

104TH CONGRESS
1ST SESSