAQn)

## In-Depth Reports Rank Top Export Markets by Sector

Responding to calls for more detailed and specific market research, ITA began producing forward-looking *Top Markets Reports* ([trade.gov/topmarkets](http://trade.gov/topmarkets)) to rank international markets and future export opportunities within a particular industry. ITA launched 19 reports covering a broad cross-section of sectors in 2015 and added 7 new sector reports focused on 21st-century manufacturing, high-tech, and leading-edge services to the series in 2016.



## Digestible and Searchable Market Research and Doing Business Guides

Commercial and economic officers and staff at U.S. embassies in more than 120 countries compile reliable and in-depth market research annually, but in 2015, the Department of Commerce transformed the *Country Commercial Guides* ([export.gov/ccg](http://export.gov/ccg)) from a large document of door-stop proportions to digestible articles better suited to busy businesses of all sizes. Now businesses visiting [export.gov](http://export.gov) can get accurate, bankable information—from market-entry strategies; to regulations, customs and standards; to financing and business travel—in just a few minutes and a couple of mouse clicks.



## Agricultural Trade Lead System

USDA's Trade Lead System ([www.fas.usda.gov/trade-lead-system](http://www.fas.usda.gov/trade-lead-system)) provides real-time distribution of trade leads from foreign buyers to potential U.S. exporters. The leads are verified by USDA's Foreign Agricultural Service overseas offices. Any U.S. company can register to receive leads and work through the Foreign Agricultural Service's network of overseas offices and/or through one of USDA's 70 trade association partners (including State Regional Trade Groups or the company's respective State Department of Agriculture), or a company can work directly and independently with the foreign buyer off-line to conduct business.

## USTDA Trade Lead Program

USTDA's Trade Lead Program ([ustda.gov/business-opportunities/trade-leads](http://ustda.gov/business-opportunities/trade-leads)) is providing real-time distribution of overseas procurement opportunities. USTDA, the local U.S. embassy, and the U.S. Commercial Service verify the Trade Leads. Any U.S. company can register to receive electronic notifications and information on Trade Leads. Additionally, USTDA proactively distributes the Trade Leads through its bi-weekly newsletter that reaches more than 13,000 readers.

## New Tools and Platforms to Increase Online Export Assistance

As agencies improve actionable information for business, the U.S. Government is working to improve existing online tools and create new ones to help small and medium-sized exporters and potential exporters, led by an upgrade of [export.gov](http://export.gov).

New and improved features on the portal include the following:

- A powerful search engine to enable quick and targeted access to information
- Brief, actionable market intelligence
- A library of trade mechanics and educational materials that is fully searchable
- Optional site registration allowing businesses to save market intelligence to a personal profile and customize their experience
- A mobile-ready interface so customers can access [export.gov](http://export.gov) from any device



Quality data and information undergird U.S. trade agencies' transformed approach to providing increased service via the Internet. Working closely with other TPCC agencies, ITA is committed to publishing export-related data feeds on the new Trade Developer Portal ([developer.trade.gov](http://developer.trade.gov)) to support [export.gov](http://export.gov). Trade organizations can also use these feeds on their own websites and mobile apps. New data sets are being added to the Portal on an ongoing basis. Using the Portal, software developers can integrate U.S. Government market intelligence and trade data into their own applications. This effectively opens federal export-related data and information to a wider audience.

The Portal currently hosts 13 publicly accessible application programming interfaces (APIs) sourced from ITA and TPCC agency data. These APIs provide information about trade events, market research, locations of domestic and international export assistance centers, business opportunities, and key trade news and articles.

ITA will enhance data offerings that focus on business opportunities; add new data sets to the Trade Developer Portal, such as tariff information for goods and services covered under FTAs; and address questions that exporters frequently ask. ITA will also launch new tools that enable users to generate reports detailing the size, challenges, and opportunities of specific export-market segments by product type and/or country, including industry-specific information to help exporters access the benefits of future FTAs.

### Expanded FTA Tariff Tool

The FTA Tariff Tool's ([export.gov/fta/ftatarifftool](http://export.gov/fta/ftatarifftool)) coverage of tariff rates and associated rule of origin references will be expanded to new markets as new trade agreements are negotiated. After the conclusion of TPP negotiations, the tool was updated to enable firms to see how the TPP could lower or eliminate tariffs for their products.

### Consolidated Screening List Search Engine—for Export Compliance

The Consolidated Screening List ([apps.export.gov/csl-search](http://apps.export.gov/csl-search)) is a streamlined compilation of 11 different "screening lists" from the U.S. Departments of Commerce, State, and Treasury. The list contains the names of individuals and companies with which a U.S. or foreign person may be limited or prohibited from doing business because of U.S. export control regulations, sanctions, or other restrictions. Before February 2010, U.S. exporters had to review each list separately. To assist U.S. exporters as well as enhance our national security, as part of the Administration's Export Control Reform initiative, ITA and the Bureau of Industry and Security developed a Consolidated Screening List Search Engine. The search engine allows exporters to do a quick screening search for people and companies with which they are doing business or are engaged with as a party to an overseas transaction. In the event that a company, entity, or person on the list appears to match a party potentially involved in an export transaction, exporters should conduct additional due diligence before proceeding to determine if the transaction is allowed and if any export license requirements ([export.gov/ecr/eg\\_main\\_100285.asp](http://export.gov/ecr/eg_main_100285.asp)) apply. Of the new tools released by the Department of Commerce over the past couple of years, this search engine is the most popular, registering more than 1 million hits per day.

### USA Trade Online Now a Free Resource

In 2015, the U.S. Census Bureau eliminated registration costs for USA Trade Online ([usatrade.census.gov](http://usatrade.census.gov)), a dynamic data tool provided by the U.S. Census Bureau that gives users access to current and cumulative U.S. export and import data. Users can create customized reports and charts detailing international trade data at different levels. All data are updated each month with the release of the latest U.S. International Trade in Goods and Services Report. These data support manufacturers and businesses wishing to expand their business globally; economists interpreting economic news and performing academic research; and governments and federal agencies analyzing domestic and international trade policies.

## Developing and Providing More Tailored and Focused Assistance

- U.S. exporters can now take advantage of new or enhanced federal assistance along industry- and market-specific lines.
- Agencies are making process improvements to maintain and build on high standards of customer service, such as organizing and training staff to build greater industry-specific expertise.
- In addition, agencies are customizing engagement and outreach programs to the specific needs of business segments with high export potential.

## Fostering Greater Industry-Specific Expertise and 21st-Century Trade Specialists

### Enhanced Industry-Specific Service for Exporters across the Country

ITA is training and organizing U.S. field staff to deliver higher value in key sectors for U.S. competitiveness, including: automotive, design and construction, energy, franchising, manufacturing, healthcare, and travel and tourism. Trade specialists at U.S. Commercial Service domestic and international offices select industries that they will focus on, creating teams of specialists with deep expertise to assist companies and meet the unique needs of specific sectors.

Additionally, USTDA has created sector-specific teams to provide higher-level service to U.S. businesses. By dividing the agency into energy, transportation, and telecom teams, USTDA is better able to identify emerging and innovative technologies that may have unique applications in emerging markets.

### Training to Enhance Assistance in the 21st-Century Global Economy

In 2016, the Department of Commerce launched the Commercial Diplomacy Institute to provide training programs to equip staff with updated tools and allow them to hear from private-sector thought leaders in order to better engage foreign governments and reduce trade barriers, increase American exports, and connect foreign customers to U.S. goods and services. The Obama Administration's focus on commercial diplomacy stems from the recognition that in the 21st century, America's unmatched commercial might is an essential pillar in our foreign policy toolkit. The Department of Commerce has already incorporated America's private-sector input into dialogues with fast-growing markets in Asia and Africa, distressed economies such as Ukraine, and political hot spots such as Tunisia.

### New Digital Trade and Economic Officers to Address 21st-Century Trade Barriers

According to a report from the McKinsey Global Institute, digital trade flows now have a larger impact on GDP growth than trade in goods. ITA's U.S. Commercial Service in U.S. embassies overseas already works closely with U.S. companies to not only overcome market access barriers in the global digital economy, but also build on this skill set. In March 2016, the Secretary of Commerce launched a new program of Digital Trade Officers ([go.usa.gov/xKtJ5](http://go.usa.gov/xKtJ5))—commercial diplomats selected in key markets around the world specifically focused on digital economy issues and helping U.S. companies navigate foreign regulations and barriers to trade. Announced by the U.S. Department of State in March 2016, the Digital Economy Officers Program complements the Digital Trade Officers initiative to increase the skills of and tools available to economic officers at embassies around the world that handle digital economy issues as part of their portfolios. These initiatives will drive worldwide policy and advocacy on technology issues, ensure links between trade policy and trade promotion efforts, and provide front-line assistance for SMEs, including by helping them take advantage of e-commerce channels. The programs draw on expertise from the Department of Commerce, State Department, and other agencies and were developed with input from industry. The program will continue to seek the engagement of the private sector as the digital economy evolves.

## Connecting Global Market Expertise to Our Customers

Recognizing the value U.S. exporters place on federal assistance from U.S.-based and embassy-based staff worldwide, agencies are working to bring that expertise to accessible venues around the United States. These efforts, in turn, help businesses take action, attend a trade show, craft an overseas business visit, and connect with potential buyers and partners.

In addition, agencies have developed initiatives that serve as export assistance platforms in key world regions of opportunity, including Africa, Latin America, and the Asia-Pacific region. Sub-Saharan Africa is home to seven of the world's 20 fastest growing economies, and the United States has a critical opportunity to deepen commercial ties with the region. Latin America is home to 11 of the United States' 20 FTA partner markets. Asia-Pacific is the fastest-growing region of the world, making it critical for companies to understand how to do business there and for Congress to approve the TPP, which would set fair rules of the road for trade in the region.

### Discover Global Markets Forum Series

In 2014, the U.S. Commercial Service, in close cooperation with the nationwide network of District Export Councils (DECs), completed its first series of *Discover Global Markets* (business development forums ([export.gov/discoverglobalmarkets](http://export.gov/discoverglobalmarkets))) and will continue hosting these forums multiple times per year. These conferences marshal the full depth and breadth of the U.S. Commercial Service's worldwide market intelligence and trade expertise as well as the resources of other TPCC agencies and private partners. Thousands of U.S. companies have attended the conferences, which have featured every global geographical region, U.S. FTA partner countries, and select industries. A hallmark of the conferences was the one-on-one meetings between business representatives and commercial diplomats and trade specialists. Approximately 4,000 such meetings have been held.

The 2016 and 2017 Discover Global Market schedule includes, among other events:

- Building Smart Cities: November 1–3, 2016, in Chicago, IL ([go.usa.gov/xKtJR](http://go.usa.gov/xKtJR))
- Advanced Manufacturing: February 16–17, 2017, in Scottsdale, AZ ([go.usa.gov/xKtJn](http://go.usa.gov/xKtJn))

### Doing Business in Africa Campaign

Since 2012, the Doing Business in Africa Campaign (DBIA, [trade.gov/dbia](http://trade.gov/dbia)) has been carrying out President Obama's charge to deepen commercial engagement with sub-Saharan Africa with targeted programming for U.S. exporters.

In 2014, the U.S. Government made new commitments to deepening trade with Africa at the first U.S.-Africa Business Forum (USABF, [go.usa.gov/xKtJQ](http://go.usa.gov/xKtJQ)), which was held in conjunction with the U.S.-Africa Leaders Summit.

- The U.S. Department of Commerce has facilitated U.S. business activity in Africa by doubling its presence in sub-Saharan Africa with new offices in Angola, Tanzania, Ethiopia, and Mozambique, while expanding its operations in Ghana and re-establishing a position at the African Development Bank. The Department led the Trade Winds Business Forum ([go.usa.gov/xKtJU](http://go.usa.gov/xKtJU)) and trade missions to eight growing sub-Saharan markets, connecting more than 100 U.S. companies to local decision-

### Hannover Messe

For the first time ever, the United States served as the Partner Country of HANNOVER MESSE (HM) 2016, the world's foremost trade fair for industrial technology, held April 25–29, 2016, in Hannover, Germany. A total of 430 U.S. companies, research institutions, and EDOs were part of the largest-ever U.S. delegation to participate in HM, which highlighted U.S. leadership in advanced manufacturing, energy efficiency and products, cutting-edge production engineering, smart tech, and research and technology as well as investment opportunities throughout the United States. In an effort to maximize opportunities for success during the show, U.S. exhibitors arrived in Hannover prepared to participate in custom programs specifically designed by the Department of Commerce and interagency HM team. These services included the International Partner Promotion Program (facilitated business-to-business connections) and the Executive Market Counseling Program (business-to-government), working together with the Enterprise Europe Network to implement the "Technology Cooperation Days" research and technology matchmaking program and Guided Booth Tours arranged through HM and through U.S. Commercial and Economic Officers' recruitment of delegations. Services also included an unprecedented level of press and social media support.

On the policy front, Commerce experts worked with the German Government, European Commission, and industry association partners to plan and organize policy-side events at HM on issues such as T-TIP, digital economy, Internet of things, workforce development, innovation cluster mapping, and minority entrepreneurship.

Respondents surveyed during HM reported 3,256 strong business leads that will merit follow-up (an average of 22 per exhibitor). The 151 companies that responded to the survey said they concluded 375 sales or partnership agreements during HM.

makers, expert counsel, and promising business opportunities. The Department has also supported 16 private-sector deals in Africa worth approximately \$7 billion, with an estimated \$4.1 billion in U.S. export content.

- The U.S. Government established the President's Advisory Council on Doing Business in Africa ([trade.gov/pac-dbia](http://trade.gov/pac-dbia)). Secretary of Commerce Penny Pritzker appointed 15 private-sector corporate members to the Council, which have made several recommendations to strengthen commercial engagement between the United States and Africa. All of these recommendations can be viewed on the Council's website.
- The Millennium Challenge Corporation (MCC), with the Department of Commerce, conducted its first-ever investment mission to Tanzania and Malawi from May to June 2015, with 10 American companies exploring business opportunities in the energy sector. MCC also coordinated with the Department of Commerce to engage U.S. companies and senior African officials about investment and contracting opportunities generated by the \$498 million Ghana Power Compact and the \$375 million Benin Power Compact through a roadshow in four U.S. cities.
- The Secretary of Transportation, in cooperation with the Department of Commerce, led a transportation- and infrastructure-focused trade mission to Mozambique, South Africa, and Kenya in June 2015. The mission included 14 U.S. companies and engaged many locally based U.S. companies.
- USTDA has delivered on all of the DBIA commitments it made during the President's trip to East Africa in July 2015. These commitments include reopening its program in Kenya; launching a partnership with Ethiopia under the Agency's Global Procurement Initiative; hosting four reverse trade missions focused on modernizing the security of airports and ports, deploying energy storage technologies, and developing natural gas resources; supporting the development of a new multi-commodity bulk port in Senegal; and sponsoring training for officials from 16 African countries to increase climate resilience and deploy weather warning systems.

USTDA, the U.S. Agency for International Development (USAID), EXIM Bank, the Overseas Private Investment Corporation (OPIC), and MCC have also hosted finance roundtables in Africa.

- USDA Deputy Secretary Krysta Harden led 5 State Departments of Agriculture delegates and 28 U.S. agribusinesses on an USDA Agribusiness Trade Mission to Accra, Ghana, in November 2015. The mission provided education to U.S. participants about market opportunities and promoted U.S. agricultural exports to sub-Saharan Africa to encourage business partnerships with African buyers from Eastern, Western, and Southern Africa.
- USDA and its Foreign Agricultural Service offices in Africa led buying teams from sub-Saharan Africa and other African countries to meet U.S. exhibitors at the 2016 Gulfood trade show in February 2016 in Dubai, UAE. USDA Deputy Under Secretary Alexis Taylor attended the show, which is the Middle East's largest food, drink, food service, and hospitality equipment exhibition. The 2016 Gulfood Show U.S. Pavilion was the largest ever, with 180 U.S. exhibitors registering a record \$77 million in on-site sales. Sixty-two new-to-market companies, 7 new-to-export companies, and 25 minority-owned companies were represented.

The Department of Commerce and Bloomberg Philanthropies hosted the second USABF in New York on September 21, 2016. The majority of the African Heads of State and chief executive officers (CEOs) from more than 100 U.S. and 100 African companies attended the 2016 Forum.

## The Look South Initiative

Since 2014, the Look South initiative ([export.gov/tradeamericas/looksouth](http://export.gov/tradeamericas/looksouth)) has focused on helping more American companies begin or expand their exports to Mexico and to the 10 other U.S. FTA partner countries in Latin America. Fifty-nine percent of U.S. goods exporters sell to only one foreign country, usually Canada or Mexico. Look South markets are ideally suited to encourage more SMEs to expand to nearby FTA partners. FTAs with each Look South country create favorable conditions for U.S. exporters, including tariff elimination, harmonized regulations, intellectual property rights protection, and more open services sectors.



Look South has

- Enhanced trade assistance and market research for this region. U.S. Commercial Service trade specialists now have new technology tools to counsel companies in which Look South markets are most ripe for their products and services.
- Strengthened partnerships with state and local governments and trade associations, including through a monthly partners coordinating call that has grown to 150 participants.
- Increased U.S. companies' awareness of trade opportunities through outreach events and connected more U.S. companies to opportunities through the dedicated Trade Americas ([export.gov/tradeamericas](http://export.gov/tradeamericas)) team (under ITA) and the strong commercial presence in the region.
- With help from the Minority Business Development Agency (MBDA), leveraged the Hispanic American diaspora network and media to increase the minority business community's awareness of trade opportunities in the region.

### Coordinated Trade Promotion Specific to the Asia-Pacific Region

In less than 15 years, two out of every three middle-class consumers in the world will call the Asia-Pacific region their home. Yet U.S. companies, especially SMEs, face widely diverse market conditions and market entry challenges in Asia. The TPP would address these issues head-on for many Asian markets. Complementing this agreement, agencies are actively working to promote greater awareness and access to opportunities in the entire region.

In collaboration with the White House Initiative on Asian Americans and Pacific Islanders (WHIAAPI), the MBDA successfully launched the "Doing Business in Asia" initiative to deepen commercial engagement between the Asian American and Pacific Islander (AAPI) business community and customers in Asia.

#### **Certified Trade Missions**

Building on the AAPI business community's cultural and business understanding of Asian markets, the U.S. Government has supported AAPI private-sector organizations in leading missions through ITA's Certified Trade Mission program ([export.gov/ctm](http://export.gov/ctm)). The program enables private- and public-sector export-oriented groups to work with ITA's overseas Commercial Service offices to connect representatives of U.S. companies with potential agents, distributors, joint venture partners, licensees, local businesses, and government contacts. The first mission in October 2015 followed the April 2015 Joint Clean Energy Trade Mission with the Secretaries of Energy and Commerce. ITA certified the second follow-on mission in June 2016 to explore smart cities-related products in Chengdu, China. MBDA plans to replicate this model in other markets.

#### **AAPI Business Community Outreach and Coordination**

MBDA and WHIAAPI conducted joint AAPI business community outreach seminars and roundtables across the nation in 2016 and supported the CalAsian American Chamber trade mission to the Philippines in July 2016. They aim to participate in the Asia-Pacific Economic Cooperation (APEC) CEO and/or Small and Medium Enterprises Summit in Peru in 2016 and in Vietnam in 2017. MBDA will explore partnerships with American Chambers of Commerce in foreign countries (e.g., Shanghai American Chamber of Commerce and Philippines American Chamber of Commerce) and with trade development organizations in Asian countries, such as the Hong Kong Trade Development Council and the Korea Trade-Investment Promotion Agency (or, KOTRA).

#### **A focus on the TPP**

To help U.S. businesses of all sizes better understand current opportunities in the Asia-Pacific region and the way TPP would increase their business' competitiveness, the Department of Commerce has released more than 60 targeted fact sheets ([trade.gov/tpp](http://trade.gov/tpp)) and reports detailing the benefits TPP could have for American companies. In addition, agencies have conducted hundreds of outreach events since the full text of the agreement was released in fall 2015, and the agencies have expanded



education opportunities, including through a Department of Commerce webinar series on doing business in each of the 11 other TPP countries.

## Delivering Focused Services to Customer Groups with Export Potential

Through NEI/NEXT, agencies have customized approaches to engage all segments of the business community, particularly small businesses, minority-owned businesses, diaspora-owned businesses, women-owned businesses, startup and early-stage companies, and rural businesses. Businesses in those market segments have just as much international potential as the average U.S. exporter, yet may face extra hurdles to gaining access to the information and services needed to be successful in foreign markets. Minority- and diaspora-owned firms are more likely to export than other firms but may not know where to go for help, making it critical that agencies focus on helping those firms tap additional overseas opportunities and share their export knowledge and connections with potential exporters in their communities.

### The President’s “Made in Rural America” Export and Investment Initiative

In February 2014, the President announced the “Made in Rural America” Export and Investment Initiative ([go.usa.gov/xKtJP](http://go.usa.gov/xKtJP)) and charged agencies, working through the White House Rural Council ([go.usa.gov/xKtJE](http://go.usa.gov/xKtJE)), with bringing together federal trade- and investment-related resources for rural communities and businesses. The initiative reflects the Administration’s belief that ensuring rural manufacturers, producers, and service providers can capitalize on international opportunities is key to advancing economic growth in rural areas.

A critical development in the initiative was expanding the network of rural business counselors able to refer businesses to export-related resources, through the training of USDA Rural Development staff in all 50 states. Already, USDA’s Foreign Agricultural Service and the four USDA-funded State Regional Trade Groups (SRTGs) are an integral partner in the U.S. Government’s service network for SME exporters, reaching approximately 30,000 companies and advising them on the entire export process. In February 2015, USDA announced a first-of-its-kind partnership with SRTGs and its Market Development Program Cooperators (commodity organizations) to provide “no wrong door” service to new and beginning farmers seeking the capacity to market abroad.

Agencies facilitated several regional forums across the country to raise awareness of export resources and to hear from exporters and community leaders, with the help of partners such as the Appalachian Regional Commission, Delta Regional Authority, and National Association of Counties. Using what was learned at those forums, agencies made new commitments that have led to further results for rural businesses, including the following:

- The U.S. Commercial Service at the Department of Commerce formed the Rural Export Innovation Team ([export.gov/rural](http://export.gov/rural)), which involves more than 100 trade specialists nationwide, including a new specialist in Alaska. This team is dedicated to plugging rural businesses into the latest trade opportunities and designing specific projects that directly connect rural businesses to overseas experts and potential buyers and partners. For the past two years, the team has contributed to the export success of more than 150 rural companies. The team has implemented more than 23 projects.
- The Delta Regional Authority and Appalachian Regional Commission have expanded exporter education and enabled more rural companies to participate in overseas trade shows and missions. The Delta Regional Authority has held a series of workshops across the Delta, and the Appalachian Regional Commission, through its federal-state Export Trade Advisory Council, enabled three rural business delegations to attend trade shows in 2015 and expanded their efforts in 2016.
- ITA has worked with its sister Department of Commerce agency—the Economic Development Administration—to provide training and information about international trade resources for economic development leaders across the country.
- The U.S. Postal Service held a series of more than 50 events across the country to raise awareness of global shipping and export development services.

## Support for Minority- and Diaspora-Owned Businesses

U.S. minority-owned companies are twice as likely to export as non-minority owned companies, and minority-owned firms are more likely to have exports accounting for a majority of sales.<sup>7</sup> The Department of Commerce's MBDA is using its institutional strength to help minority-owned companies succeed domestically and to also help them to capitalize on international opportunities. MBDA is offering services in close partnership with other agencies, including the U.S. Commercial Service, the SBA, EXIM Bank, and the State Department. Export assistance agencies have been fully integrated into major MBDA outreach events and workshops. Through its national business center network, MBDA leverages its strategic partners, at both the federal and local levels, when conducting educational and policy seminars on international trade. MBDA and its business centers across the country are focusing clients on exporting, using regional initiatives for Asia, Latin America (e.g., Look South), and Africa (e.g., DBIA) to highlight opportunities and present the business solutions (such as trade financing) needed to tap those markets.

Specific accomplishments in MBDA's "Doing Business in Asia" initiative include the following:

- Facilitating a 100-plus minority-owned business delegation to attend the June 2015 APEC SME in Atlanta, Georgia
- Leading a delegation of 24 SMEs to the November 2015 APEC SME Summit in the Philippines, where the delegation met with other APEC SMEs, ministers from four APEC countries and high-level Philippine officials through collaboration with the Filipino Executive Network and the Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE), which is a good example of partnerships MBDA is cultivating to support U.S. exporters

## Veteran-Owned Businesses

Veteran-owned firms that export are far likelier to employ more workers than non-exporting veteran-owned firms and have vastly higher annual receipts.<sup>8</sup> In addition, veterans are likely to have management skills that allow a business to become export-ready and expand globally, such as objective-based focus and discipline, attention-to-detail, intercultural communications, adaptability, and perseverance. Those characteristics are what led ITA to create Vets Go Global ([go.usa.gov/xKtJy](http://go.usa.gov/xKtJy)), an initiative formed by veterans of the U.S. Armed Forces. This team of ITA's U.S. Commercial Service international trade specialists is dedicated to helping veteran-owned businesses connect to business opportunities around the world through customized counseling and outreach and collaboration with other government agencies and public organizations that offer resources to veterans.

- Since 2009, More than 30 veterans have participated in the U.S. Commercial Service (CS) Middletown internship and "Trade Assistant" program for veterans seeking business skills. With the support of the CS Middletown staff and Connecticut District Export Council (DEC) members, most of those veterans have found jobs with U.S. firms, joined ITA's field staff, or have started their own small businesses. In 2011, the State of Connecticut began funding the Veteran International Trade Workforce Development Program, providing \$200,000 annually to create 8- to 12-month contractor positions to help organize trade events and trade missions, including events for the large number of defense and aerospace companies in Connecticut. This program has brought numerous awards and recognition to the CS, including a Department of Defense Patriot Award.
- On November 11, 2014, (Veterans Day) the Connecticut DEC and its Chairman, John Schuyler, a Navy veteran, announced that the DEC will reimburse certified veteran-owned companies in Connecticut for costs to participate in local CS-sponsored training events. This is an ongoing program.

## Women-Owned Businesses

The women's business network Women Impacting Public Policy (WIPP) has collaborated with ITA to produce an export-oriented curriculum available to the thousands of women-owned businesses in its network. With a strategic partnership agreement in place, Commerce collaborated with WIPP to produce modular webinars on the curriculum, assisting hundreds of women-owned firms nationwide at various stages of the export process.

<sup>7</sup> [go.usa.gov/xKtJy](http://go.usa.gov/xKtJy)

<sup>8</sup> [go.usa.gov/xKtJp](http://go.usa.gov/xKtJp)

## Enhancing Assistance for Emerging U.S. Industries and the Next Generation of Exporters

- U.S. firms in emerging industries can take advantage of a growing base of research and guidance on export challenges and opportunities, as well as opportunities to help developing economies take advantage of U.S. technologies and expertise.
- U.S. Government–led collaboration with governments in growing economies such as India, Mexico, Brazil, and the Philippines are yielding earlier information on infrastructure development opportunities and helping other governments integrate life-cycle cost analysis and “best-value” determinations into their public procurements.
- New tools, education programs, and services are helping U.S. services firms, early-stage businesses, and micro, small, and medium-sized firms that are exporting via e-commerce platforms.

The NEI/NEXT strategy called for more focused initiatives on key emerging industries of opportunity, including emerging technologies, infrastructure development, services sector trade, and the digital economy. Those are the areas where much of the growth in U.S. employment is likely to occur, and we need ensure that U.S. Government products and services are aligned to help such companies compete globally.

### Emerging Industries

The U.S. Government is examining ways to provide export-related information and services for dynamic new industries that do not fall into established, traditional sectors. Often emerging technologies are globally competitive early in their commercialization, but businesses in this sector face distinctive issues that established industries may not, such as product classification, intellectual property rights, divergent product standards, and lack of data on export trends in their industry.

ITA is assessing technology-heavy industries in the United States such as robotics, additive manufacturing, and technical textiles and is identifying how to build a base of research on international opportunities and challenges in those industries. ITA's Industry and Analysis unit published new Top Markets Reports ([trade.gov/topmarkets](http://trade.gov/topmarkets)) in 2016 on industrial automation and manufacturing technology, in addition to updating a report on technical textiles. ITA also co-hosted, with the Industrial Fabrics Association International, a Smart Fabrics Summit in April 2016. This event gathered members of the tech, textile, and apparel sectors to foster collaboration, support innovation, and address common policy issues facing this emerging industry such as standards setting, intellectual property rights, and federal research support. The event included industry leaders from Ralph Lauren and Intel, with 175 people in attendance.

### Energy Storage

The United States is leading in finding approaches to safely and efficiently store energy so that energy can be consumed on demand, output can be meticulously controlled, and the frequency of energy distributed can be tightly regulated. Involving a wide variety of technologies, energy storage is resource-neutral, allowing integration with both renewable energy sources as well as traditional fuel sources.

To help deploy these new technologies in emerging markets, USTDA is sponsoring a number of activities in 2016:

- Parsons Corporation (Pasadena, CA) is working with the Industrial Development Corporation, one of South Africa's development finance institutions, on a roadmap for the adoption of energy storage technologies through 2030.
- General Electric (Fairfield, CT) is helping IL&FS Energy Development Company Limited (Mumbai, India) assess the viability of storage technologies for two planned renewable energy projects. IL&FS, one of India's largest independent wind power producers, plans to construct 1,150 megawatts of integrated wind and solar projects in the provinces of Andhra Pradesh and Gujarat. With energy storage solutions, these projects would be able to supply utility-scale renewable energy to India's grid for the first time.

- USTDA is supporting Interconexión Eléctrica's (ISA) (Medellin, Colombia) efforts to develop plans for the deployment of large-scale battery storage technologies in Brazil, Colombia, and Mexico. USTDA's support would provide the opportunity for ISA to improve grid reliability and transmission, in addition to supporting new renewable energy generation. ISA has selected Quanta Technology (Raleigh, NC) to conduct the feasibility study, which will support ISA's plan to develop multiple storage facilities in the coming years.
- In spring 2016 USTDA hosted successful reverse trade missions to the United States to introduce public- and private-sector delegates from eight countries—Jordan, South Africa, Brazil, Colombia, India, the Philippines, Turkey, and Vietnam—to U.S. energy storage solutions.
- USTDA will continue to identify new and innovative ways to highlight U.S. providers of innovative energy storage solutions for customers in emerging markets.

## Capitalizing on Global Infrastructure Opportunities

Public and private investment in global infrastructure development are projected to reach between \$60 trillion and \$80 trillion<sup>9</sup> over the next 15 years, driven by a growing middle class around the world and a corresponding increase in demand for reliable energy, transportation, water and environmental quality, ICT systems, and healthcare. This growth presents key opportunities for U.S. exporters in various infrastructure-related sectors, and the U.S. Government is committed to helping more U.S. companies compete for and win the international competitions that will lead development for infrastructure around the world.

American companies have consistently told U.S. Government officials that an increased focus on U.S. competitiveness in the global infrastructure realm will increase their likelihood of building successful, long-term commercial relationships in the developing and developed markets where projects exist. They have urged the Department of Commerce and other interagency partners to enable access to early market intelligence on future projects as they are developed and well in advance of a public announcement or publishing of tenders. In addition, U.S. companies have noted a critical need for the U.S. Government to deepen foreign public and private customers' understanding of the high standards, value, and life-cycle cost competitiveness of U.S. products and services. The U.S. Government is launching new programs and working to strengthen bilateral collaboration to jointly address the infrastructure needs of our trading partners and support U.S. exports.

### Infrastructure Pilot Programs

The U.S. Government has initiated pilot projects to coordinate federal resources, gather information before the launch of bidding processes, and share that information with interested U.S. businesses in infrastructure-intensive industries.

These pilots follow a formula: Commercial Service and Economic Officers in U.S. embassies and consulates identify projects likely to go forward, and then U.S. Government agencies share that information with the U.S. private sector. To both better identify and advance these projects on behalf of U.S. industry, the U.S. Government is formalizing relationships with governments in pilot countries, including Mexico, India and the Philippines. Following recommendations by the President's Advisory Council on Doing Business in Africa, a pilot program in sub-Saharan Africa is likely to be initiated in late 2016.

During current pilots, the Department of Commerce has worked with foreign counterparts to understand priority projects and related opportunities or challenges, gathered and validated information before the launch of bidding processes, shared that information with interested U.S. businesses, and provided advocacy and market support coordinated through the interagency throughout a U.S. firm's pursuit of a project.

<sup>9</sup> Data from "McKinsey: Global Lessons on Financing Infrastructure," August 2013 and KMPG.

## Global Procurement Initiative

In response to U.S. industry's increasing interest, USTDA launched the Global Procurement Initiative (GPI), together with The George Washington University, to educate officials in emerging markets about how to integrate life-cycle cost analysis and "best-value" determinations into their public procurements. USTDA also partners with the World Bank and collaborates with the major multilateral development banks in the planning and execution of the GPI. The GPI's value-based practices lead to better development outcomes and overall savings for host governments, while leveling the playing field for international competition, because having the lowest price is no longer the only determining factor in a procurement award. Since its launch, USTDA has established GPI partnerships with Botswana, Ethiopia, Philippines, Vietnam, Romania, and Colombia and is working to launch new programs in India, Mexico, and Panama.



## India: Smart City Development

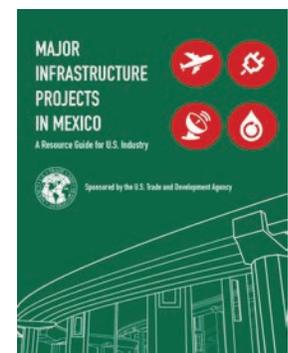
In January 2015, USTDA signed an agreement with the Government of India to support Prime Minister Modi's smart cities goals. The agreement came after India designated the United States to take the lead in helping India build smarter, sustainable infrastructure in the cities of Allahabad, Ajmer, and Visakhapatnam. USTDA is helping these cities develop plans to create smarter, more connected urban infrastructure.

- USTDA is partnering with a consortium of leading U.S. companies and the State Government of Andhra Pradesh to prepare a planning framework, development strategy, and a list of high-priority investment projects for smarter urban development in Visakhapatnam. The technical assistance is leveraging innovative U.S. technologies, data analytics, and delivery approaches to enhance citizen services and improve efficiencies throughout city operations.
- USTDA will host a series of reverse trade missions to connect officials from Uttar Pradesh and Rajasthan and the cities of Allahabad and Ajmer, to introduce U.S. best practices and technologies for smart cities development. The visits will help the participants better understand U.S. solutions and technologies for smarter infrastructure investments. These upcoming reverse trade missions follow a similar successful visit from officials from Andhra Pradesh in February 2016.
- ITA conducted a smart cities trade mission in February 2016 led by Deputy Secretary Bruce Andrews that took 18 U.S. companies across India in search of partners and opportunities in the sector.

Smart cities and smart infrastructure continues to be a collaborative focus of both countries, whereby they have included the sector in its upcoming high-level second Strategic & Commercial Dialogue held in late August 2016 in New Delhi.

## Mexico

The Government of Mexico plans to invest more than \$500 billion to modernize its energy, transport, telecommunications, water, and environment sectors. To support Mexico's ambitious reform efforts and position U.S. firms for success in implementing critical infrastructure projects, USTDA developed the Major Infrastructure Projects in Mexico resource guide ([go.usa.gov/xKtJd](http://go.usa.gov/xKtJd)) to provide U.S. industry with details on Mexico's infrastructure sectors and specific development plans through 2018. The Guide includes more than 25 project profiles, complete with market intelligence, detailed plans, contact details for key decision-makers, procurement timelines, and planned financing mechanisms. The Guide is serving as a key resource for U.S. firms interested in supporting priority projects associated with Mexico's National Infrastructure Program.



Multiple U.S. Government agencies are helping to connect U.S. companies to these projects. For example, ITA's U.S. Commercial Service has developed an online portal designed to advertise opportunities in high-value airport and port, energy, and water infrastructure projects to interested U.S. firms, while MBDA is working with the Mexican Government on ways to collaborate on expansion of the Mexico City airport.

## Brazil

To support Brazil's infrastructure development efforts and position U.S. firms for success in market entry and project implementation, USTDA developed the Brazil's Priority Transportation Projects resource guide ([go.usa.gov/xKtJv](http://go.usa.gov/xKtJv)). The guide provides U.S. industry with information on Brazil's transportation sector and the country's infrastructure development plans. With more than 25 project profiles, including market intelligence, detailed plans, contact information for key decision-makers, procurement timelines, and planned financing mechanisms, the guide is a vital resource for U.S. firms looking to enter Brazil's market and support transportation development and upgrades.

The guide complements the activities in the U.S.-Brazil Transportation Partnership, led by USDOT and Brazil's Ministry of Transportation, which addresses a range of mutual priorities to improve transportation safety and connectivity and to facilitate trade between the United States and Brazil.

## Philippines

Infrastructure spending and development are essential to supporting growth in the Philippines. In February 2015, ITA signed an Infrastructure Memorandum of Cooperation with the Government of the Philippines to formalize a partnership and enhance the ability to work together on key infrastructure priorities in Manila and across the Philippines. As part of this initiative, U.S. Commercial Service Officers in Manila are working with U.S. aviation industry partners on ways to help the Philippines improve its aviation operations. USTDA also established a partnership with the Government of the Philippines in September of 2015 under the GPI to assist the Philippine Government as it improves public procurement processes and procedures, as well as incorporates value-based procurement mechanisms into its procurement regime.

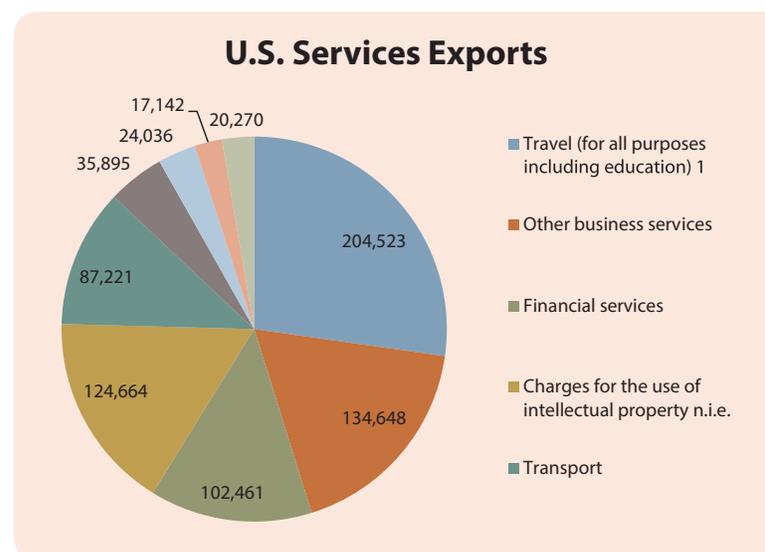
## Providing Services Sector Export Assistance and Support

The services sector is an important driver of the U.S. economy; it accounts for 68 percent of GDP and four out of five private-sector jobs. The United States also has a clear competitive advantage in services trade: it is the world's largest services sector exporter, with \$751 billion in exports in 2015, accounting for nearly one-third of all U.S. exports. Every \$1 billion in U.S. services exports supports an estimated 7,300 jobs.

The top five U.S. services exports are as follows:

- Travel (which includes dollars spent in the United States by foreign visitors)
- Other business services (such as professional and management consulting services and research and development services)
- Charges for the use of intellectual property
- Financial services
- Transport

Despite these advantages and the nation's technological leadership, many service providers remain unaware of their potential to export and of the exporting assistance available. Some companies also do not know that providing their service to a foreign customer is classified as an export.



In addition, the global environment for services exports is different from traditional goods exports. Rather than tariffs, services companies face barriers to trade and investment that include discriminatory regulations and restrictions, caps on foreign ownership, requirements on the legal form of service suppliers, and requirements to operate through joint ventures. Of particular concern are requirements that service suppliers have a physical presence in foreign markets, which puts a heavy burden on small and medium-sized service suppliers using the Internet to serve clients overseas.

To serve U.S. exporters of services

- Agencies continue to support the National Travel and Tourism Strategy and work with interagency and private-sector partners to improve systems that enable legitimate travel to the United States for business, investment, and leisure purposes.
- ITA formed teams of trade specialists throughout the country specifically dedicated to helping services providers connect effectively to the global marketplace. Focuses include travel and tourism ([export.gov/industry/travel](http://export.gov/industry/travel)); publishing, media, and entertainment ([export.gov/industry/mediaandentertainment](http://export.gov/industry/mediaandentertainment)); ICT ([export.gov/industry/infocomm](http://export.gov/industry/infocomm)); franchising ([export.gov/industry/franchising](http://export.gov/industry/franchising)); finance ([export.gov/industry/finance](http://export.gov/industry/finance)); education ([export.gov/industry/education](http://export.gov/industry/education)); and design and construction ([export.gov/industry/construction](http://export.gov/industry/construction)).
  - For example, the ITA education services team facilitates trade missions and virtual education fairs for U.S. educational institutions to meet potential foreign partner institutions and potential students.
- ITA's Services Industries unit is working to enhance the competitiveness of key U.S. financial services industries and to promote privacy policy frameworks to facilitate the free flow of data across borders to support international trade.

## Engaging Early-Stage Companies through Programs

Start-up and early-stage companies often represent the cutting edge of commercial product and service innovation; many are poised to rapidly expand to global markets. Entrepreneurs are using technology to move beyond the traditional first step of building a domestic market base before expanding globally. This emerging segment of exporters is often in a reactive position when international sales issues arise, and they are usually unaware of export assistance resources.

### Startup Global

In February 2015, Department of Commerce Secretary Pritzker announced the Startup Global initiative to help global-ready entrepreneurs and early-stage companies access the know-how and technical assistance they need to export their goods and services efficiently and effectively. With the help of a strategic partnership with the National Foreign Trade Council's Global Innovation Forum, the Department of Commerce and a coalition of local business incubation organizations have facilitated initial educational events with more than 275 early-stage companies in Seattle, Nashville, Pittsburgh, New York, and Washington, D.C., with more on the way. Seminars are customized to the most important international expansion issues facing startups in a given sector or community. Many participants leave the seminar with a greater understanding of assistance resources and the path to going global. Seminars respond to demand voiced by entrepreneurial development organizations, which are incubators and accelerators looking to provide additional expertise and assistance to companies in their network. The Department is also using seminars to assess startup companies' trade assistance and information needs.

## Expanding Assistance for Technology-Enabled Exporters

ITA has focused closely on enabling small businesses to promote and sell their products via burgeoning digital channels and e-commerce platforms, publishing a guide to e-commerce exporting and forming an E-commerce Resource Center ([export.gov/ecommerce](https://www.export.gov/ecommerce)) in 2016. A group of ITA trade specialists is dedicating part of their time to doing the following:

- Identifying ways to enhance export assistance services to meet e-commerce client needs
- Building partnerships with the private sector to support SME exports through e-commerce
- Developing greater expertise on and capturing best practices for supporting e-commerce exporters and providing training for trade specialists
- Coordinating and facilitating e-commerce exporter feedback and working with digital attachés and other federal agencies to address trade barriers and policy issues

## Facilitating E-Commerce at the Borders

Recognizing the potential for micro, small, medium-sized, and large enterprises to participate in global trade through e-commerce, the Department of Homeland Security (DHS) will continue to pursue strategic e-commerce related solutions that aim to ensure that DHS facilitates the lawful trade of goods in the digital marketplace while ensuring supply chain security and border enforcement of U.S. trade laws. DHS will continue to engage partner agencies and the private sector to identify ways to develop this agenda for DHS and interagency action.

# Chapter 3:

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## Making International Shipments Easier and Less Expensive

*Streamlining U.S. Government export reporting requirements, services, and processes as well as modernizing U.S. infrastructure*

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U.S. exporters face challenges when trying to navigate rules, find solutions, meet paperwork requirements, and more in order to ensure goods reach their final international customers. Those challenges can translate into costs and delays for companies, especially SMEs. To make it easier for businesses to export, federal government agencies are working to implement a “Single Window” system among the dozens of agencies with control authorities to better orchestrate customs processing at the border, streamline service, and simplify data and document requirements.

The Obama Administration’s efforts to improve infrastructure also ensure that exporters’ products reach customers. Recent legislation emphasizes the movement of freight and the modernization of the infrastructure permitting process in order to strengthen exports. Efforts are also being made to increase private capital in U.S. infrastructure investments.

### Implementing a “Single Window” to Save Time and Money

U.S. traders and the U.S. Government will save time and costs with streamlined and automated processes.

The February 2014 Executive Order 13659—Streamlining the Export/Import Process for America’s Businesses ([go.usa.gov/xKtJw](http://go.usa.gov/xKtJw))—calls for the development and delivery of the “Single Window” (or, the International Trade Data System [ITDS]) for exports and imports by December 31, 2016. The order envisions not only automating current customs and border processes but also transforming U.S. border management for the global economy.

When fully implemented, ITDS, which is being deployed as part of U.S. Customs and Border Protection’s (CBP) Automated Commercial Environment (ACE), will serve as the primary system through which the trade community will submit export and import data and through which the federal government will determine cargo admissibility, clearance, and release. ITDS will significantly reduce or eliminate the use of paper forms as well as streamline and automate trade processes, allowing exporters and importers to file information required by multiple agencies one time and in one system. In doing so, the Single Window system will help improve the competitiveness of U.S. companies and their supply chains, while helping to protect our national security, public health and safety, the environment, and natural resources.

Additional benefits of ITDS to the trade community are expected to include the following:

- Certainty regarding documentation requirements and certification
- Efficiency gains from reduced administrative time and costs incurred during the import/export process
- Efficiency gains and cost savings throughout the value chain, including inventory management, logistics forecasting, and related marketing and growth strategies

## Progress on the Single Window

Since the issuance of the Executive Order, DHS, in close partnership with the dozens of other federal agencies with a role in trade (portrayed as participating government agencies [PGAs] in the illustration below), has made significant progress in developing and deploying ITDS capabilities and is on track to meet the 2016 deadline.



Highlights since the announcement of the Executive Order include the following:

- CBP and the Census Bureau inaugurated a “re-engineered” Automated Export System (AES) as part of ACE that provides expanded processing capabilities.
- The Census Bureau and CBP initiated an Advanced Export Information pilot program in which selected exporters agreed to submit a limited set of electronic export information in accordance with existing filing deadlines followed by the full set of data elements submitted within five calendar days of the date of export.
- CBP and Census have successfully transitioned the AESDirect web-based export filing functionality to the ACE platform, providing a single window for exports as of December 2015.
- As directed by the Executive Order, DHS and the many agencies with trade-related responsibilities are working through the Border Interagency Executive Council (BIEC) to develop policies that use ITDS capabilities to measurably improve supply chain processes and the identification of illicit and non-compliant shipments. The BIEC’s External Engagement Committee is coordinating engagement with advisory committees, industry, international partners, and other stakeholders on ITDS and related efforts to enhance supply chain processes. CBP’s BIEC website ([go.usa.gov/xKtJf](http://go.usa.gov/xKtJf)) provides details about the Single Window program, testing schedules, webinars, and other information.
- CBP is in the process of deploying the remaining technical capabilities in ACE to meet the export processing needs for all agencies and all modes of transportation, thereby eliminating paper requirements.<sup>10</sup> CBP also will continue to develop and deploy automated outbound manifest capabilities for all modes of transportation. Ocean and rail are currently in the piloting phase, and additional pilots for air and truck will be underway soon.

<sup>10</sup> AES requires commodity data to be filed to meet the export reporting requirements of the Department of Commerce’s U.S. Census Bureau, the Bureau of Industry and Security, and the State Department’s Directorate of Defense Trade Controls. Businesses will soon be able to submit data in AES to satisfy the requirements of other agencies that currently require reporting on paper.

# Facilitating and Speeding Goods to Market through Domestic Infrastructure Improvements

## Improving America's Infrastructure to Facilitate Trade

A safe, efficient, and well-functioning transportation system is critical to America's economic future. Our nation's economy relies on our transportation system to move people and goods safely, facilitate commerce, attract and retain businesses, and support jobs. Directly related to getting U.S. exports to their final destinations, the U.S. transportation system moves more than 54 million tons of freight worth nearly \$48 billion each day, or almost 63 tons of freight per person per year. Freight tonnage is expected to increase 45 percent by 2040.

Despite the importance of the transportation sector to America's economic future, over time the amount of investment in U.S. transportation infrastructure as a percentage of GDP has dropped significantly. The costs of inadequate infrastructure investment are exhibited all around us. One study estimates that roadway congestion delays cost shippers approximately \$10 billion per year.<sup>11</sup> Sixty-five percent of the United States' major roads are in less than good condition, and one in four bridges requires significant repair or cannot handle current traffic demands. Closing the transportation infrastructure deficit is a priority of the Obama Administration and USDOT.

## Fixing America's Surface Transportation Act (FAST Act)

On December 4, 2015, President Obama signed into law the FAST Act, the five-year surface transportation authorization. It is the first law enacted in more than 10 years that provides long-term funding certainty for surface transportation, meaning states and local governments can move forward with critical transportation projects with the confidence that they will have a Federal partner over the long term.

The FAST Act includes a number of provisions focused on ensuring the safe, efficient, and reliable movement of freight. It establishes a National Multimodal Freight Policy that includes national goals to guide decision-making and requires the development of a National Freight Strategic Plan ([www.transportation.gov/freight/nfsp](http://www.transportation.gov/freight/nfsp)) to implement the goals of the new Policy.

The FAST Act creates a new discretionary freight-focused grant program, the Nationally Significant Freight and Highway Projects (also known as the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies [FASTLANE]), which will invest \$4.5 billion over five years. The FASTLANE program allows states, metropolitan planning organizations, local governments, tribal governments, special purpose districts and public authorities (including port authorities), and other parties to apply for funding to complete projects that improve safety and hold the greatest promise to eliminate freight bottlenecks and improve critical freight movements. The FAST Act authorizes \$800 million in funding for the FASTLANE program for fiscal year 2016, with 25 percent reserved for rural projects and 10 percent reserved for smaller projects. For the first time in USDOT's 50-year history, the program establishes broad, multiyear eligibilities for freight infrastructure, including intermodal projects.

The FAST Act establishes a National Highway Freight Program and provides \$6.3 billion in formula funds over five years for states to invest in freight projects on the National Highway Freight Network ([go.usa.gov/xKtJA](http://go.usa.gov/xKtJA)), with up to 10 percent of these funds eligible for use in intermodal projects.

In addition, the FAST Act includes new authorities and requirements to improve project delivery ([go.usa.gov/xKtJ7](http://go.usa.gov/xKtJ7)) and facilitate innovative finance ([go.usa.gov/xKtJs](http://go.usa.gov/xKtJs)). The FAST Act includes provisions intended to reduce the time it takes to break ground on

<sup>11</sup> Cost calculation is in year 2000 dollars. Clifford Winston and Ashley Langer, "The Effect of Government Highway Spending on Road Users' Congestion Costs," *Journal of Urban Economics* 60 (May 2006), quoted in U. S. General Accountability Office, "Freight Transportation, National Policy and Strategies Can Help Improve Freight Mobility," GAO-08-287, January 2008, pp. 18–19.

new freight transportation projects, including by promoting best contracting practices and innovating financing and funding opportunities and by reducing uncertainty and delays with respect to environmental reviews and permitting.

## Moving Ahead for Progress in the 21st Century Act (MAP-21)

The importance of freight movements to the vitality of the U.S. economy was also recognized in MAP-21, the two-year, \$105 billion surface transportation reauthorization signed by the President in July 2012 and subsequently extended through May 2015. MAP-21 established a national freight policy and program that will better allow the United States to compete in the global economy. MAP-21 required USDOT to establish a National Freight Strategic Plan (detailed in the next section) and designate certain freight networks. MAP-21 also encouraged States to develop a state freight plan and establish a state freight advisory committee.

## National Freight Strategic Plan

In October 2015, USDOT released a draft National Freight Strategic Plan for public comment. The public comment period extended through April 25, 2016. USDOT is currently reviewing the comments received and intends to release a final Plan later in 2016.

The Plan will address the conditions and performance of the multimodal freight system and will identify strategies and best practices to improve the intermodal connectivity and performance of the national freight system and to mitigate the impacts of freight movement on communities.

## Build America Bureau

To put private capital to work in revitalizing U.S. infrastructure, the President launched the government-wide Build America Investment Initiative in July 2014, including establishment of the USDOT Build America Transportation Investment Center (BATIC). BATIC has expanded the Department's ability to meet the needs of the nation's transportation system. BATIC serves as a single point of contact and coordination for states, municipalities, and project sponsors looking to use federal transportation expertise, apply for federal transportation credit programs, and explore ways to access private capital in public private partnerships. Since BATIC's formation, USDOT has closed more than \$10 billion in financing to support \$26 billion in projects.

On July 20, 2016, USDOT launched the Build America Bureau ([www.transportation.gov/buildamerica](http://www.transportation.gov/buildamerica)) to build on the BATIC and drive transportation infrastructure development projects in the United States by streamlining credit and grant opportunities while providing technical assistance and encouraging innovative best practices in project planning, financing, delivery, and monitoring. The Bureau will use the full resources of all the modes within USDOT and continue to promote a culture of innovation and customer service. For the customer, a single entity will be in charge of USDOT credit, large scale, and intermodal project development. Customers will also have a single point of contact for working with USDOT on infrastructure finance and development.

## TIGER FY 2016 (TIGER Round Eight)

On July 29, 2016, USDOT selected 40 projects to receive the \$500 million in TIGER funding available in 2016. The TIGER program supports innovative, multimodal, and multijurisdictional projects aimed at solving tough transportation challenges, including improving freight movement and efficiency. As has been the case in past rounds, freight-related projects awarded during TIGER FY 2016 will help speed delivery of products from American factories, farms, and businesses to customers across the United States and around the world. Since 2009, the TIGER grant program has provided a combined \$5.1 billion to 421 projects in all 50 states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, and tribal communities. These federal funds leverage money from private-sector partners, states, local governments, metropolitan planning organizations and transit agencies.

## Customs Trade Partnership Against Terrorism (C-TPAT) and Trusted Trader Designations: Helping Businesses Save Time and Money

In June 2015, U.S. exporters began participating in the CBP C-TPAT program ([go.usa.gov/xKtJH](http://go.usa.gov/xKtJH)) to expedite U.S. exporter cargo out of the United States. C-TPAT is a voluntary anti-terrorism program that allows companies to join free of cost by partnering with CBP in analyzing their international supply chains for security issues and making those chains more secure. The focus of the program is to facilitate legitimate trade so that CBP officers can spend more time on companies that wish to do harm to the United States.



In return for being part of the program, C-TPAT partners are considered to be low-risk exporters and CBP officers give them priority at ports of export because of the partners' transparency in the areas of cargo security and export compliance. Being identified as a low-risk or trusted trader with CBP means that companies can receive fewer inspections and that CBP, when possible, assists them in the facilitation of their cargo out of ports of departure. The outcome of that assistance results in time and cost savings for the companies involved. Exporters approved this program are in good standing with all other export-regulating agencies and help create an environment that promotes security and awareness—ultimately resulting in the streamlining of export processes for both the private sector and the U.S. Government.

C-TPAT has also partnered with foreign customs trade programs that have mutual recognition arrangements (MRAs) with CBP in the movement of U.S. exports. Once officers at foreign ports identify U.S. cargo as being that of a C-TPAT partner, they expedite entry. CBP has signed 11 MRAs with the following markets: Canada, Dominican Republic, the EU, Israel, Japan, Jordan, Mexico, New Zealand, Singapore, South Korea, and Taiwan. Upon the signing of additional MRAs with other countries, exporters participating in the C-TPAT will have even more opportunities to be rewarded for increasing their level of security and compliance measures while fostering legitimate global exports.

## Supply Chain and Seaport Competitiveness: 21st-Century U.S. Port Competitiveness Initiative

Supply chains are a crucial component of the national economy. Collectively, they comprise the comprehensive, end-to-end ecosystem that links U.S. producers and industries with their sources and consumers and the global economy. The efficiency and productivity of U.S. supply chains, and the trade infrastructure through which their goods and products move from origin to destination, is key to the United States' ability to catalyze economic development and job growth, attract domestic and international investment, and successfully compete in the global marketplace.

In January 2016, Commerce's Advisory Committee on Supply Chain Competitiveness (ACSCC) reported that congestion at U.S. ports and other points in the intermodal system has become a serious risk factor for America's supply chains and our nation's economic and trade growth. The ACSCC's recommendations noted that a number of seaports have implemented practices that have led to a reduction in congestion. These practices include improving communication among shippers, terminals, and carriers to increase port efficiency; implementing better operating practices at ports to facilitate cargo flow; and expanding data-sharing to improve cargo movement fluidity.

In March 2016, Commerce Secretary Pritzker, Transportation Secretary Anthony Foxx, and Labor Secretary Thomas Perez brought together national leaders from ports, labor, shippers, and retail companies to find ways to improve U.S. regional and economic growth. At the meeting, Secretary Pritzker announced that she is convening a series of port stakeholder roundtables, at which end-to-end U.S. supply chains, ports, and stakeholders will identify best practices in coordination, communication, and information-sharing that ports can use to optimize their operations and efficiency. The first roundtable was held in April in Los Angeles/Long Beach, CA. The results of the regional roundtables—along with public input on port congestion and efficiency issues—are being used to develop a best practices report for U.S. seaport use.

## Advisory Committee on Supply Chain Competitiveness (ACSCC)

The Department of Commerce established the ACSCC in 2011 to provide the Secretary of Commerce with recommendations on a holistic policy approach to improve the competitiveness of U.S. supply chains for goods and services in the domestic and global economy. The ACSCC also advises the Secretary on regulatory policies and programs and investment priorities that affect the competitiveness of U.S. supply chains. The Secretary of Transportation is an ex-officio member of the ACSCC.

- The ACSCC's input was used in the President's Executive Order in 2014 to complete the Single Window (highlighted earlier) by December 2016. The ACSCC provided comments and recommendations to the Secretary for use in developing and implementing the Single Window and a North American Single Window once the U.S. system has been completed. The ACSCC continues to offer key advice on how to improve this process going forward.
- In September 2014, the ACSCC recommended that the federal government use certain supply chain industry techniques to identify U.S. freight projects and performance measures that would provide the maximum benefit to the national flow of freight. The Department of Commerce shared the ACSCC's freight recommendations with USDOT. These recommendations were considered by USDOT as part of the National Freight Advisory Committee's (NFAC) mid-2014 development of recommendations for consideration in the development of the draft National Freight Strategic Plan. USDOT established the NFAC in 2013 to provide advice and recommendations to the Secretary of Transportation on matters related to freight transportation in the United States. The Secretary of Commerce is an ex-officio member of NFAC.
- The Department of Commerce's work with industry in response to these recommendations led to the first methodology for measuring the impacts of freight system infrastructure conditions on the competitiveness of U.S. firms in domestic commerce and international trade.

# Chapter 4:

## Expanding Access to Export Finance

*Increasing outreach to lenders and businesses while enhancing trade and investment financing programs and services*

Access to financing remains a major challenge and critical need for U.S. exporters, and most U.S. firms forgo financing and insurance, often resulting in the firms offering less competitive terms to foreign buyers and customers. The majority of U.S. firms are not aware of available financing and insurance programs or local lenders that support export financing. In the National Small Business Association's 2016 Survey of Small Businesses on Exporting,<sup>12</sup> non-exporting respondents cited "getting paid" as a key barrier to exporting, and two-thirds of the exporters that responded said they will ship products only upon payment in full. Half allowed 30-day payment terms, and only one-quarter used bank-issued letters of credit.

Focus groups during the NEI reaffirmed that the federal government plays an important role in addressing gaps in the market that make it difficult for exporters to obtain financing.

Federal trade agencies are working to ensure that trade financing is not a stumbling block and that companies have the timely and effective access to the financing they need to fill orders and offer competitive payment terms. To meet exporter needs and expand access to export financing, the U.S. Government is focused on the following:

- Engaging more private banks and financial institutions in U.S. Government financing and insurance programs, because the majority of U.S. export financing products guarantee lending from commercial banks, although there is one direct loan program.
- Educating more U.S. companies on how financing programs support their export competitiveness because of the lack of awareness of financing products and how to use them to support international expansion.
- Streamlining and enhancing U.S. Government export financing services to support the needs of U.S. businesses, particularly smaller firms with limited resources.

### Agencies that Help Expand Access

The **U.S. Small Business Administration** is focused on supporting the next generation of small business exporters. Small businesses face a number of challenges to be becoming successful in overseas markets, such as lack of necessary information and lack of necessary capital. Therefore, SBA provides outreach, counseling, training, and export finance programs for small businesses.

- In partnership with more than 500 lending institutions, SBA has provided more than \$7 billion in guaranteed loan financing to more than 10,000 small business exporters since 2009.
- The number of SBA lenders making loans to small exporters has grown from 430 in 2011 to 514 in 2015.
- The number of SBA loans made to exporters has grown from 1,416 loans totaling \$611 million in 2011 to 1,777 loans totaling \$1.45 billion in 2015.

The primary objective of **USDA Commodity Credit Corporation (CCC)** export credit guarantee programs is to make it possible for foreign buyers to purchase U.S. agricultural commodities in countries that may not have access to adequate commercial credit. These CCC programs encourage U.S. lenders and 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.

- In FY 2015, USDA's Export Credit Guarantee Program registered more than \$1.8 billion in agricultural sales. In FY 2015 the largest markets were South America, Mexico, and South Korea. The commodities registered most by exporters were bulk commodities (e.g., soybeans, corn, wheat, meal, and rice).

**Overseas Private Investment Corporation (OPIC)** provides medium- to long-term financing through direct loans and loan guarantees to eligible investment projects in developing countries, when conventional institutions are reluctant or unable to lend. OPIC also provides political risk insurance and support for the creation of privately owned and managed investment funds. By mobilizing U.S. private sector investment with these tools, OPIC also helps support U.S. exports that may result from its projects.

- In FY 2015, projects around the world financed and insured by OPIC have generated or are projected to generate \$264 million in U.S. exports. Since FY 2010, OPIC-financed and -insured projects have generated or are projected to generate \$3.47 billion in U.S. export sales.

The **Export-Import Bank of the United States (EXIM Bank)** helps U.S. businesses of all sizes compete globally, enter new markets with confidence, access the working capital they need to grow, and create U.S. jobs through exporting. EXIM Bank's mission is American jobs, and the Bank's work has supported 1.4 million U.S. jobs since 2009. EXIM Bank is more critical than ever for American small businesses, which are directly supported by 90 percent of Bank transactions. EXIM Bank is also important to leveling the playing field for U.S. companies, helping to ensure that they do not lose sales because of attractive financing from foreign governments.

- In the first nine months of FY 2015, EXIM Bank authorized more than \$3 billion—24.5 percent of total authorizations by dollar volume—in financing and insurance for the direct support of American small business exporters, not including support for small businesses in the supply chains of larger exporters. In that same period, more than half of EXIM Bank's small business authorizations involved authorized amounts under \$500,000 and nearly 400 U.S. small businesses were first-time users of EXIM Bank products.
- During the NEI, from 2010 to 2015, 6,731 firms used EXIM Bank products, supporting \$167.3 billion in U.S. exports.
- Since FY 2009, EXIM Bank has significantly increased its financing to support the growth of minority-owned and women-owned businesses, approving more financing over the past 7 years than in the previous 16 years combined.

<sup>12</sup> [bit.ly/2dlfAQn](http://bit.ly/2dlfAQn)

## EXIM Bank Political Uncertainty Harming U.S. Exporters and American Competitiveness

On July 1, 2015, for the first time in the 81-year history of the Export-Import Bank of the United States (EXIM Bank), Congress allowed the Bank's full authority to lapse. Without its authority, EXIM Bank immediately ceased to be the critical tool it has always been for U.S. exporters. For more than five months, EXIM Bank was prohibited from approving any new insurance policies, loan guarantees, or loans to fill private-sector financing gaps or level the playing field for U.S. workers and businesses going head-to-head with competitors backed by financing from foreign governments.

Existing EXIM Bank customers felt the impact of the lapse, as well as businesses planning to use EXIM Bank's products for the first time. Worst-hit were the small business users of EXIM Bank's export credit insurance. Those policies are typically underwritten for one year, meaning roughly eight percent of them expired each month during EXIM Bank's lapse. These businesses faced multiple unfavorable conditions in fulfilling existing export orders, responding to prospective new business deals, maintaining business relationships with their existing customers, maintaining profit margins, and sustaining or creating jobs. The impacts on the thousands of SMEs in the supply chains of larger exporters is less clear, but some major U.S. exporters announced significant contract losses or plans to shift production because of their inability to access EXIM Bank financing for highly competitive projects.

The impacts of EXIM Bank's lapse were felt at a time when many U.S. exporters were already facing a more uncertain global economic outlook and an environment in which other ECAs around the world were pursuing export activity for their exporters more aggressively. EXIM Bank is one of about 85 ECAs operating around the world today, and although every ECA supports its domestic businesses through financing, not all of them follow the same principles when it comes to responsible lending and transparency. As outlined in EXIM Bank's most recent Competitiveness Report to Congress ([go.usa.gov/xKtJ6](http://go.usa.gov/xKtJ6)), released in June 2016, a growing share of global ECA financing, especially from China, falls outside the rules-based system developed by OECD countries to prevent subsidies in export finance.

Around the world, ECAs are pursuing export activity aggressively and are adding programs to make their operations more versatile for their respective exporters. When U.S. exporters go up against competitors equipped with financing not compliant with OECD guidelines, they are often forced to compete on an uneven playing field. Instead of going toe-to-toe on price and quality, they are often up against unconstrained guarantees, aggressive loan terms, and flexible payment schedules promised by foreign governments. These financing practices can disadvantage American businesses, threaten U.S. job growth, and distort global markets. EXIM Bank's lapse exacerbated U.S. exporters' competitive disadvantage.

Fortunately, on December 4, 2015, after broad bipartisan votes in both the U.S. Senate and House of Representatives, EXIM Bank was reauthorized, allowing EXIM Bank to resume its new transactions activities on behalf of U.S. exporters and workers. However, EXIM Bank is not yet fully functioning. EXIM Bank's Board of Directors must approve all medium- and long-term transactions valued at more than \$10 million. As of the submission of this report, EXIM Bank has more than 30 Board-level projects pending, valued at more than \$20 billion, which would support tens of thousands of American jobs. Unfortunately, EXIM Bank's Board of Directors has only two serving members, one short of the majority needed for a quorum (for EXIM Bank's Board of Directors, as currently constituted, a quorum equals three out of five members.) Lack of an EXIM Bank Board quorum disadvantages many American exporters, their workers, and their supply chains that rely on EXIM Bank financing to win sales that would otherwise go to foreign competitors. Since 2009, EXIM Bank's Board has approved and disbursed financing totaling more than \$98 billion.



The 478 transactions that add up to that amount have directly supported exports from more than 2,000 different companies, including more than 800 small businesses (more than 40 percent). Furthermore, these transactions have indirectly benefited a much larger number of American companies that make up the supply chains that support these high-value exports.

Taken together, the impact of the political uncertainty surrounding EXIM Bank's authority and Board of Directors has harmed U.S. exporters and the workers and communities that depend on them. The broader impact on American competitiveness, as well as the U.S. Government's reputation for reliability, could be felt for years to come.

## Engaging More Private Banks and Financial Institutions

U.S. exporters and potential exporters now have access to more local delegated lenders who are aware of and can take advantage of U.S. Government export financing programs.

Often U.S. businesses face challenges getting export financing because the community banks serving them are neither aware of nor use federal financing mechanisms. Many commercial lenders are not willing to provide working capital for a new exporter without a government guarantee. Commercial lenders are also generally reluctant to extend credit because of the repayment risk associated with export sales. Even in periods when the global economy is strong, small businesses generally have trouble securing working capital loans or insurance packages to back their exports. When global economic prospects dip, banks can become even more reluctant to finance export orders of any size. Banks are also generally more reluctant to get involved in emerging markets, which represent an ever-growing share of new export opportunities. The U.S. Government is engaging more banks and other financial institutions and educating them on how to support their exporting clients by leveraging federal trade financing programs.

## Enrolling More Delegated and Community Bank Lenders

The U.S. Government's trade finance agencies are expanding their partnerships with private-sector lenders, insurance brokers, and other financial and trade institutions to make the agencies' financing products more accessible to small businesses.

- By the end of FY 2015, 130 lenders were enrolled in the EXIM Bank Working Capital Guarantee Program, 92 of which have delegated authority (under rigorous audit and lending guidelines) to provide EXIM Bank's guarantee of working capital loans without prior Bank approval. For EXIM Bank's insurance products, the Bank now counts 89 active brokers providing solutions to small business exporters, an increase of nine new firms over the previous year.
- In FY 2015, SBA guaranteed 1,777 loans of 514 commercial lenders to small business exporters, totaling \$1.45 billion and supporting more than \$3.3 billion in export sales. SBA's goal is to expand the numbers of lenders providing such financing to 555 lenders by the end of FY 2016, representing a 29 percent increase from the 430 lenders providing such financing in FY 2011. The objective is to include local community banks in the nation's financial infrastructure for providing export-financing solutions to small business exporters.
- Delegated lenders for SBA's Export Working Capital program grew from 9 in FY 2010 to 18 in FY 2015, and the SBA's goal is to increase that number by at least 10 percent over each of the next two years.

## SBA Export Lender Roundtables and Partnership Trainings

SBA has rolled out a national platform for engagement with financial institutions through its Export Lender Roundtables and partnerships with stakeholder associations. In FY 2015, SBA sponsored its 9th Annual SBA Export Lenders Roundtable in Washington, D.C.; its 3rd Annual West Coast Export Lenders Roundtable in San Jose, CA; its 1st Annual Midwest SBA Export Lenders Roundtable in Chicago, IL; and its 1st Annual Southeast SBA Export Lenders Roundtable in Miami, FL. These roundtables each attract 40 to 80 lenders and provide more in-depth training and information on SBA loans for small business exporters. In

addition, SBA is coordinating with several associations, including the National Association of Government Guaranteed Lenders, the American Bankers Association, the Independent Community Bankers of America, and the National Credit Union Association to expand training to members unfamiliar with U.S. Government–guaranteed export financing products. SBA is also planning to participate in lender workshops sponsored by the Federal Reserve Bank and the Office of the Comptroller of the Currency.

## EXIM Bank Webinar Series

EXIM Bank now holds quarterly webinars with its stakeholders, including bankers, brokers, exporters, and trade associations such as the Bankers’ Association for Finance and Trade (affiliated with the American Bankers Association). The webinars have been valuable exchanges where EXIM Bank staff can solicit feedback and answer questions, while also providing timely information to EXIM Bank users. The number of participants continues to grow.

## More Finance Program Intermediaries

The trade finance agencies will recruit additional intermediaries to participate in EXIM Bank programs, including exploring the potential participation of SBA-supported Small Business Development Centers, Women’s Business Centers, Veteran Business Centers, and other local public and non-profit organizations.

EXIM Bank conducted a total redesign and re-launch of its outreach to state and local EDOs, World Trade Centers, Small Business Development Centers (SBDC), and similar not-for-profit entities whose mission is to provide export assistance to small businesses. EXIM’s newly recast Regional Export Promotion Program ([exim.gov/who-we-serve/repp](http://exim.gov/who-we-serve/repp))—formerly the City/State Partner Program—is focused on bolstering participant relationships through increased joint marketing and the provision of tailored content, dedicated call center support for members, a new online portal and lead referral system, and a newly streamlined and automated onboarding process.

SBA will recruit additional delegated lenders for its Export Working Capital and Export Express programs, in addition to collaborating with lender associations and its resource partner network, including SBDCs, Women’s Business Centers (WBCs), and SCORE (Service Corps of Retired Executives) on outreach and training initiatives.

## Educating More U.S. Companies on Financing Programs

- U.S. Government agencies have increased opportunities for U.S. businesses, especially small firms, to learn about U.S. Government and private-sector export financing resources to support export activity, reduce risk, and help companies break into new markets. EXIM Bank, SBA, OPIC, and USDA actively promote each other’s services, including trade finance programs, to reach more SMEs.

U.S. exporters face intensifying foreign competition in the global marketplace, especially in high-growth emerging markets and against competitors offering low-priced goods and services. *Made in USA* quality and innovation have long empowered many U.S. exporters to demand cash-in-advance payment for their goods and services. However, friendlier payment terms between buyers and sellers are more common abroad. As competition grows, more foreign buyers seek open account terms by which goods are shipped before payment is due, typically in 30, 60, or 90 days. U.S. exporters can boost their competitiveness, keep foreign customers, and win new ones by offering open account terms. Open account arrangements, however, introduce increased risk of non-payment and can tie up a company’s working capital.

Federal trade finance services are designed specifically to deal with these hurdles. Both SBA and EXIM Bank offer working capital loan guarantee programs to participating lenders for making export loans to U.S. businesses. In addition, exporters can use EXIM Bank’s export credit insurance to protect themselves from non-payment. EXIM Bank export credit insurance also enables exporters to extend longer open account payment terms to foreign buyers. This EXIM product—which is EXIM’s most

widely-used—not only fills a private-sector financing gap but also gives U.S. companies an edge in an increasingly competitive global marketplace. Whether used individually or in combination, these services give U.S. exporters options for boosting competitiveness.

## SBA Export Finance Outreach, Counseling, and Training

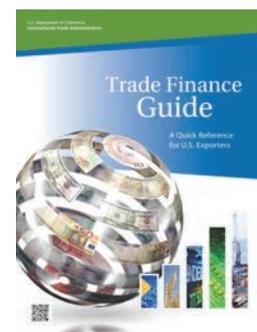
Across the country, SBA's Export Finance Team, District Field Staff and resource partners, such as SBDCs and Women's Business Centers, engage daily with local small businesses, chambers of commerce, and other business groups to actively provide U.S. Government financial resources information to entrepreneurs that show promise to begin or expand exporting. As part of these efforts, the SBA network hosts ongoing webinars for targeted small business groups—including businesses about to attend a foreign trade show—women business owners, and ethnic chambers of commerce, as well as trade and banker associations. These webinars explain how to get paid and finance export sales

## Global Access Forums

EXIM Bank continues its efforts to grow exports from U.S. small businesses through its exporter training each year. The events familiarize companies and financial institutions with U.S. Government-backed financing and insurance products. From local EDOs to national industry groups, a wide variety of business, financial, and governmental partners help bring these resources into communities across America. The exporter forums are town hall discussions—often co-hosted by members of Congress, the Department of Commerce, SBA, the U.S. Chamber of Commerce, and local officials—which provide small companies with insights from EXIM Bank customers and information on U.S. Government tools that can equip them to access foreign markets. EXIM Bank recently marked the sixth anniversary of its first forum, having hosted more than 100 forums since launching in January, 2011. The Bank has also implemented new digital engagement strategies to better track exporter forum attendees and learn more about how to best equip them with the appropriate EXIM products to grow their overseas sales.

## Trade Finance Guide

ITA is improving trade financial literacy among SMEs, women-owned businesses, and minority-owned businesses by expanding the use of its Trade Finance Guide: A Quick Reference for U.S. Exporters ([export.gov/tradefinanceguide](http://export.gov/tradefinanceguide)) through outreach and social media and in collaboration with private sector strategic partners and other U.S. Government agencies. The Guide is designed to help U.S. companies learn the basics of trade finance to achieve the ultimate goal of getting paid on time for export sales. Concise, two-page chapters explain the basics of numerous financing techniques, from open accounts, to government-assisted foreign-buyer financing, to foreign exchange risk management. The Spanish version of the guide is aimed at helping U.S.-based, Hispanic-owned SMEs enter, compete, and succeed in global markets, especially in Spanish-speaking countries.



## Expanding Horizons Workshops for Small Businesses Entering Emerging Markets

Expanding Horizons Workshops for Small Businesses Entering Emerging Markets, organized by OPIC and including other federal agencies, focus on the particular challenges of securing access to capital and protection from political risk in emerging markets. Locations for upcoming Expanding Horizons conferences ([opicevents.com](http://opicevents.com)) include Denver, CO, and Baltimore, MD, in fall 2016. More than 3,000 U.S. small businesses have taken part in these workshops since OPIC initiated them 10 years ago.

## Streamlining and Enhancing U.S. Government Export Financing Services

- U.S. trade financing agencies have made significant progress in improving customer services and reducing transaction processing times, thus helping U.S. businesses save time and money. For example, EXIM Bank has cut average claims processing times by 40 percent in just two years.
- In addition to focusing on process improvements, finance agencies have boosted staff capacity to better serve exporters.

Companies have long demanded that the U.S. Government's trade financing programs be streamlined, especially because SMEs often lack the resources or specialized staff to stay on top of long approval times or complicated procedures. Delays mean lost export opportunities, especially for U.S. companies seeking to establish new foreign business relationships. Whether it is cutting red tape, rolling out new tools, or finding smarter ways to connect businesses with the products offered, the trade finance agencies are listening to customers and seeking ways to improve their services.

### Express Programs for Early-Stage Exporters

Especially designed for companies in the early development stages of exporting or entering new markets, SBA offers a quick-approval financing program. Congress established SBA Export Express ([go.usa.gov/xKtJe](http://go.usa.gov/xKtJe)) as a permanent loan program in the Small Business Jobs Act of 2010, providing lenders with a 90 percent guarantee on loans up to \$350,000 and a 75 percent guarantee on loans up to \$500,000. Under delegated authority, lenders are able to use their own underwriting procedures and documents to efficiently provide capital to small exporters. Working capital loans can have maturities of up to seven years. Loans used to finance equipment or real estate can have terms of up to 10 years and 25 years, respectively. The loans can support such things as attending international trade shows; translating product literature; and financing export transactions, equipment, and real estate.

### Improved Processing Times and Tools

A major objective of EXIM Bank has been to speed up claims processing times, which have been flagged by its customers in years past as the operational area most in need of improvement. EXIM Bank has cut average claims processing times by 40 percent in just two years, dropping from 73 days in 2012 to 44 days in 2014—without compromising due diligence.



In 2015, EXIM Bank launched a fully redesigned [exim.gov](http://exim.gov) to improve awareness and understanding of EXIM Bank support among potential end users—particularly small business exporters. The website features new “Tools for Exporters,” “Learning Resources,” and “Get Started” sections, along with videos and content on “How it Works,” customer journeys, and conversations with local specialists.

EXIM Bank continues to refine and improve its customer contact center and online tools to make it easier to do business with the Bank. The contact center serves as a single point of entry for export-ready customers seeking information and guidance via telephone and e-mail. EXIM Bank is expanding the contact center staff in 2016. The goal of the contact center is to improve communications with customers by answering questions in real time.

SBA's Office of International Trade provides hands-on technical and operational support for lenders and small business exporters through its network of Export Finance Managers co-located with 21 U.S. Commercial Service offices across the country. This localized support assists customers in identifying financing options and structuring export financing packages, as well as improving processing time and ensuring continuity in service delivery.

## Process Streamlining

In 2016, SBA launched SBA One ([sba.gov/content/sba-one](http://sba.gov/content/sba-one)), which will allow for the electronic submission and processing of most SBA loan guarantees. In 2015, SBA completed its rollout of SBA LINC ([sba.gov/tools/linc](http://sba.gov/tools/linc)), an online platform that matches potential borrowers with SBA-approved lenders on the basis of the borrower's—including the small business exporter's—financing needs.



## New Facility Guarantee Program Coming Online

USDA announced the new Facility Guarantee Program ([go.usa.gov/xKtJz](http://go.usa.gov/xKtJz)) to boost sales of U.S. agricultural products in countries where demand may be limited because of inadequate storage, processing, handling, or distribution capabilities. Under the Program, the CCC provides payment guarantees to facilitate the financing of manufactured goods and U.S. services to improve or establish agriculture-related facilities in emerging markets, where private-sector financing is otherwise not available. USDA's Foreign Agricultural Service plans to issue a final rule and make the program operational in FY 2016. All exporters of U.S. goods and services may apply for participation in the program, including SMEs.

## Sector Expertise

Where appropriate, trade finance agencies are reorienting operations, personnel, and businesses to build internal sector expertise and efficiency and contribute to higher levels of customer service. EXIM Bank, for example, is recalibrating its business development efforts according to industry sectors rather than geography to more expertly serve its customers. EXIM has also added 13 full-time positions in its Small Business Group, including seven employees based in field offices who work directly with local small businesses. SBA has added a new International Trade Finance Policy specialist position to help develop new, more streamlined and market-driven products to meet small-exporter financing needs. SBA also expanded its field network in 2015 by opening a new location in Florida for an Export Finance Manager.

## Trade Finance Training

In 2014, ITA established a Global Finance Team. In addition to promoting the U.S. financial and insurance industries, the team will provide online trade finance training offered by the Finance, Credit, and International Business Association and Thunderbird School of Global Management. The Team will actively collaborate with the ITA Strategic Partnership Program to recruit more finance-related partners to help advance NEI goals. In addition, the team will begin a webinar series with U.S. Government agencies, banks, and other finance-related private-sector strategic partners explaining how their programs can help U.S. exporters.

## Chapter 5:

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# Promoting Exports and Investment as the Next Economic Development Priority for Communities

*Partnering at the state and local level to support export and FDI attraction strategies*

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Increased exports and inbound investment strengthen families, businesses, and communities across the United States by retaining, expanding, and attracting quality jobs. In 2010, many states and regions, looking to support economic resurgence and job growth following the financial crisis, turned to exports. Several states, such as Kentucky, styled their own initiatives after the President's NEI. For many economic developers, helping local businesses thrive in the 21st-century economy is imperative.

EDOs across the country—from Norfolk, VA, to San Diego, CA—have made supporting international trade and U.S. exports a core pillar of long-term community development strategies. These state, regional, and metropolitan leaders recognize that U.S. exports support an estimated 11.5 million jobs nationwide and pay wages up to 18 percent higher on average. In addition, Department of Commerce analysis shows 6.1 million direct jobs and 2.4 million indirect jobs are attributable to the economic activity of foreign-owned firms, and 3.5 million indirect jobs are attributable to technology spillovers from foreign firms, for a total of 12 million jobs attributable to FDI in the United States.<sup>13</sup>

When economic developers prioritize international trade and export promotion, they move into a more proactive position to respond to global technological and demographic changes. The U.S. Government is committed to helping communities prepare for and prosper in a changing environment by expanding access to information and tools that support international trade and investment at the local level. Agencies are focused on two themes that respond to identified needs of communities and support the prioritization of international competitiveness in economic development:

- Providing regional and state authorities with the data and information they need to develop strategies and focus on international competitiveness as a core piece of local economic development
- Providing tangible support to states and localities to implement globally oriented development strategies, expand export activity, and attract and retain FDI

## Expanding Access to and Enhancing Information and Tools for States and Regions to Increase Trade and FDI

New toolkits and educational opportunities are available for states and regions to understand the importance of exports and FDI to their respective economies and take advantage of federal programs.

Regions and states rely on data and analysis, often from federal statistical agencies, to match local industry strengths with targeted international markets and pursue and implement their export and FDI plans. With the U.S. Census Bureau and the Bureau of Economic Analysis as the official sources of U.S. Government data on international trade, the Administration is committed to working with EDOs at the national, state, and local level to ensure greater access to information as well as support the creation of improved data when possible. The Administration has helped states and regions make international development a key pillar for economic growth—thus encouraging export and FDI strategies—by expanding awareness of available data and information, capturing and sharing best practices, and collaborating on business outreach. Data and information are critical for regions to show how international trade development reinforces key economic priorities, such as physical infrastructure development, workforce development, and innovation and entrepreneurship.

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<sup>13</sup> [go.usa.gov/xKtJu](http://go.usa.gov/xKtJu)

## Expanding Awareness of and Access to Resources and Information

Because of their networks, EDOs are a natural bridge between the local business community and export assistance providers at the local, state, and federal level. Federal agencies have worked to strengthen and develop relationships with national associations for regional and statewide economic development leaders. This collaboration builds greater awareness of (1) the importance of international trade and investment, (2) resources to help current and/or potential exporters and international investors, and (3) the way EDOs can serve as critical links in international business assistance networks. Several economic development entities and associations are key to this effort, including but not limited to the following:

- State International Development Organizations, Inc., (SIDO) and member states
- National Governor's Association (NGA)
- International Economic Development Council (IEDC) and its member EDOs
- U.S. Conference of Mayors (USCM)
- National Association of Counties (NACo) and county-level leaders
- National Association of Development Organizations (NADO)
- Appalachian Regional Commission (ARC)
- Delta Regional Authority (DRA)

Importantly, ITA and the Economic Development Administration (EDA, [eda.gov](http://eda.gov)) have increased coordination and expanded technical assistance on trade and investment for the economic development community.

## Increased Technical Assistance and Enhanced Data and Information for Metropolitan, Rural, Regional, and State-Level Economic Development Officials

In 2014, ITA released, for the first time, an analysis of jobs supported by goods exports from individual states ([go.usa.gov/xKtJJ](http://go.usa.gov/xKtJJ)). This information has become part of an annual data series released to show the impact of exports on employment across the United States. In 2014, ITA also produced fact sheets on the impact of FTAs on states ([trade.gov/fta](http://trade.gov/fta)). The Bureau of Economic Analysis has also released new data, which help in assessing the impact of FDI on the U.S. economy and further defining FDI contributions to employment. The data allow investors and policy-makers to distinguish and assess patterns of “greenfield” investments that establish new U.S. businesses.

The TPCC Secretariat and ITA have collaborated with EDA to disseminate export- and FDI-related information and provide technical assistance to applicants and designees of the Investing in Manufacturing Communities Partnership program (IMCP, [eda.gov/challenges/imcp](http://eda.gov/challenges/imcp)) and other awardees. At the 2015 IMCP Summit and 2016 EDA Conference, agencies provided international trade and investment guidance and support to regions that, because of their economic development efforts, are ready for a more dedicated focus on international competitiveness.

## Collaboration with States and Regions to Collect and Share Best Practices

Led by the TPCC Secretariat, agencies will work with states, counties, metropolitan areas, and rural regions to identify innovations in trade promotion that are helping more companies export successfully and increasing FDI in their region. Agencies will also capture best practices in coordination and collaboration among local, state, and federal trade promotion and FDI attraction organizations.

## Providing Support to States and Metropolitan Areas to Expand Export Activity and Attract and Retain FDI

Federal agencies are providing grants and technical assistance as well as increasing interagency collaboration and coordination with states and regions to help them strengthen their local “business ecosystems” and ensure SMEs can easily navigate assistance networks.

The U.S. Government is committed to bringing together federal resources to support state and regional trade and investment planning and implementation efforts.

### Supporting Export Promotion and FDI Attraction Planning and Implementation Efforts at the State and Community Level

During the NEI, many regions and states signaled their intention to make exports and FDI key elements of their economic growth strategies. Agencies are collaborating and building partnerships to deliver technical assistance and support current and potential planning efforts.

#### Economic Development Administration Support

In FY 2015, the Economic Development Administration (EDA) invested approximately \$65.8 million in 48 economic development projects—including infrastructure, technical assistance, and planning—to help communities and regions build the capacity to support export-related activities. In FY 2016, EDA expects to award approximately \$59.2 million in 43 additional economic development grants in this area. EDA continues to encourage communities to undertake economic development projects that strengthen global competitiveness and positioning (including export capacity-building).

ITA increased collaboration with EDA to provide enhanced information on export- and FDI-related resources in EDA’s updated Comprehensive Economic Development Strategy (CEDS) content guidelines ([eda.gov/ceds](http://eda.gov/ceds)). By going through the CEDS process, communities create a holistic, locally based, regionally driven economic development strategy. The CEDS process is the cornerstone of EDA programs.

#### Global Cities Initiative (GCI) Exchange

In 2011, the U.S. Government began coordinating with efforts such as the former Metropolitan Export Initiative and the current GCI Exchange ([brook.gs/2dv8wYc](http://brook.gs/2dv8wYc)). GCI is a joint project of the Brookings Institution and JPMorgan Chase that includes 28 regions—urban and rural communities—that are taking action on export and FDI strategies through public-private economic development partnerships. Federal trade specialists in these regions are committed to engaging metropolitan areas as part of core steering committee teams, and SelectUSA staff is supporting several metropolitan areas developing FDI plans. The Administration sees initiatives such as the GCI Exchange as key to national export and FDI efforts. Each region participating in the GCI Exchange identifies federal policy imperatives. This valuable feedback helps shape the Administration’s approach to export and FDI promotion, policy, and programs.

#### SelectUSA Assistance

SelectUSA is actively providing support to U.S. EDOs on inbound investment attraction. In addition to offering its customized information and counseling services to help U.S. EDOs develop, focus, or enhance their FDI attraction plans, SelectUSA also provides a platform for marketing, promotion, and best practice sharing. The 2015 SelectUSA Investment Summit included the first SelectUSA Academy for U.S. EDOs, which focused on strategies for attracting FDI, as well as the latest economic development trends and resources. SelectUSA continued the Academy in 2016, with more than 600 participants. Building on the

success of this effort, SelectUSA will expand online and on-site training programs and counseling for EDOs. SelectUSA can help EDOs develop, focus, or enhance FDI attraction plans and implementation.

SelectUSA also launched the SelectUSA Stats Tool ([selectusa.gov/data](http://selectusa.gov/data)), which is a free, public data visualization resource that graphically presents U.S. official FDI data on easy-to-navigate dashboards. EDOs can quickly access FDI state-level direct employment data broken out by industry and source country to inform the development of their investment promotion strategies. Additionally, on the newly updated SelectUSA website ([selectusa.gov](http://selectusa.gov)), EDOs have access to resources such as Country and State FDI Factsheets ([selectusa.gov/fdi-global-market](http://selectusa.gov/fdi-global-market)), as well as links to online tools such as the U.S. Cluster Mapping Project ([clustermapping.us](http://clustermapping.us)), which can help local communities better understand and articulate how their respective geographies are globally competitive.

### **Market Development Cooperator Program Support**

The Department of Commerce's Market Development Cooperator Program (MDCP, [trade.gov/mdcp](http://trade.gov/mdcp)) makes approximately 10 awards each year to associations and EDOs that propose projects that enhance the global competitiveness of U.S. industries. With each award year, MDCP sets priority criteria for applicant proposals. Since 2011, MDCP projects have mirrored key NEI and NEI/NEXT priorities, such as Asia-Pacific markets and FTA partner markets in Latin America following the launch of the Look South initiative.

### **Fostering Local Export Ecosystems**

TPCC agencies are committed to fostering coordination at the local level to make it easier for small and medium-sized companies to find and access local export assistance, no matter where they are in the export process or how ready they are to export. The network of resources available to globally oriented businesses of all sizes varies across U.S. regions. Each trade assistance resource offers a unique network and type of expertise. Many exporters credit their international success to consulting with a group of experts and building their own "export team." Many regions and states that have successfully implemented export plans have together mapped out these resources to improve collaboration and customer service. The U.S. Government is working in the areas described next.

### **Federal-State Collaboration and Coordination**

In fall 2015, ITA for the first time surveyed U.S. Commercial Service staff to better understand collaboration between state and federal export assistance programs. Three-quarters of ITA field staff respondents said they coordinate with state counterparts on a daily, weekly, or monthly basis—defining common goals, roles, and duties as well as planning trade missions, connecting businesses to trade events, raising public awareness of exporting, promoting available services, and training exporters. ITA staff in 39 states said they estimate client success is often or sometimes a result of joint work between them and their state counterparts. Of trade services, matchmaking and due diligence services are the least available at the state level; states and CS field offices work the most independently on matchmaking and counseling. More often than not, CS says clients succeed because of joint state-federal assistance, implying different capabilities and services at the state and federal level that clients use as needed.

Trade agencies with U.S. field networks (e.g., the Department of Commerce, SBA, USDA, and EXIM Bank) are strengthening partnerships between federal agencies and state and local trade promotion organizations. For example, ITA has recognized that CS offices in nearly 100 cities in 48 states and Puerto Rico can be successful only through engaging in strong local collaboration and building strong local export ecosystems.

As part of the Trade Facilitation and Trade Enforcement Act, signed by the President in February 2016 and commonly known as the Customs Bill, the U.S. Commercial Service network, as part of engaging in their export ecosystems in FY 2016, will (1)

conduct joint planning with their respective state-level export promotion organizations and EDOs, (2) continue to participate in active Export Outreach Teams, and (3) coordinate on metrics as they collaborate with local partners on export outreach and direct client counseling. Each state now has one CS point of contact who will coordinate and manage the federal/state/partner coordination in order to submit joint strategy plans to the TPCC.

In addition, the Trade Facilitation and Trade Enforcement Act calls on the TPCC to increase coordination with states by adding a state representative to the TPCC, creating a federal-state working group and writing a comprehensive “Federal and State Export Promotion Coordination” plan. The law also calls on states to develop an annual export strategy and submit it to the Secretary of Commerce as chair of the TPCC. During 2016 and going forward, the TPCC Secretariat will focus on carrying out the activities prescribed by the Act. Already, since 2015, the TPCC has held monthly calls with states through the State International Development Organization.

### State Trade Expansion Program (STEP) Awards

Since 2011, SBA’s State Trade Expansion Program (STEP, [go.usa.gov/xKtuM](http://go.usa.gov/xKtuM)) has assisted eligible small businesses to enter and succeed in the international marketplace. SBA provided \$66.9 million in cooperative agreement awards during the first three funding rounds. Congress appropriated \$18 million for STEP in FY 2016, which will be competitively awarded to up to 40 states and territories by September 30, 2016.

### Efforts to Reinforce Local Export Ecosystems

In 2012, the Export Promotion Cabinet issued guidance to export assistance agencies establishing a client intake and referral process, matching companies with services according to their level of export readiness. The network of federal service providers involved includes U.S. Commercial Service field offices, SBA trade finance experts located within CS field offices, SBDCs (SBA resource partners), SRTGs (affiliated with USDA), and EXIM Bank. The TPCC Secretariat will work with agencies to update and reissue this guidance to make it easier for U.S. small businesses, whether they are new to exporting or experienced exporters, to access the assistance they need.

### Promoting the U.S. System of Economic Development Internationally and Helping Communities Build International Ties

EDA is working to expand global use of U.S. standards for economic development and industry cluster classification to help communities identify global trade and supply chain opportunities.

In April 2016, ITA and EDA, in coordination with the Organization of American States and the U.S. Department of State, held the Fifth Americas Competitiveness Exchange (ACE) on Innovation and Entrepreneurship. Leaders from 24 countries established long-term global partnerships to strengthen innovation and entrepreneurship ecosystems that will increase potential trade between participating economies and accelerate business opportunities for all stakeholders. Partnering with Canada, the sixth ACE will be held in fall 2016 in Toronto, Kitchener-Waterloo, Hamilton, and the Niagara Region. The exchange will deepen business, trade, and investment opportunities with 10 U.S. metro regions sending delegates.



As part of the U.S.-Mexico High Level Economic Dialogue, EDA and ITA have been working with Mexico to develop the Mexican Cluster Map, which was launched in July 2016. With the U.S. map, Mexico’s map will show clusters of interconnected companies, suppliers, and institutions and allow individuals, businesses, and local governments to identify investment and trade opportunities and plan economic development strategies.

EDA and ITA have helped border communities collaboratively identify unique commercial and cultural assets and capabilities to market themselves as comprehensive economic regions ready to serve customers and attract investors from around the world. The U.S.-Mexico and U.S.-Canada Border Regions Economic Development Strategy (BREDS) is based on the Department of Commerce–funded CEDS. Using this model, organizations such as the West Texas Economic Development District are able to expand their plans across the border so the entire area can implement comprehensive economic development as a region. The BREDS analyzes the region’s economic conditions and serves as a guide for establishing goals and objectives, developing and implementing a plan of action, and identifying investment priorities.

## Chapter 6:

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# Preparing the Next Global Opportunity for American Businesses and Enforcing International Trade Laws and Rules

*Unlocking new opportunities, expanding market access, and ensuring a level playing field*

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When companies start exporting or enter new markets, a transparent and level playing field, a predictable rules-based environment, and low barriers (tariff and non-tariff) help U.S. exporters be successful.

The United States already has a number of strengths that make it an attractive place to invest and do business, including a talented and productive workforce, strong rule of law, and increasingly abundant sources of affordable energy. Through our trade negotiations, we aim to discipline the use of trade and regulatory measures that create barriers to U.S. exports, level the playing field between state-owned enterprises and private firms, ensure that rules of origin promote manufacturing in the United States, and increase the efficiency of the global supply chain, thereby creating incentives for manufacturers to locate in the United States. Through the President's trade agenda, we seek to put the United States at the center of a trade region covering nearly two-thirds of the global economy. That will help make the United States the world's production platform of choice, increasing U.S. exports and attracting more employers that want to invest in the United States, hire American workers, and sell American goods and services to the world.

Our trade agreements seek ambitious market openings in goods (including manufacturing and agricultural goods), services and investment. These agreements address regulatory and other non-tariff barriers to U.S. exports, the challenges of trade in the modern digital economy, and other goals, while maintaining our high levels of health, safety, environmental, and labor protection. Our new trade agreements create disciplines on state-owned enterprises, advance digital freedom, promote the development of and access to innovation, strengthen anticorruption efforts, benefit small businesses, and further global development. In addition to the negotiation of new agreements, the U.S. Government is focused on implementing and enforcing existing agreements and enforcing international trade laws and rules.

While advancing the President's trade agenda, the Department of Commerce identified a greater opportunity to work side-by-side with the private sector on developing policies with foreign governments that can lead to economic growth both here at home, as well as in foreign countries around the world. Through such "Commercial Diplomacy," the Department is deepening bilateral engagement to create new market access opportunities for American exporters in major emerging markets, such as China, India, and Brazil, and around the world.

In addition and in coordination with USTR, agencies, including USAID, SBA, and others, are providing technical assistance, building trade capacity, and contributing to transparent business climates in order to support a level playing field for U.S. businesses in emerging economies.

Trade policy done right is among the nation's best tools to address the challenges of globalization and technological change and to promote American interests and values. By leading on trade, the United States can level the playing field for our workers, farmers, and businesses; knock down barriers to U.S. exports; and raise standards around the world. By leading on trade, we can also protect labor rights and the environment, promote innovation and access to that innovation, and maintain a free and open Internet.

The USTR's *2016 Trade Policy Agenda and 2015 Annual Report* ([go.usa.gov/xKtut](http://go.usa.gov/xKtut)) lays out the wide range of areas where the federal government is working to prepare the next global opportunity for U.S. businesses. The following are highlights of the U.S. Government efforts:

- Negotiate international trade agreements.
- Implement existing trade agreements.
- Enforce international trade agreements.
- Address barriers and unlock opportunities through trade and investment forums and commercial dialogues.
- Support a level playing field for U.S. businesses in emerging markets.

## Negotiating International Trade Agreements

The President's trade agenda has focused on supporting U.S. jobs and raising wages, fighting to open the largest and fastest-growing markets to U.S. exports, and helping to position more Americans to compete and win in the global economy.

In 2015, the United States along with Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam completed the Trans-Pacific Partnership (TPP), an ambitious and comprehensive Asia-Pacific trade and investment agreement. This landmark Agreement was signed on February 4, 2016, and meets the high standards set by President Obama and the objectives set by Congress in the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. With the EU, the United States accelerated negotiations for the Transatlantic Trade and Investment Partnership (T-TIP) in 2016. The United States played a critical role in realizing the Trade Facilitation Agreement (TFA), which is the first, fully multilateral trade agreement in the history of the WTO) and concluding negotiations to expand the scope of goods covered by the WTO Information Technology Agreement. Additionally, the United States advanced negotiations on the WTO Environmental Goods Agreement (EGA) along with 16 other WTO Members.

U.S. efforts in 2016 have built on successful 2015 initiatives, highlighted in part earlier. This has been a historic year for U.S. trade policy. We have advanced negotiations on the Trade in Services Agreement (TiSA) and the EGA toward a successful conclusion. We continued fighting for the United States' trade rights, strengthening the multilateral trading system at the WTO, and implementing the expanded Information Technology Agreement. Those are just some of the many areas in which American leadership on trade will increase U.S. exports to the world while supporting job growth here at home. It is critical that trade agencies work with partners and stakeholders to raise awareness of these important gains for U.S. businesses, farmers, ranchers, and workers.

### TPP

The TPP is a new, high-standard trade agreement that would have far-reaching economic and strategic benefits for the United States. The result of more than five years of negotiations, the Agreement would promote U.S. growth and innovation, support well-paying jobs, and strengthen the U.S. middle class by reducing barriers to U.S. exports and setting high standard rules for trade and investment that promote U.S. interest and values overseas. The benefits of the TPP would include the following:

- Cutting more than 18,000 foreign taxes (or import tariffs) on *Made in USA* manufactured goods and farm products
- Addressing nontariff barriers to trade more fully than any previous U.S. FTA
- Opening markets for services, a sector in which U.S. businesses and workers are the most competitive in the world
- Helping to preserve a free and open Internet, including through groundbreaking provisions that promote the free flow of data and combat forced localization
- Setting strong and balanced intellectual property rules to promote U.S.-based creativity, research, and innovation

- Setting the highest-ever, fully enforceable labor standards of any U.S. trade agreement
- Preserving our environment with the strongest-ever, fully enforceable environmental commitments of any U.S. trade agreement
- Leveling the playing field for U.S. workers by disciplining state-owned enterprises
- Supporting small business exporters, including through cutting shipping “red tape” and adding a first-ever chapter specifically addressing SME issues
- Promoting transparency and the rule of law and leveling the playing field by fostering good governance and fair competition—including between state-owned enterprises and private businesses and their workers

As part of the requirements under the U.S. Trade Promotion Authority (TPA), the independent U.S. International Trade Commission analyzed the TPP agreement and found that TPP would be highly beneficial to the U.S. economy. With TPP in effect, Americans would have more jobs and earn more money, American families would have more purchasing power, and America would be a wealthier country. The ITC found that:

- With TPP in effect, by 2032, U.S. annual real income is estimated to be more than \$57 billion higher each year as compared to the status quo without TPP;
- U.S. exports to TPP partners are estimated to be \$57.2 billion higher;
- Real GDP would be over an estimated \$42 billion higher with TPP in effect as compared to the status quo;
- Two-thirds of the GDP growth resulting from TPP would go to American workers through wage increases and increased job opportunities.

The ITC results are based only on those elements of the TPP agreement that the ITC was able to quantify, mostly tariff cuts. When the full impacts of TPP’s benefits, including non-tariff issues, have been measured in other studies, the estimated benefits have been found to be much greater. In fact, the non-partisan Peterson Institute for International Economics found that with TPP, U.S. real income gains are estimated to be \$131 billion higher each year by 2030, than what it would have been without TPP and that U.S. exports would be \$357 billion higher. Like the ITC, the Peterson Institute also found that income growth would result in higher wages for American workers (two-thirds of the benefits go to workers) and that if TPP’s entry into force is delayed by one year, the United States would see an estimated one-time national loss of \$94 billion.

In these ways and others, the TPP would help our farmers, ranchers, manufacturers, service suppliers, innovators, and small businesses to compete—and win—in some of the fastest-growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP would significantly expand opportunities for *Made in USA* goods and services exports, supporting more higher-paying jobs here at home. The TPP would foster continued peace and stability in the Asia-Pacific region by strengthening U.S. leadership in the region, deepening U.S. economic ties with key countries, and shaping the rules of the road for regional trade so they reflect U.S. interests and values.

## T-TIP

The United States and the EU already share the largest trade and investment relationship in the world, with \$1.1 trillion in two-way annual goods and services trade (an average of \$3.0 billion each day). T-TIP would build on that. By the end of the 15th round of negotiations in October 2016, negotiators had made significant progress across more than two dozen negotiating areas, identifying landing zones for certain issues, finding common ground on other important issues, and clarifying the remaining differences.

The United States has been seeking in T-TIP ambitious market openings for trade in agricultural and non-agricultural goods, services, and investment. We have been working to address unnecessary regulatory and other non-tariff barriers to U.S. exports and to bring greater transparency, participation, and accountability to processes for the development and implementation of

new regulations and standards. We also have been working with the EU to identify ways to improve the participation of SMEs in the transatlantic economy, address the challenges of trade in the modern digital economy, and promote strong labor and environmental standards through T-TIP.

T-TIP offers the United States and the EU a historic opportunity to jointly shape the global trading system to be consistent with our shared values, modernize trade rules, and break down barriers between our two markets. The two sides are committed to achieving these economic goals in a way that maintains the high levels of protection for consumers, workers, and the environment that our citizens expect. T-TIP also offers significant opportunities to set high standards with respect to global issues of common concern, beyond the bilateral U.S.–EU relationship. In addition to its economic benefits, T-TIP would strengthen the broader transatlantic alliance and partnership.

A number of economic studies, employing a variety of assumptions and methodological approaches, have projected significant positive benefits from a comprehensive free trade agreement between the United States and the EU. These studies estimate that both U.S. and EU real GDP could increase between billions and tens of billions of dollars/euros and that bilateral trade could increase by tens of billions of dollars/euros for both the United States and the EU. This increased trade could create additional export- supported jobs on both sides of the Atlantic. Jobs supported by exports pay, on average, up to 18 percent more than non-export supported jobs.

## **Negotiation of Other Trade Agreements in Growth Areas**

### **Information Technology Agreement**

In July 2015, the United States led more than 50 developed and developing countries in finalizing the expansion of the Information Technology Agreement. This landmark Agreement, WTO's first major tariff-liberalization deal achieved in the past two decades, will eliminate tariffs on roughly \$1.3 trillion in global ICT exports, and, according to the Information Technology and Innovation Foundation, the Agreement will increase annual global GDP by an estimated \$190 billion annually and support up to 60,000 American jobs. American producers and exporters will benefit from the expanded agreement, because more than \$180 billion in American technology exports will no longer face burdensome tariffs in key global markets. The implementation of ITA expansion began on July 1, 2016.

### **Trade in Services Agreement (TiSA)**

In 2015, the Administration intensified TiSA negotiations, which aim to create new opportunities for U.S. exporters of services by encouraging foreign governments to adopt policies that promote fair and open competition in international markets for services. Presently, 23 economies are participating in the negotiations, representing nearly 70 percent of the \$55 trillion world market for services. In 2016, the United States continued to advance negotiations on TiSA.

### **Environmental Goods Agreement (EGA)**

In 2016, the United States and the 16 other WTO Members participating in the EGA negotiations made significant progress to develop a list of environmental goods that will be subject to tariff elimination. Once finalized, the EGA will eliminate tariffs on a broad range of environmental goods, expanding on APEC economies' landmark achievement of reducing applied tariffs on 54 environmental goods to 5 percent or less by the end of 2015. Global trade in environmental goods is estimated at nearly \$1 trillion annually, and some WTO Members impose tariffs as high as 35 percent on those goods. The United States exported \$130 billion in environmental goods in 2015, and U.S. exports of environmental goods have been growing at an annual rate of 4 percent since 2010. Australia, Canada, China, Costa Rica, the EU, Hong Kong, Iceland, Israel, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei, and Turkey are participating in the EGA negotiations, in addition to the United States.

By eliminating tariffs on environmental goods, the United States can improve access to the technologies that the United States and other countries need to protect the environment, while unlocking opportunities for U.S. exporters and spurring innovation in green technologies.

## Negotiation of International Air Transport Agreements

The Departments of State, Transportation, and Commerce are engaged in ongoing market access negotiations in aviation services in which they seek to eliminate restrictive aviation regimes worldwide. Such actions allow the U.S. travel and tourism sector to make a maximum contribution to overall U.S. exports by removing restrictions on passenger and all-cargo air carrier market entry and service levels.

“Open Skies” agreements are the most liberal type of U.S. international air transport agreement. The United States completed 20 Open Skies agreements between 2010 and 2014, including agreements with important trading partners such as Brazil and Colombia. A modernized and liberalized agreement between the United States and Mexico entered into force on August 21, 2016. U.S. and Mexican carriers are already taking advantage of the significant new possibilities it offers. . Since 2015, the United States has reached Open Skies agreements with Azerbaijan, Côte d’Ivoire, Serbia, Togo, and Ukraine, thus bringing the total number of U.S. Open Skies partners to more than 120. In addition, in February 2016, the United States and Cuba reached a landmark arrangement that has allowed U.S. carriers to reestablish scheduled air service between the two countries for the first time in over 50 years.

## Implementing Existing Trade Agreements

With 20 current trade agreement partner countries and several multilateral agreements in place, the U.S. Government is focused on ensuring agreements are implemented effectively, meet the high standards established, benefit U.S. businesses, and increase global prosperity.

Trade agreements have played an important role in increasing U.S. exports. The International Trade Commission’s 2016 report on the economic impact of U.S. trade agreements, looking at 2012, found that U.S. bilateral and regional trade agreements increased U.S. trade (expanding it by about 3 percent), U.S. real GDP, and U.S. employment. The study found that U.S. bilateral trade with FTA partner countries increased by 26.3 percent.<sup>14</sup> The United States continues to engage trade agreement partners on an ongoing basis to strengthen the trade and investment relationship and to ensure implementation of the terms of the agreements. Please see USTR’s *2016 Trade Policy Agenda and 2015 Annual Report* ([go.usa.gov/xKtut](http://go.usa.gov/xKtut)) for more detailed information. Highlights include the following:

- In 2015, the United States and Korea held a number of bilateral trade consultations, including FTA committee meetings and working groups under the U.S.–Korea Free Trade Agreement to ensure full implementation of commitments. The United States raised and resolved a number of concerns, including in automotive, financial services, intellectual property rights, and other areas.
- Building on the achievements of the past four years, in 2016 the United States continued to work with Korea, Colombia, Panama, and other FTA partners to ensure that our respective bilateral trade agreements are fully implemented and continue to operate smoothly.
- In 2016, the United States continued to work with Mexico bilaterally and as TPP partners to deepen our partnerships, enhance North American competitiveness, and address barriers to U.S. exports.
- In 2016, the federal government also worked to deepen trade with other U.S. FTA partners in Chile, Peru, Colombia, and Panama. All covered goods trade with Chile is now duty free, and we are working with both Chile and Peru as partners in the TPP. The United States held bilateral Free Trade Commission (FTC) meetings in 2015 with Chile and Peru in Washington, D.C., in 2015, and in 2016 with Panama in Washington, D.C. and with Chile in Santiago. The U.S. Government is planning to hold an

<sup>14</sup> [go.usa.gov/xKtut](http://go.usa.gov/xKtut)

FTC meeting with Peru in Lima in the first quarter of 2017. Also in 2016, the U.S. Government continued collaborative efforts with Colombia and Peru to address issues related to labor rights.

- In March 2015, the United States held its third meeting of the Dominican Republic–Central America Free Trade Agreement (CAFTA-DR) FTC and announced, among other decisions, an agreement to begin domestic procedures to update and liberalize the CAFTA-DR rules of origin. The United States will work to deepen its trade relationships with CAFTA-DR partners in order to strengthen implementation of the trade agreement, facilitate trade, and address issues related to intellectual property, sanitary and phytosanitary measures, labor rights, and environmental protections, among other issues.
- In May 2016, the United States and Australia held a meeting of the Joint Committee of the U.S.-Australia FTA as well as working group meetings under the FTA to ensure full implementation of commitments. The United States raised a number of issues, including issues related to investment, technical standards, and services.
- In 2015, the United States continued to engage with Bahraini labor, foreign affairs and trade officials, and labor unions and business representatives to address labor rights concerns first raised in 2013 as part of consultations held under the auspices of the U.S.-Bahrain FTA.
- At the latest meeting of the Joint Committee established under the 1985 U.S.-Israel FTA (the United States' first FTA) in February 2016, U.S. and Israeli officials noted progress made on several issues, including customs and standards. They also explored ways to engage more comprehensively to enhance the already successful bilateral trade and investment relationship, including through a reinvigorated negotiation (ongoing since 2008) of a new bilateral Agreement on Trade and Agricultural Products.
- The U.S.-Jordan FTA Joint Committee met most recently in May 2016 to discuss how to enhance ongoing cooperation in a number of areas, including e-commerce, standards, and customs. In recent years, under the framework of the FTA, U.S. officials have worked intensively with Jordanian counterparts on labor standards, through efforts under the bilateral Implementation Plan Related to Working and Living Conditions of Workers in Jordan, signed in 2013.
- At the fourth meeting of the U.S.-Morocco FTA Joint Committee in February 2015, U.S. and Moroccan officials noted the productive environmental- and labor-related cooperation highlighted at prior meetings of the FTA Subcommittees on Environment and Labor, respectively. They also reviewed recent improvements to Morocco's legislative regime for intellectual property rights protection and Morocco's efforts to implement the bilateral Trade Facilitation Agreement, signed in 2013.
- Oman formed its General Federation of Oman Trade Unions in 2006, as a result of major labor reforms enacted by the government in the context of concluding the U.S.-Oman FTA. Also in the wake of concluding the FTA, Oman and the International Labour Organization (ILO) in 2010 launched the ILO's Decent Work Country program, which was renewed in 2014 for two years through 2016. The program aims to promote social dialogue and resolve labor disputes, as well as strengthen technical and vocational training programs.

In November 2015, January 2016, and March 2016, USTR and USDA announced that agreements had been reached with the governments of Colombia, South Africa, and Peru, respectively, to remove barriers for U.S. beef and beef product exports to these countries that had been in effect since 2003. This decision further opened these important, growing markets in Latin America and Africa to all American beef and beef products exports. In 2015, the United States exported \$10.4 million and \$25.4 million in beef and beef products to Colombia and Peru, respectively. Annual U.S. exports of beef and beef products to South Africa could reach \$17 million.

## WTO Trade Facilitation Agreement (TFA)

In 2013, WTO Members concluded negotiations on the WTO TFA, which is the first new multilateral trade agreement in the WTO's 20-year history. This hard-won agreement promises to improve trade efficiency and help small businesses export, and it is projected to generate hundreds of billions of dollars in economic activity. The WTO TFA—with binding commitments on all WTO Members to expedite movement, release, and clearance of goods; improve cooperation on customs matters; and help developing countries fully implement its obligations—will open new markets for U.S. exporters by significantly reducing customs barriers exporters face worldwide. The agreement will increase customs efficiency and effective collection of revenue and will help small businesses access new export opportunities through requirements for transparency in customs practices,

reduction of documentary requirements, and processing of documents before goods arrive. The WTO estimates these benefits are valued between \$750 billion and \$1 trillion.<sup>15</sup>

In 2014, WTO Members concluded the preparatory work necessary to initiate the process of bringing the TFA into force, which will happen once two-thirds of WTO Members (110) notify the WTO of their acceptance. As such, WTO Members have continued to undertake necessary steps to complete their respective domestic acceptance process, thereby enabling them to accept the TFA. In 2016, the United States continued targeted outreach to encourage other WTO Members to take the necessary steps so that the WTO enters into force. As of December 2016, 102 WTO Members had notified the WTO of their acceptance.

USAID has established the Global Alliance for Trade Facilitation, an innovative multi-donor public-private partnership to provide capacity-building assistance to selected developing countries that demonstrate a strong commitment to effectively implementing the WTO TFA. The United States catalyzed the creation of this initiative and is a founding donor, joined by the governments of Australia, Canada, Germany, and the United Kingdom. The Secretariat of the Alliance is hosted by the Center for International Private Enterprise, the International Chamber of Commerce, and the World Economic Forum. The Alliance will deploy innovative and unique projects worldwide that harness the ingenuity of the private sector, and the development experience of the donor community to accelerate ambitious trade facilitation reforms for robust economic growth and poverty reduction.

## WTO Government Procurement Agreement (GPA)

In April 2014, a revision to the WTO GPA entered into force. These revisions streamline and clarify the Agreement's obligations, incorporate flexibilities that reflect modern procurement practices, and facilitate its implementation. They also significantly expanded the procurement covered by the Agreement, thus expanding opportunities for American firms to supply goods and services to foreign governments estimated by the WTO to be worth between \$80 billion and \$100 billion annually. This is in addition to the \$1 trillion in government procurement market access already covered under the WTO GPA. In addition, the GPA parties have initiated work programs that relate to the treatment of SMEs and to sustainable procurement.

Moldova and Ukraine formally joined the GPA in 2016. Also in 2016, work to advance GPA accessions continued, in particular, the accessions of China, the Kyrgyz Republic, and Tajikistan. In August 2016, Russia initiated its accession to the GPA. Work programs on the treatment of SMEs, statistics, and sustainable procurement are ongoing.

## Enforcing International Trade Agreements

The Obama Administration has aggressively defended U.S. business and commercial interests via active and effective use of the trade enforcement system. If trade agreements are to bring their full benefit to America's businesses, families, farmers, and workers, the United States needs to ensure that agreements are being closely monitored and strongly enforced. That is why the Obama Administration has undertaken the most ambitious upgrade of trade enforcement in the history of modern U.S. trade policy, building a far more capable enforcement system. The result has been a record of quality enforcement victories that are helping to level the playing field for American workers, businesses, and farmers.

## A Consistent Record of Success

The Obama Administration has built an outstanding record of success through enforcement actions to assert U.S. rights and promote the interests of U.S. workers, farmers, and businesses. Of the 23 complaints filed at the WTO since 2009—more filings than any other WTO Member—the United States has won every one that has been decided so far. The United States has also resolved four complaints on favorable grounds while the remaining complaints are pending. Fourteen filings target measures

<sup>15</sup> [bit.ly/2deIW61](http://bit.ly/2deIW61)

adopted by China; three target Indian measures; other complaints address an array of major economies, including Argentina, the EU, and Indonesia

USTR had major enforcement successes in 2015 and 2016, most notably the following:

- China signed a Memorandum of Understanding with the United States in which China agreed to take specific actions that would remove all the WTO-inconsistent elements of its “Demonstration Bases-Common Service Platform” export subsidy program. The United States initiated a WTO challenge against the program because China was providing prohibited export subsidies through “Common Service Platforms” to manufacturers and producers across seven economic sectors and dozens of sub-sectors located in more than 150 industrial clusters throughout China, known as “Demonstration Bases,” thereby creating unfair competition for American workers and businesses.
- The United States prevailed in a WTO challenge to China’s compliance actions following WTO findings in 2012 that China’s duties on high-tech steel were inconsistent with WTO rules. Following the U.S. compliance challenge, China terminated the duties. Those WTO-inconsistent duties had contributed to more than \$250 million in annual export losses for American steel exporters. The U.S. compliance challenge was the first time any WTO Member had initiated a WTO proceeding to challenge a claim by China that it had complied with adverse WTO findings.
- The WTO ruled in favor of the United States in a dispute challenging India’s “localization” rules discriminating against imported solar cells and modules under India’s National Solar Mission. The WTO agreed with the United States that India’s domestic content requirements discriminate against U.S. solar cells and modules by requiring solar power developers to use Indian-manufactured cells and modules, in breach of international trade rules.
- The WTO ruled in favor of the United States in a dispute challenging India’s ban on various U.S. agricultural products—such as poultry meat, eggs, and live pigs—allegedly to protect against avian influenza. The WTO agreed with the United States that India’s ban breached numerous international trade rules, including because it was imposed without sufficient scientific evidence and was not based on international standards confirming that importing U.S. products is safe. In July 2016, following India’s failure to remove its WTO-inconsistent trade barriers in this case, the United States requested WTO authorization to retaliate against Indian trade in the amount of \$450 million per year. Discussions with India regarding compliance are continuing, and the United States may move forward with the arbitration on its retaliation request at any time.
- The WTO found that Argentina’s import-licensing requirements and other import restrictions breach international trade rules. These restrictions potentially affect billions of dollars in U.S. exports each year, including exports of energy products, electronics and machinery, aerospace equipment, pharmaceuticals, precision instruments, medical devices, motor vehicle parts, and agricultural products.

In 2016, USTR pressed for full compliance in a number of disputes, including those mentioned above and on the EU’s subsidies benefiting Airbus’s production of large civil aircraft, China’s continued imposition of antidumping and countervailing duties on chicken broiler products, and China’s measures affecting electronic payment services.

## Enforcement Resources to Better Monitor and Enforce Agreements

As is evident from the quality of the enforcement victories the United States has secured since 2009, the Obama Administration has placed an unprecedented focus on enforcement, while leveraging available government resources. An important step forward was the 2012 creation of the Interagency Trade Enforcement Center (ITEC). A USTR-led body, supported by Commerce and other trade-related agencies, ITEC comprises a team of trade analysts with expertise in a wide range of areas, including in agriculture subsidies, intellectual property, and animal science, to investigate potential disputes and to monitor and enforce U.S. trade rights under international trade agreements. ITEC represents a historic commitment of personnel and budget to enforcement efforts, giving the United States greater capacity to find, prove, and, therefore, stop actions that breach our trade agreements.

The Trade Facilitation and Trade Enforcement Act of 2015 permanently established the successor to ITEC—the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME) at USTR. In FY 2017, ICTIME will succeed ITEC and build

on the crucial work that is already being done to further enhance the U.S. Government's ability to monitor and enforce our trade agreements. ICTIME will bring together resources and expertise to support investigation, monitoring, and enforcement of U.S. trade rights under international trade agreements and implementation of new agreements. This collaborative approach has significantly enhanced the Administration's capacity to proactively enforce U.S. trade rights. For example, through ICTIME the United States will continue to push farther, dig deeper into, and address trade distortions resulting from the complex web of industrial policies and administrative systems of key trading partners such as China. Furthermore, ICTIME will help monitor the implementation of our bilateral and regional FTAs, including the TPP, and oversee other key trading partners' compliance with their WTO commitments, such as Brazil and India.

## Supporting U.S. Workers and Businesses

The Obama Administration's stronger enforcement efforts are designed to benefit U.S. workers and businesses by leveling the playing field and by setting long-term precedents that will support future U.S. growth. For example,

- USTR filed a WTO challenge on China's use of "market price support" for three key crops (rice, wheat, and corn). In 2015, China's "market price support" for these products is estimated to be nearly \$100 billion in excess of the levels China committed to under WTO rules. China's excessive market price support for rice, wheat, and corn inflates Chinese prices above market levels, creating artificial government incentives for Chinese farmers to increase production. The United States is challenging China's government support to help American farmers to compete on a more level playing field.
- The U.S. case targeting the EU's Airbus subsidies carries with it billions of dollars in direct value for American aerospace workers and companies of all sizes and will set clear legal lines restricting new civil-aircraft subsidy programs.
- The U.S. case against Chinese limits on electronic payment services establishes key, market-opening precedents for services trade and the digital world.
- Through the case against Chinese export restraints on rare earths, the Administration provides significant benefits to U.S. high-tech industries that use these important inputs and establishes important precedents ensuring access to essential minerals and intermediate goods.
- The case against India's solar energy local content rules is aimed at forced localization policies adopted by India and other major economies.
- The case filed against Guatemalan labor practices under the CAFTA-DR sends the strong signal that the United States will use the full range of tools at its disposal, including formal dispute settlement, to ensure that labor rights are protected.

In 2016, the U.S. Government pursued vigorous enforcement of U.S. rights under U.S. trade agreements to ensure U.S. workers, farmers, service providers, and businesses obtain all the benefits that the federal government has negotiated under those agreements.

## Trade Agreements Compliance Program

The Trade Agreements Compliance Program ([tcc.export.gov/trade\\_agreements\\_compliance](http://tcc.export.gov/trade_agreements_compliance)), within ITA, provides a framework for proactive monitoring of trade agreements and a process for identification, investigation, and resolution of trade barriers for companies through commercial diplomacy. If a company is facing a foreign trade barrier or unfair trade situation, ITA is the U.S. Government's one-stop shop for getting help with removing those barriers or remedying unfair situations in foreign markets. This service starts with a U.S. company filling out an easy online Trade Complaint Hotline form ([tcc.export.gov/report\\_a\\_barrier](http://tcc.export.gov/report_a_barrier)). For a better understanding of how this service can help, users can view several company success stories and videos ([tcc.export.gov/success\\_stories](http://tcc.export.gov/success_stories)). Compliance resulting in a practical, immediate solution for affected U.S. industry is preferable to dispute settlement under the formal mechanisms in our agreements. As appropriate, issues can be referred to USTR. For example, in May 2016, the U.S. Government succeeded in its sustained effort to get Ecuador to bring its motor vehicle safety regulation in line with WTO requirements so that U.S. automobiles meeting our strong federal safety standards could continue to enter a nearly \$800 million import market.

Going forward, this office will continue to proactively monitor trade agreement operation; actively identify, investigate, and attempt to resolve trade barriers caused by non-compliance; and continue on-going efforts to educate stakeholders on this service.

## **Subsidies Enforcement**

ITA also has an active subsidies enforcement program that provides monitoring, analysis, counseling, and advocacy services to U.S. parties harmed by unfair foreign government subsidization and related practices. These activities involve (1) coordinating U.S. countervailing duty and multilateral subsidies enforcement efforts; (2) assisting the private sector by monitoring and identifying foreign subsidies that can be remedied under U.S. law and the WTO Agreement on Subsidies and Countervailing Measures; and (3) along with USTR, producing an annual report to Congress on the Administration's subsidy monitoring and enforcement activities. The subsidies enforcement staff has identified and is currently evaluating foreign subsidies and government support practices.

## **U.S. Antidumping Duty (AD) and Countervailing Duty (CVD) Trade Laws**

Unfair foreign pricing and government subsidies distort the free flow of goods and adversely affect American business in the global marketplace. ITA's Enforcement and Compliance unit (E&C) leads the enforcement of trade laws and agreements to address unfairly traded imports and to safeguard jobs and the competitive strength of American industry. E&C accomplishes these goals by enforcing U.S. AD and CVD trade laws and ensuring compliance with trade agreements negotiated on behalf of U.S. industries. The strong enforcement of our AD/CVD trade laws helps to promote a fair and open global trade environment for our domestic industries and workers.

The AD and CVD laws provide U.S. enterprises and workers the opportunity to obtain relief from injury caused by imports of foreign products that are sold in the United States at less than fair value or that benefit from foreign government subsidies. Enforcing these laws is important to U.S. manufacturers, particularly SMEs, and American workers who manufacture products that compete against imported goods. Following U.S. laws and regulations and consistent with international trade rules, the Department of Commerce has the authority to conduct investigations of the alleged subsidization or dumping of foreign products sold in the United States. If a U.S. industry believes that it is being injured by dumped or subsidized imports, it may request the imposition of ADs or CVDs by filing a petition with both the Department of Commerce and the United States International Trade Commission. E&C is currently administering record-high numbers of AD/CVD investigations and expects the trend to continue.

Commerce has also taken steps to address duty evasion through continued close collaboration with DHS and CBP to improve the effectiveness of AD/CVD measures at the border. Commerce works closely with CBP and DHS, sharing crucial information to help those agencies detect and stop illegal evasion of AD/CVD measures by foreign producers and their importers.

Commerce has also implemented administrative and legislative tools to strengthen AD/CVD enforcement, including tools provided in the American Trade Enforcement Effectiveness Act of 2015, which was enacted in June of that year. In addition to giving Commerce more tools to hold foreign firms accountable for providing necessary data in trade remedy cases, the changes also reduce the burden on U.S. industries by mandating that Commerce investigate whether foreign exporters are selling below their cost rather than requiring U.S. industry to provide evidence to trigger such an investigation. Commerce has also implemented certain technical and procedural modifications to its trade remedy practice, including holding parties under investigation to more stringent deadlines. Commerce continues to consider ways it might further strengthen enforcement of trade remedy laws.

## Trade Remedy Compliance: Help for U.S. Exporters

E&C also has a program that monitors foreign trade remedy—AD, CVD, and safeguard measures—activity, provides advocacy and support for U.S. companies subject to foreign trade remedy actions, and actively engages foreign government compliance with WTO rules governing trade remedies. For example, India initiated an antidumping investigation on solar products from the United States that jeopardized a \$130 million export market. The U.S. Government’s counseling of U.S. solar producers, coupled with its engagement with the Indian government regarding its unfounded allegations, led India to terminate the case without imposing any ADs.

With nearly 150 foreign AD, CVD, and safeguard measures active at the beginning of the year (affecting approximately \$5 billion in U.S. exports) foreign trade remedies will continue to have a significant impact on U.S. exports in 2016. The high use of trade remedies by our trading partners is leading more and more companies to seek expert advice, as well as advocacy assistance with foreign investigating authorities. As a result, E&C will need to expand its close surveillance of those governments’ conduct of their trade remedy investigations to ensure that involved U.S. exporters are treated fairly, objectively, and consistent with WTO rules.

## Addressing Barriers and Unlock Opportunities through Trade and Investment Forums and Commercial Dialogues

The Obama Administration has reimagined economic engagement with foreign governments, advancing a vision of “Commercial Diplomacy” that brings the U.S. public and private sector together to develop policies with other governments for economic growth in the United States and around the world.

In major emerging markets, such as China, India, Brazil, and Argentina, the U.S. Government is deepening its bilateral engagement to create new market access and facilitate commercial opportunities for American exporters. The goal of trade and investment forums and of commercial dialogues with these countries is to seek—through discussion and diplomacy—removal or mitigation of foreign trade barriers adversely affecting U.S. exports and inward investment in a commercially meaningful timeframe. The U.S. Government continues to take steps to ensure a stronger voice for the private sector in the commercial dialogues, enabling more private-sector leaders to offer their input and ensuring feedback is integrated into discussion priorities.

### China: U.S.–China Joint Commission on Commerce and Trade (JCCT)

The JCCT is the primary bilateral vehicle for addressing trade concerns and promoting commercial cooperation between the United States and China. The Department of Commerce and USTR use the JCCT’s 16 industry- and issue-specific working groups to work with Chinese counterparts to resolve impediments to doing business in China, ultimately supporting exports to our second-largest trading partner. For the November 2016 session of the JCCT, negotiations followed a full day of events designed to facilitate private-sector engagement with officials from the United States and China in a reinvented JCCT. The results of the November JCCT negotiations were: Building upon prior bilateral commitments to de-link Chinese indigenous innovation policies from government procurement preferences, China agreed to take further action to review existing measures and to remove any linkages between indigenous innovation policies and the provision of government procurement preferences. China committed to strengthen oversight of government procurement of medical devices to ensure foreign brands and foreign-manufactured products are treated in a transparent, fair and equitable manner, and not to link procurement to policies promoting domestically produced medical devices. China also affirmed that drug registration review and approval shall not be linked to pricing commitments and shall not require specific pricing information. China agreed to a number of IPR-related commitments that will facilitate much needed improvements for a wide range of industries that rely on the ability to protect and enforce their IPR in China. China affirmed that it is strengthening its trade secrets protections and prioritizing enforcement against online

IPR counterfeiting and piracy. Both countries recognized the important role of online platforms in developing innovative new ways to deliver safe, reliable and legitimate products in convenient and affordable ways. Building on Presidential commitments made earlier this year, the United States and China agreed to jointly promote the expeditious establishment of the Global Forum on Steel Excess Capacity. Recognizing that innovation policies should be consistent with the principle of nondiscrimination, China confirmed that its “secure and controllable” policies will not limit sales opportunities for foreign companies or impose nationality-based restrictions. Finally, the United States and China reaffirmed their commitment to a strong, vibrant global semiconductor industry that operates in fair, open and transparent legal and regulatory environments, and China specifically reaffirmed that the operation of integrated circuit investment funds in China will be based on market principles and that the government will not interfere with the normal operation of the funds.

## **India: Policy Forum and Strategic and Commercial Dialogue**

### **The U.S.–India Trade Policy Forum (TPF)**

The TPF is the principal bilateral forum for discussing trade and investment policy issues. Meeting in October 2016, the United States and India continued their efforts to enhance bilateral trade and investment ties in a manner that promotes economic growth and job creation in both countries. Work in 2016 focused on a range of trade and investment issues, in particular, (1) promoting investment in manufacturing, (2) intellectual property, (3) agriculture, and (4) trade in services and trade in goods. Work on manufacturing is focused on best practices in specific policy areas, such as notice and comment and conformity assessment procedures, which can encourage investment in manufacturing, create jobs, and increase competitiveness without distorting trade and investment in India and the United States. The high-level Intellectual Property Working Group continues to focus on the protection and enforcement of intellectual property rights, with a particular emphasis on patents, copyrights, and trade secrets.

### **U.S.–India Strategic and Commercial Dialogue**

An important outcome of President Obama’s historic January 2015 Republic Day visit to India was the elevation of the U.S.–India Strategic Dialogue to the Strategic and Commercial Dialogue (S&CD). The S&CD serves as a critical mechanism for growing the underdeveloped commercial dimension of the U.S.–India relationship and for considering bilateral commercial engagement from a more strategic perspective. The S&CD will enable the United States and India to partner on areas of opportunity, thereby fostering sustainable economic growth and job creation and improving the lives of citizens in both countries. The Dialogue will ensure that U.S. and Indian businesses—small, medium, and large—are in a position to capitalize on opportunities in both countries.

## **Brazil: Trade and Economic Cooperation and Commercial Dialogue**

### **U.S.–Brazil Agreement on Trade and Economic Cooperation (ATEC)**

Signed during President Obama’s March 2011 trip to Brazil, the ATEC is the chief vehicle for bilateral trade and investment policy dialogue with Brazil. With the goals of deepening U.S. engagement with Brazil and expanding the bilateral trade and investment relationship, the Commission on Economic and Trade Relations established by the ATEC has met three times (most recently in March 2016) and has discussed a wide range of issues, including investment issues, intellectual property rights and innovation, and technical barriers to trade. In 2017, we will work to continue to grow our exports and expand our trade and investment policy engagement with Brazil through the ATEC.

### **U.S.–Brazil CEO Forum and U.S.–Brazil Commercial Dialogue**

The U.S.–Brazil CEO Forum serves as another valuable mechanism in strengthening the voice of the private sector. The Forum convenes private-sector leaders from the United States and Brazil, up to 12 CEOs from each country, to provide joint

recommendations on priorities in the bilateral trade and investment relationship. These recommendations have opened discussions between the United States and Brazilian governments, including concrete actions on visa reform, aviation, trade and economic cooperation, and energy collaboration. The Forum last met in June 2015. The government-to-government complement to the forum is the U.S.–Brazil Commercial Dialogue, co-chaired by the Department of Commerce and the Brazilian Ministry of Industry, Foreign Trade and Services (MDIC). The commercial nature of the Dialogue and its focus on finding win-win solutions to commercial barriers has enabled Commerce and MDIC to remain engaged on an ongoing basis when other bilateral discussions have been put on hold. Priority topics within the Dialogue for 2016 and 2017 are trade facilitation, regulatory engagement, standards, and investment promotion.

## Argentina: TIFA and Commercial Dialogue

### Trade and Investment Framework Agreement

During President Obama’s March 2016 state visit to Argentina, the United States and Argentina signed a Trade and Investment Framework Agreement (TIFA), which recognizes the essential role of trade and private investment, both domestic and foreign, in furthering growth and creating jobs. The agreement will facilitate dialogue on a broad range of issues, including intellectual property, market access, and cooperation on agricultural matters, as well as collaboration on shared objectives in the WTO and other multilateral fora. As major agricultural exporters, the United States and Argentina have committed to working together to expand global trade in agricultural products and combat non-scientific barriers to trade. Argentina hosted the first meeting under the TIFA in November 2016 in Buenos Aires.

### U.S.-Argentina Commercial Dialogue

Also during the President’s March 2016 visit, the United States and Argentina formalized the U.S.-Argentina Commercial Dialogue. The Dialogue occurred in October 2016, with a focus on deepening engagement on regulatory coherence, economic development, investment promotion, trade facilitation, export finance, and trade remedies. The goal of the Dialogue is to create growth and jobs in both our countries through expanded bilateral trade and investment. Through this Dialogue, the Department of Commerce is leveraging a new positive bilateral relationship with Argentina’s Mauricio Macri Administration to focus on finding win-win solutions to commercial barriers that are holding back our respective business communities.

## Mexico: U.S.-Mexico High Level Economic Dialogue (HLED)

Announced by President Obama and President Peña Nieto in 2013, the HLED is a forum through which the U.S. and Mexican governments collaborate to advance strategic economic and commercial priorities central to promoting growth and job creation in both countries. Since its launch, the HLED has produced concrete results that make it easier for companies in both countries to do business together. The HLED continues to make significant strides in a number of areas critical to expanding bilateral trade and investment, including: energy, infrastructure, trade facilitation, promoting entrepreneurship and innovation, workforce development, education exchanges, and regulatory cooperation. During Mexican President Peña Nieto’s July 2016 visit, Presidents Obama and Peña Nieto highlighted the importance of working together to advance our economic priorities as reflected in the Joint Declaration institutionalizing the High-Level Economic Dialogue (HLED). They also underscored the HLED’s success in promoting projects to increase economic growth, create jobs, enhance competitiveness, and foster innovation.

## Canada: Beyond the Border and Regulatory Cooperation Council

Through the Beyond the Border Action Plan ([dhs.gov/beyond-border](https://www.dhs.gov/beyond-border)) and the Regulatory Cooperation Council ([trade.gov/rcc](https://www.trade.gov/rcc))—two signature bilateral initiatives launched in 2011—Canada and the United States are making it easier for goods and people to move across our shared border, reducing bottlenecks and streamlining regulations. The Canadian government has prioritized both the U.S.-Canada commercial relationship as well the North American relationship – including Mexico. Prime

Minister Trudeau made an official visit to Washington D.C. in March 2016, meeting with President Obama, the first official visit by a Canadian Prime Minister in almost 20 years. On June 29, 2016, Prime Minister Trudeau hosted President Obama and President Peña Nieto in Ottawa for the North American Leaders Summit.

## U.S.-Ukraine Trade and Investment Cooperation Agreement

In May 2015, the United States and Ukraine held the fifth meeting of their bilateral Trade and Investment Council in Kyiv. The agenda covered a broad range of issues, including how to address barriers to increased bilateral trade and how to improve the business and investment climate. The United States supported Ukraine's completion of its accession to the WTO GPA and encouraged Ukraine to ratify the WTO TFA. In addition, the United States urged the Ukrainian government to improve the protection of intellectual property rights in Ukraine.

## Supporting a Level Playing Field for U.S. Businesses in Emerging Markets

The U.S. Government's efforts to help other countries develop infrastructure and transparent government policies to support prosperity are expanding U.S. export opportunities abroad and supporting deeper commercial engagement in key regions of the world.

With interagency efforts that provide technical assistance, build trade capacity, and contribute to transparent business climates, the U.S. Government can support a level playing field for U.S. businesses in emerging economies. Agencies are coordinating these efforts, including ensuring intellectual property protections, tackling corruption and lack of transparency, and harmonizing regulations and standards.

USTR continues to work closely with the U.S. Department of State, USAID, MCC, USDA, and other U.S. Government agencies to support countries in their capacity to trade. Through "Aid for Trade," the United States focuses on giving countries—particularly the least trade-active countries—the training and technical assistance needed to:

- Make decisions about the benefits of trade arrangements and reforms
- Implement their obligations to bring certainty to their trade regimes
- Enhance these countries' ability to take advantage of the opportunities of the multilateral trading system and compete in a global economy. The main areas of focus are discussed next.

## Support for WTO Trade Capacity Assistance

Within the WTO, the United States provides leadership through a wide range of trade capacity-building activities and directly supports WTO's trade-related technical assistance, including through voluntary contributions to the Doha Development Agenda Global Trust Fund (DDAGTF). With an additional contribution of \$1 million in November 2015, total U.S. contributions to WTO technical assistance have amounted to more than \$16 million since 2001. In 2015, the United States urged the WTO Secretariat, in administering the funds, to devote particular attention to responding to requests for assistance from developing-country members working to implement the TFA. In 2016, the United States continued to serve on the Steering Committee that will evaluate WTO trade-related technical assistance from 2010 to 2015, including assistance funded by the DDAGTF, to assess effectiveness and efficiency, and taking into account that the WTO acknowledged the lack of consensus to continue the Doha Development Agenda at its most recent Ministerial Conference in Nairobi.

The United States is committed to providing assistance in the areas of customs and trade facilitation in light of the WTO TFA. Following conclusion of the TFA negotiations in 2013, U.S. assistance helped prepare a number of countries to understand and

implement the agreement. USAID supported more than 28 countries in conducting WTO Trade Facilitation Needs Assessments. Working with the Southern African Development Community, USAID also assisted in creating a comprehensive trade facilitation plan for the regional economic community. Assistance has been provided to a number of the National Trade Facilitation Committees that are required under the TFA, for example in Ghana, Serbia, Vietnam, Guatemala, and Honduras. Direct assistance in support of simplifying customs procedures was also provided in such places as Côte d'Ivoire, Chile, Malaysia, and Vietnam. Several governments have also received assistance with implementing Single Window customs procedures through ASEAN and throughout Southern Africa. In addition, as mentioned earlier, the United States catalyzed the creation of the Global Alliance for Trade Facilitation, a platform to leverage business and development expertise for commercially meaningful reforms in trade facilitation.

## Trade Capacity Assistance Initiatives for Africa

During his July 2013 visit to sub-Saharan Africa, President Obama announced the Trade Africa initiative. Trade Africa is a partnership between the United States and sub-Saharan African countries that seeks to increase regional trade within Africa and expand trade and economic ties between Africa and the United States. Trade Africa initially focused on the Partner States of the East African Community (EAC)—Burundi, Kenya, Rwanda, Tanzania, and Uganda. At the 2014 U.S.-Africa Leader Summit, the White House announced that Trade Africa would be expanded beyond the EAC. USTR and other agencies working under the auspices of the Steering Group on Africa Trade and Investment Capacity Building identified Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia as new Trade Africa countries in July 2015. The United States also committed to providing technical support on trade matters to the Commission of the Economic Community of West African States as part of the Trade Africa initiative. In these new partner countries, Trade Africa is working to improve compliance with WTO rules on trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade; foster an improved business climate that supports broad-based economic growth; and address capacity issues that constrain trade. In addition, MCC has committed to using some of its compacts to help with transportation and trade facilitation infrastructures in certain Compact countries in Africa.

In 2011, USAID launched the implementation of the four-year African Competitiveness and Trade Expansion Initiative, which provides funding for the African Regional Trade Hubs located in Ghana, South Africa, and Kenya. The Hubs promote increased trade between sub-Saharan African countries and the United States. Among other things, these Hubs manage activities to expedite shipping through selected trade corridors. Over the past several years, USAID assistance in improving the business environment (as measured by the World Bank's Doing Business Report) has played a lead role in supporting reforms in well over half of the top annual reformers. For example, in Mozambique, USAID provided equipment and technical assistance to streamline the construction permitting process, making it easier to obtain a license and resulting in millions of dollars saved for the private sector.

## Trade Capacity Commitments in U.S. FTAs

USTR works closely with USAID, the U.S. Department of State, and other agencies to track and guide the delivery of trade capacity-building assistance related to FTA commitments. For example, USAID and other donors, including U.S. agencies such as the U.S. Departments of Agriculture, State, Labor, and Commerce, carried out bilateral and regional projects with the CAFTA-DR partner countries in 2014. The United States is also implementing robust environmental and labor cooperation programs with our FTA partners that support implementation of the environment and labor obligations in our trade agreements.

## Standards Alliance

In November 2012, the United States launched a new U.S.-sponsored assistance facility, called the Standards Alliance, with the goal of building capacity among developing countries to implement the WTO Agreement on Technical Barriers to Trade. This program aims to reduce the costs and bureaucratic hurdles U.S. exporters face in foreign markets and increase the

competitiveness of U.S. products, particularly in developing markets. In May 2013, USAID and the American National Standards Institute (ANSI) entered into a public-private partnership to coordinate private-sector subject matter experts from ANSI member organizations in the delivery of training and other technical exchanges. Participating countries and regions include Central America (CAFTA-DR and Panama), Colombia, the EAC, Indonesia, Middle East and North Africa, Peru, Southern Africa Development Community, and Vietnam. Recent program activities include a Colombian delegation visit to Washington, D.C., to meet with U.S. regulators; an automotive standards and regulations workshop held on the margins of the Pan American Standards Commission annual meeting in Ecuador; advanced technical barriers to trade training for Mexican regulators, and the addition of Trade Africa economies Ghana, Senegal, Côte D'Ivoire, Mozambique, and Zambia to the program.

## **A Focus on Standards-Related Barriers**

The U.S. Government is proactively working to address standards-related trade issues, including by launching a partnership between ITA and ANSI to work to ensure that U.S. stakeholders are aware of new standards development activities so they can become involved to protect their global market access. More than 120 trade specialists in ITA in the United States and in embassies worldwide have developed a team and platform to share information and best practices, thus enhancing services to their clients. With the help of stakeholder feedback, ITA is working on recommendations to improve standards messaging; to ensure that ITA resources are focused on the right countries, regions, sectors and technologies; to ensure that ITA programs such as the Standards Attaché Program are meeting the needs of clients; and to ensure that standards work is managed effectively.

## **Trade Remedies Practices**

ITA conducts technical exchanges on trade remedies with counterparts in foreign administering authorities. In addition to enabling ITA to better evaluate WTO compliance and advise U.S. exporters subject to foreign trade remedy investigations, these exchanges are an opportunity to advise foreign governments on best practices when conducting investigations, particularly with respect to transparency and due process matters. The exchanges also promote familiarity with rule of law principles and improve the treatment that other countries might accord U.S. exporters. Recent examples include the Trade Remedies working group of the JCCT; bilateral exchanges with Brazil, Morocco, and Turkey; and multinational trade remedy conferences in India and Korea.

## **Agreements Compliance Case Work**

ITA also integrates trade capacity-building programs into its trade agreements compliance cases. For example, in FY 2014 ITA launched a regulatory coherence workshop in Brazil to bring industry and governments together to discuss best practices for ensuring that regulating agencies coordinate on policymaking to provide transparency to industry. This dialogue has continued, even as Brazil currently faces political and economic challenges.

# Chapter 7:

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## Priorities Going Forward

Since 2009, the Administration has taken concrete steps to help the United States' economy recover from recession through an aggressive trade agenda and export promotion strategy. As detailed in the preceding chapters, much work has been done and much work remains to help U.S. firms diversify their customer base, engage in a dynamic global marketplace, increase sales, and support prosperity here at home.

In the two decades before the global financial crisis, growth in international trade was exceptionally strong. In both the United States and countries worldwide, trade growth exceeded output growth. Factors contributing to this trend include the increased removal of restrictions and barriers to trade, rapid domestic growth in China and other emerging-market countries as well as their integration into the global economy, and the use of global supply chains, which has allowed firms and countries to specialize.

Following the global financial crisis, trade growth slowed noticeably, in large part because of lower demand in China, which has downstream effects in the global trading environment. In addition, the trend in the use of global supply chains has also matured.

Slowing growth in global trade means that the global trading environment will be more competitive. The United States expects to compete to win global markets and must continue to prepare and to support its exporters.

NEI/NEXT transformed how the U.S. Government considered programs and export strategies and learned from customers to ensure programs better met U.S. exporters' needs. Future export strategies will need to consider emerging global trends, customer feedback, and input from potential exporters to ensure programs evolve as appropriate. Using the latest available data and feedback, TPCC agencies will continue to focus on initiatives and programs that do the items below.

### Continued Export Promotion Efforts

Export promotion involves much more than outreach strategies, but awareness of U.S. Government resources to help exporters, potential exporters, and trade facilitators remains a looming challenge. Looking to the future, trade agencies will continue to expand education, build partnerships, and provide training to ensure businesses and their advisors know where to go for international trade assistance and how to take advantage of next generation export help.

### Help U.S. Businesses More Easily Connect With their Next Global Customer

Trade agencies are actively expanding and enhancing services available online (through [export.gov](http://export.gov)) and providing training, guidance, and resources for trade specialists to increase the value they deliver through in-person assistance. Good examples are

- The U.S. Commercial Service's E-commerce Innovation Lab, which is developing best practices and guidance that trade specialists across the country will have at their fingertips to help technology-enabled exporters succeed, and (2)
- The U.S. Commercial Service's Rural Team, which is developing resources and projects to help rural firms overcome geographic barriers and access export assistance.

### Connect U.S. Businesses to the Information and Other Resources They Need

Country, industry, and issue specialists are constantly analyzing market trends and opportunities to deliver information that businesses find actionable, whether for their specific niche or for entire industries. This extends to emerging industries with high export potential.

Streamline and help U.S. firms navigate the export process, while facilitating the safe, efficient, and reliable movement of freight and investing in infrastructure improvements.

Educate small businesses and lenders on export finance resources, expand access to financing, and ensure the U.S. Government is able to provide American businesses with the Export Credit Agency resources expected by customers worldwide and provided to firms in countries that compete with the United States.

## **Collaborate with U.S. Businesses to Help Them Increase Exports**

Increase collaboration with economic development officials at the local, regional, and state level to further develop supportive local environments and service networks that exporters can easily navigate.

Unlock new market access, negotiate new agreements, and secure approval of the TPP to ensure U.S. companies—particularly smaller firms—have a level playing field and clear rules of the road that reflect American values in trading-partner countries.

- The United States already has one of the world's most open economies in the world. Our average applied tariff is less than 1.5 percent, 50 percent of all U.S. imports come in duty-free, and we do not use regulations as a disguised barrier to trade. We must ensure U.S. firms have the same opportunity to compete in overseas markets as international firms have to compete in ours.
- To help establish rules for the road that would promote exports from the United States and support jobs, negotiations must continue on a bilateral investment treaty with China, TiSA, EGA, and T-TIP.

## **Eliminate Barriers and Open More Opportunities for U.S. Businesses**

Address the emergence of new barriers and restrictions on trade.

- As the global economy has changed in response to the financial crisis of 2008, so too have the types of practices employed by countries that wish to protect their domestic markets from foreign competition. For example, localization requirements and distortions caused by state-supported enterprises are on the rise.
- The United States will, as appropriate, negotiate new trade agreement disciplines to effectively deal with these emerging issues and will make maximum, creative use of the disciplines in our existing agreements to combat them.
- In addition, ITA customer surveys report that standards-related trade issues are the number one barrier facing U.S. exporters in foreign markets. A landmark ITA study in June 2016 found that 92 percent of U.S. goods exports—valued at more than \$1.3 trillion—are potentially affected by foreign technical regulations that could have a significant impact on international sales of those products.<sup>16</sup>

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<sup>16</sup> [go.usa.gov/xKtlc](http://go.usa.gov/xKtlc)

# Appendix A:

## NEI Progress Metrics, 2010–15

During the NEI beginning in January 2010, the TPCC used the following interagency NEI progress metrics to gauge the government-wide impact of federal programs, services, and initiatives. In key instances, as noted, individual agencies established new reporting channels in support of NEI priorities.

Note: in all tables below, NA = not available; M = million; B = billion.

### Strengthen Advocacy and Export Promotion

#### Broaden and Deepen SME Exporting

The NEI called on the federal government to “develop programs designed to enhance export assistance to SMEs.” Whether new to exporting or already exporting, SMEs face hurdles that limit their ability to participate in the global market (e.g., access to information and financing).

##### Number of new-to-export companies

The TPCC agencies work closely through their own business counseling networks, including public- and private-sector organizations. These counseling networks identify and assist goods and services firms with export potential. SBA began reporting on this measure in 2011.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Number of new-to-export companies	406	211	171	68	119	NA	975	DOC
	1,320	905	957	887	1,050	1,125	6,244	USDA
	NA	129	227	147	171	113	787	SBA
	1,726	1,245	1,355	1,102	1,340	NA	8,006	Total

##### Number of new markets entered by U.S. companies

ITA targets companies that have the potential to expand to multiple markets. USDA expanded its measure to include its export program partners. As a company makes a sale in a market they have not sold in before, that counts as a new market.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Number of new markets entered by U.S. companies	3,554	3,936	5,132	5,758	4,082	NA	22,462	DOC
	1,064	920	998	1,050	1,100	1,150	6,282	USDA
	4,618	4,856	6,130	6,808	5,182	NA	28,744	Total

##### Number of public-private partners and business counselors trained on exporting

The training of public-private partners represents tremendous “reach” into the SME business community. Examples include SBA’s partnership with SBDCs, EXIM Bank’s Regional Export Promotion Program, and USTDA’s Making Global Local initiative.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Public-private partners and business counselors trained on exporting	NA	[73]	[295]	[382]	[426]	[445]	445	SBA
	2,693	1,161	1,403	2,078	1,356	1,333	8,691	EXIM
	120	119	147	162	NA	153	701	DOC
	2,813	1,280	1,550	2,240	1,356	1,486	9,837	Total

## Dollar value of exports supported by counseling

SMEs can benefit tremendously from counseling to develop international business plans and market-entry strategies. In 2011, SBA began reporting on this measure, including data from SBDCs.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Value of exports supported by counseling	\$1.15B	\$2.83B	\$6.36B	\$19.56B	\$14.56B	NA	\$44.46B	DOC
(See Grand Total for Trade Promotion.)	NA	\$0.44B	\$1.59B	\$3.23B	\$3.09B	\$2.44B	\$10.79B	SBA
	\$1.15B	\$3.27B	\$7.95B	\$22.79B	\$17.65B	NA	\$55.25B	Subtotal

## Expand Business Facilitation Programs

SMEs, in particular, are looking for convenient and affordable, yet high-impact opportunities to directly meet foreign buyers. Through the NEI, these programs are now more strategically targeted (for example, to priority markets), are available to more U.S. companies, and include the participation of more TPCC agencies.

### Foreign trade missions

Trade missions give both SMEs and larger firms direct access to foreign government decision-makers and business contacts. The NEI targeted key emerging markets and enlisted more senior officials to lead missions. Since 2010, the Department of Commerce has organized 111 missions and certified 168 missions, with reported sales of more than \$2.5 billion. Since 2009, USDA has led 150 trade missions with on-the-spot and short-term sales of more than \$50 million.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Companies participating in foreign trade missions	617	586	721	534	640	510	3,608	DOC
	30	53	60	58	22	51	274	USDA
	6	0	4	0	0	7	17	USDOT/ SLSDC
	500	614	785	592	662	568	3,899	Total
Value of exports resulting from foreign trade missions	\$90M	\$1.660B	\$128M	\$198M	\$435M	NA	\$2.511B	DOC
	\$21M	\$14M	\$6M	\$47M	\$6M	\$3.5M	\$97.5M	USDA
(See Grand Total for Trade Promotion.)	\$111M	\$1.674B	\$134M	\$245M	\$441M	\$3.5M	\$2.609B	Subtotal

### Foreign buyer delegations

The cost of meeting foreign buyers abroad can be too great for many SMEs. Therefore, several agencies bring foreign buyers to the United States to meet with U.S. goods and services producers.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Foreign buyers brought to the United States	12,953	13,492	11,781	11,262	13,096	13,634	76,218	DOC
	2,734	2,437	3,284	3,375	3,525	3,650	19,005	USDA
	300	600	462	592	302	383	2,639	USTDA
	155	130	145	130	215	225	1,000	State
	16,142	16,659	15,672	15,359	17,138	17,892	98,862	Total
Value of exports resulting from foreign buyers	\$818M	\$901M	\$617M	\$178M	\$597M	NA	\$3.1B	DOC
(See Grand Total for Trade Promotion.)	\$818M	\$901M	\$617M	\$178M	\$597M	NA	\$3.1B	Subtotal

## Foreign trade shows

For export-ready companies, participating in a major foreign trade show is one of the fastest ways to increase exports.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Companies supported at foreign trade shows	3,799	2,699	3,604	3,921	3,594	3,282	20,899	DOC
	976	1,079	1,103	1,136	1,030	956	6,280	USDA
	2	4	4	1	2	6	19	USDOT/ SLSDC
	4,777	3,782	4,711	5,058	4,626	4,244	27,198	Total
Value of exports resulting from foreign trade shows	\$384M	\$10.5B	\$317M	\$470M	1.42B	NA	\$13.09B	DOC
	\$1.12B	\$1.26B	\$1.46B	\$1.48B	\$1.50B	\$1.52B	\$8.34B	USDA
(See Grand Total for Trade Promotion.)	\$1.45B	\$11.6B	\$1.68B	\$1.93B	\$2.90B	\$1.52B	\$21.1B	Subtotal

## For-fee and firm-specific services

Many companies need more customized market-entry assistance, such as market intelligence or direct introductions to foreign buyers interested in their product.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
U.S. companies using for-fee and firm-specific services	1,920	2,385	3,485	1,870	1,992	2,115	13,767	DOC
	670	1,590	1,600	575	425	225	5,085	USDA
	25	53	430	401	326	207	1,442	State
	2,615	4,028	5,515	2,846	2,743	2,547	20,294	Total
Value of exports resulting from for-fee and firm-specific services	\$2.09B	\$3.33B	\$1.29B	\$1.98B	\$510M	NA	\$9.2B	DOC
(See Grand Total for Trade Promotion)	\$2.09B	\$3.33B	\$1.29B	\$1.98B	\$510M	NA	\$9.2B	Subtotal

## Trade Promotion

Under the NEI, there has been a significant overall increase in the combined dollar value of exports supported by all the business facilitation activities listed earlier.

Measure	2010	2011	2012	2013	2014	2015	2010–15
Counseling	\$1.15B	\$3.27B	\$7.95B	\$22.79B	\$17.65B	\$2.44B (w/o DOC)	\$55.25B
Foreign trade missions	\$0.11B	\$1.67B	\$0.13B	\$0.24B	\$0.44B	\$0.004B (w/o DOC)	\$2.61B
Foreign buyer delegations	\$0.82B	\$0.90B	\$0.62B	\$0.18B	\$0.60B	NA	\$3.11B
Foreign trade shows	\$1.45B	\$11.62B	\$1.68B	\$1.93B	\$2.90B	\$1.52B (w/o DOC)	\$21.1B
For-fee and firm-specific services	\$2.09B	\$3.33B	\$1.29B	\$1.98B	0.510B	NA23	\$9.20B
Value of all trade promotion measures	\$5.62B	\$20.80B	\$11.67B	\$27.12B	\$22.10B	\$3.964B	\$91.27B

## Provide On-the-Ground Commercial Diplomacy Support

When foreign governments adopt laws, regulations, or policies that make it more difficult for U.S. businesses to export or when they are unresponsive to requests from U.S. organizations, the U.S. Government's diplomatic corps in U.S. embassies and consulates abroad provide on-the-ground commercial diplomacy support on behalf of U.S. interests.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Value of commercial diplomacy successes	\$4.2B	\$16.7B	\$7.1B	\$6.8B	\$10.7B	NA24	\$45.5B	DOC

## Increase Project Advocacy Wins

Project advocacy is a critical NEI priority given the rise of new competitors such as China and Brazil and the continued strong competition from traditional export powerhouses such as Germany, Japan, and France. As evidence of the growing competition, the Advocacy Center case portfolio has increased approximately 189 percent between FY 2010 and FY 2015, from 388 to 1,124 cases. The portfolio value has increased as well, representing a total of \$524 billion, with nearly \$292 billion in U.S. export content in FY 2010, and now standing at \$929 billion, with more than \$500 billion in U.S. export content.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Advocacy wins (total)	46	55	52	66	91	79	389	Advocacy Center
Value of advocacy wins (U.S. export content)	\$18.7B	\$56.7B	\$36.7B	\$49.1B	\$47.1B	\$31.2B	\$239.5B	Total

## Provide Greater Access to Export Financing

The NEI called on the trade finance agencies (primarily EXIM Bank, SBA, and the USDA Foreign Agricultural Service) to increase the availability of export financing to SMEs.

Overall trade financing levels								
To address the financing challenges that businesses face, the U.S. Government achieved increases.								
Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Transactions supported	3,589	3,752	3,796	3,842	3,746	2,630	21,355	EXIM
	1,473	1,509	1,409	1,400	1,103	959	7,853	USDA
	5,062	5,261	5,205	5,242	4,849	3,589	29,208	Total
Value of exports supported	\$32.5B	\$38.1B	\$35.8B	\$37.4B	\$27.5B	\$17.0B	\$188.3B	EXIM
	\$1.0B	\$1.8B	\$1.7B	\$2.9B	\$3.1B	\$3.5B	\$14.0B	SBA
	\$3.3B	\$4.2B	\$4.1B	\$3.1B	\$2.1B	\$1.8B	\$18.7B	USDA
	\$36.8B	\$44.2B	\$41.6B	\$43.4	\$32.7	\$22.3	\$221B	Total

## Small business financing

Agencies expanded the eligibility criteria for lending to small businesses, and they streamlined application and review processes for small businesses.

Measure	2010	2011	2012	2013	2014	2015	2010–15	Agency
Number of Small exporters assisted by U.S. Government finance programs	2,586	2,550	2,882	2,868	2,799	1,84225	15,527	EXIM
	1,082	1055	1,283	1,388	1,392	1,501	7,701	SBA
	3,668	3,605	4,165	4,256	4,191	3,343	23,228	Total
Value of small firm exports supported	\$10.3B	\$12.2B	\$14.7B	\$11.8B	\$11.3B	\$5.3B	\$65.6B	EXIM
	\$1.0B	\$1.8B	\$1.7B	\$2.9B	\$3.1B	\$3.5B	\$14.0B	SBA
	\$11.3B	\$14.0B	\$16.4B	\$14.7B	\$14.4B	\$8.8B	\$79.6B	Total
Number of lenders trained (individuals)	729	717	150	250	300	4626	2,192	EXIM
	3,804	3,332	4,119	4,868	5,097	4,329	25,549	SBA
	4,533	4,049	4,269	5,118	5,397	4,375	27,741	Total

## Reduce Trade Barriers and Enforce Trade Rules

As featured in Chapter 6, a key approach to expanding U.S. exports and thus supporting American jobs is through enhanced market access and the reduction of foreign government-imposed barriers to trade.

The *President's Trade Policy Agenda for 2016* ([go.usa.gov/xKtJC](http://go.usa.gov/xKtJC)) describes how the Administration will continue to use every available policy tool in the months and years ahead and continue to develop new tools to pursue the most efficient and productive pathways to expand trade and support economic growth. USTR also coordinates the Administration's active monitoring of foreign government compliance with trade agreements and pursues enforcement actions, using dispute settlement procedures and applying the full range of U.S. trade laws when necessary. Ensuring full implementation of U.S. trade agreements is one of the Administration's strategic priorities. Relevant agencies' vigorous investigation efforts, including the Departments of Agriculture, Commerce, and State, help ensure that these agreements yield the maximum benefits in terms of ensuring market access for Americans, advancing the rule of law internationally, and creating a fair, open, and predictable trading environment.

ITA's Trade Agreements Compliance Program and USDA's compliance programs track cases of compliance assistance provided to industry and individual firms.

- ITA's Trade Agreement Compliance Program leads a process of working with individual firms or business groups to identify barriers to exports (which can involve USTR, USDA, and Department of State resources as well). Once identified, teams of experts use the leverage of existing trade agreements to seek removal of the barrier in question. ITA closely tracks its progress in expanding export opportunities through this casework.
- The USDA Foreign Agricultural Service's compliance program includes technical interventions involving information exchange between U.S. and foreign regulatory agencies, technical assistance through targeted capacity-building programs, and formal or informal diplomatic interventions.

<i>Measure</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2010–15</i>	<i>Agency</i>
Number of compliance and market access cases initiated	219 (89 SME)	246 (88 SME)	227 (100 SME)	245 (80 SME)	56 (20 SME)	62 (32 SME)	995 (377 SME)	DOC
Number of compliance and market access cases success-fully resolved	82 (45 markets)	91 (45 markets)	90 (75 markets)	99 (76 markets)	36 (27 markets)	24 (24 markets)	413	DOC
Number of foreign measures reviewed and addressed with U.S. stake-holders	282 meas- ures in 50 countries	285 meas- ures in 52 countries	333 meas- ures in 45 countries	247 meas- ures in 36 countries	283 meas- ures in 32 countries	269 measures in 61 countries	1,699 measures	USDA
Value of U.S. markets preserved through resolving foreign market access measures	\$2.41B for 33 issues	\$4.1B for 41 issues	\$3.7B for 61 issues	\$3.8B for 88 issues	\$6.4B for 67 issues	\$3.6B for 80 issues	\$25.7B	USDA

## Enforcing U.S. Trade Laws

ITA's and CBP's robust enforcement of the U.S. AD/CVD laws help level the playing field for U.S. exporters by providing U.S. industries with a reliable mechanism to remedy market distortions caused by unfair trade practices that can undermine a company's global competitiveness. ITA also advocates on behalf of U.S. exporters subject to foreign trade remedy actions, working to ensure that U.S exports are not unjustly restricted in the process.<sup>17</sup>

<sup>17</sup> Metrics for these latter two enforcement practices are available and can be reported.

# Appendix B:

## Additional Resources

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### Key International Trade Service Providers

- Small Business Development Centers—900+ nationwide
- U.S. Commercial Service (CS), located throughout the United States ([export.gov/usoffices](http://export.gov/usoffices))—108 offices nationwide; in addition, 60 District Export Councils, whose members are private-sector business executives with international trade expertise appointed by the Secretary of Commerce, working within their communities to support the goals of the U.S. Commercial Service field offices
- Small Business Administration (SBA) District International Trade Officers (DITOs) and Finance Specialists ([go.usa.gov/xKtJS](http://go.usa.gov/xKtJS))—68 SBA district offices with DITOs, 21 export finance managers nationwide, who are co-located with U.S. Commercial Service field offices
- Export-Import Bank of the United States (EXIM Bank, [exim.gov](http://exim.gov))—headquartered in Washington, D.C., with 12 regional locations
- State International Trade Offices
- U.S. Department of Agriculture’s Foreign Agricultural Service and State Regional Trade Groups ([go.usa.gov/xKtJh](http://go.usa.gov/xKtJh))—4 nationwide and more than 75 commodity organizations
- Minority Business Enterprise Centers ([www.mbda.gov/businesscenters](http://www.mbda.gov/businesscenters)) and ethnic chambers of commerce
- Manufacturing Extension Partnership centers ([go.usa.gov/xKtSq](http://go.usa.gov/xKtSq))
- Local international lenders and banks, legal firms, freight forwarders and logistics firms, universities, air and water ports, and World Trade Centers

### Data Resources

- Metropolitan Export Series Database ([tse.export.gov/metro](http://tse.export.gov/metro)), managed by the U.S. Department of Commerce’s International Trade Administration (ITA); national and state-level trade databases ([tse.export.gov](http://tse.export.gov)); and Exporter Database ([go.usa.gov/xKtS3](http://go.usa.gov/xKtS3)), a joint project of the ITA and U.S. Census Bureau)
- Metro ([trade.gov/mas/ian/metroreport](http://trade.gov/mas/ian/metroreport)) and state ([trade.gov/mas/ian/statereports](http://trade.gov/mas/ian/statereports)) export factsheets
- U.S. Census Bureau’s USA Trade Online ([usatrade.census.gov](http://usatrade.census.gov))
- Jobs supported by exports reports ([trade.gov/mas/ian/employment](http://trade.gov/mas/ian/employment))—national level, state level, by destination, and by industry/product.
- Top Markets reports ([trade.gov/topmarkets](http://trade.gov/topmarkets))
- National Travel and Tourism Office website ([travel.trade.gov](http://travel.trade.gov)), which includes reports on the Forecast for International Air Travel; Survey of International Air Travelers; Top States, Cities and Regions visited; Market Profile of Overseas Visitors; and other data and reports
- [SelectUSA.gov](http://SelectUSA.gov), which includes foreign direct investment (FDI) fact sheets ([selectusa.gov/FDI-global-market](http://selectusa.gov/FDI-global-market)) by international market and U.S. states and territories as well as the SelectUSA Stats tool ([selectusa.gov/selectusa-stats](http://selectusa.gov/selectusa-stats)) to visualize and analyze key Food and Drug Administration data from a variety of sources, including Bureau of Economic Analysis data on FDI flow and position, FDI-related employment data, country-by-country analyses of FDI characteristics, and greenfield investment drawn from the Bureau of Economic Analysis’s New Investment Survey

## Programs to Know

The programs below provide regional leaders with practical guidance and ideas. In 2013, the TPCC Secretariat and SelectUSA produced the guide “14 Ways to Promote Exports and Investment in Your Region” ([bit.ly/2dDslIZ](http://bit.ly/2dDslIZ)), which will be updated to incorporate economic development organization toolkit-type information available from the federal government.

### **To Make International Sales**

- [export.gov](http://export.gov)
- SBA’s Export Business Planner ([go.usa.gov/xKtuw](http://go.usa.gov/xKtuw))
- U.S. Trade and Development Agency’s (USTDA) Trade Leads ([go.usa.gov/xKtuG](http://go.usa.gov/xKtuG))
- Trade events ([export.gov/events](http://export.gov/events))—domestic trade shows with the International Buyer Program, certified overseas trade shows, and state and federal trade missions
- U.S. Commercial Service Certified Trade Missions ([export.gov/ctm](http://export.gov/ctm))
- [Stopfakes.gov](http://Stopfakes.gov), which focuses on protecting intellectual property internationally

### **To Get Plugged In (for EDOs)**

- ITA’s trade promotion Strategic Partnership Program ([go.usa.gov/xKtu7](http://go.usa.gov/xKtu7))
- EXIM Bank’s Regional Export Promotion Program ([exim.gov/who-we-serve/repp](http://exim.gov/who-we-serve/repp))
- USTDA links U.S. businesses with foreign buyers through reverse trade missions to the United States and worldwide conferences and workshops ([ustda.gov/news](http://ustda.gov/news)). Towns and cities can plug in to this resource through the Making Global Local program ([ustda.gov/makinggloballocal](http://ustda.gov/makinggloballocal)).

### **To Receive Training and Education (for businesses and EDOs)**

- ExporTech™ ([nist.gov/exportech](http://nist.gov/exportech))—an intensive program offered by Hollings Manufacturing Extension Partnership (NIST MEP) Centers and U.S. Commercial Service field offices to help business leaders build and execute export plans
- EXIM Bank Global Access Forums
- EXIM’s Digital Toolkit ([grow.exim.gov/digital-toolkit](http://grow.exim.gov/digital-toolkit)), published in FY 2015, aggregating white papers, e-Books, videos, case studies, and other content designed to increase awareness of EXIM Bank support and applicability and featuring content developed by EXIM and TPCC partner agencies
- “Expanding Horizons” Workshops
- TPCC Interagency Trade Officer Training—Limited space available each year for state and local government and economic developers to take an overview course in trade resources across the federal government

### **To Participate in Grant and Funding Award Programs (for associations and businesses)**

- SBA’s State Trade Expansion Program ([go.usa.gov/xKtuF](http://go.usa.gov/xKtuF)) competitively awards states and territories to increase the number of small business exporters.
- The Department of Commerce’s Market Development Cooperator Program (MDCP, [trade.gov/mdcp](http://trade.gov/mdcp)) awards include financial and technical assistance to support projects that enhance the global competitiveness of U.S. industries. An MDCP award establishes a partnership between ITA and non-profit industry groups such as trade associations and chambers of commerce. See the current list of MDCP projects at [trade.gov/mdcp/projects/projects.html](http://trade.gov/mdcp/projects/projects.html).

### **To Facilitate Trade and FDI**

- Established by President Obama in 2011, SelectUSA ([selectusa.gov](http://selectusa.gov)) is the government-wide program to promote and facilitate business investment in the United States in order to create jobs, spur economic growth, and advance U.S. competitiveness. SelectUSA helps U.S. locations attract and retain job-creating investment by amplifying their reach globally.
- Foreign trade zones ([enforcement.trade.gov/ftzpage](http://enforcement.trade.gov/ftzpage)) help encourage exports and investment by eliminating U.S. duty payments on imported components of products that will be exported and by helping to increase the speed of a producer’s supply chain.

# Appendix C:

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## Trade Promotion Coordinating Committee

### Member Agencies

- U.S. Department of Commerce
- U.S. Department of State
- U.S. Department of the Treasury
- U.S. Department of Agriculture
- U.S. Department of Energy
- U.S. Department of Transportation
- U.S. Department of Defense
- U.S. Department of Labor
- U.S. Department of Interior
- U.S. Agency for International Development
- U.S. Trade and Development Agency
- U.S. Environmental Protection Agency
- U.S. Small Business Administration
- Overseas Private Investment Corporation
- Export-Import Bank of the United States
- Office of the United States Trade Representative
- Council of Economic Advisors
- Office of Management and Budget
- National Economic Council
- National Security Council

# Notes

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1. ITA discontinued this performance measure in FY 2015 but started capturing a similar data point with its annual surveys. Of ITA's annual survey respondents, 7 percent stated that they exported for the first time within the past 12 months (survey was sent in September 2015 and received 1,263 responses).
2. USDA: numbers were sourced from companies operating under the four STRGs.
3. Data are incomplete because of DOC/ITA discontinuing this performance measure in FY 2015.
4. ITA discontinued this performance measure in FY 2015 but started capturing a similar data point with their annual surveys. Of ITA's annual survey respondents, 25 percent stated that they exported to a new foreign market within the past 12 months (survey was sent in September 2015 and received 1,263 responses).
5. USDA numbers were sourced from companies operating under the four STRGs.
6. Data are incomplete because of changes in DOC/ITA performance measures.
7. SBA data on small business counselors is a cumulative number of active SBA resource partner counselors (SBDC, WBC, or SCORE) who passed SBA's competency exam for export counselors at the intermediate level. Total does not include counselors certified externally through NASBITE International (Certified Global Business Professional).
8. EXIM Bank multipliers include all non-exporting entities reached through speaking engagements that can assist in getting exporters to use EXIM Bank products (e.g., SBDCs, DECs, Manufacturing Extension Partnerships, municipalities, universities, and fellow TPCC agencies).
9. Participants in the "TPCC Interagency Trade Officer Training Program" include employees of federal TPCC agencies, as well as representatives of state and local governments. The program was not available in 2014.
10. These data were taken from ITA Global Markets' Export Successes and was discontinued in FY 2015. As a result, the self-reported dollar figure that companies listed on Export Successes is no longer available. ITA is looking to work with the U.S. Census Bureau to extrapolate its annual survey data to calculate a similar figure. On average, survey respondents reported an average increase in revenue of 20 percent.
11. Data are incomplete because of changes in DOC/ITA performance measures.
12. DOC figure is all participants, including when a company has more than one representative.
13. Data include USDA-led foreign trade missions; does not include missions led by USDA export program partners.
14. Data include buyers brought to the United States by USDA and export program partners. In 2014, USDA's industry partners recruited more than 1,000 foreign buyers as part of more than 200 reverse trade missions.
15. Participants in reverse trade missions are measured.
16. Data are based on Facilitation Incentive Fund Projects (for the International Buyer Program or regional trade shows).
17. Data are based on ITA's International Buyer Program.
18. Data are only for trade shows endorsed by USDA. Between 2009 and 2014, more than 6,000 U.S. companies and organizations, an average 67 percent of them SMEs, participated in more than 170 USDA-endorsed trade shows located in over 20 different countries. The companies made more than 85,000 business contacts and displayed over 35,000 new products. On-site sales totaled more than \$1 billion.
19. In 2011, two export successes from an aerospace company valued a total of \$10.1 billion.
20. Data do not include support provided directly to businesses by USDA export program partners. In 2013, the Foreign Agricultural Service began the transition to a new trade leads system (operational in May 2015) that limited service from 2013 to 2015.
21. The State Department changed the way it counted services and started including each delegate as a buyer (not as just one delegation), thus making its performance metric similar to the Department of Commerce's.
22. ITA discontinued this performance measure in FY 2015 but started capturing a similar data point (for fee and non-fee services) with their annual surveys. ITA's annual survey respondents reported that they were able to increase their revenues by an average of \$622,575 over the past 12 months (survey was sent in September 2015) as a result of ITA's assistance. Or,

put differently, the respondents were able to achieve an impressive 20 percent annual increase in revenue, on average, with ITA's assistance.

23. These data was taken from ITA Global Markets' Export Successes and was discontinued in FY 2015. As a result, the self-reported dollar figure that companies listed on Export Successes is no longer available. ITA is looking to work with the U.S. Census Bureau to extrapolate its Annual Survey data to calculate a similar figure. On average, survey respondents reported an average increase in revenue of 20 percent.
24. ITA stopped reporting the dollar value of commercial diplomacy successes in FY 2015. Instead, starting in FY 2016, ITA began working with third-party economists to evaluate the economic impact of its transformational commercial diplomacy efforts on the U.S. economy.
25. EXIM was prohibited from conducting business development activities during our Lapse in Authority from June 30, 2015 to December 4, 2015.
26. Fewer trainings were conducted because of the lapse in EXIM Bank authority.
27. This number reflects only compliance cases under Department of Commerce/ITA/E&C jurisdiction.
28. Starting at the end of 2013, ITA consolidation re-oriented the ITA Trade Agreements Compliance Program to focus solely on barriers caused by trade agreements non-compliance (compared to the previous years' wider focus on compliance and market access barriers).
29. Ibid.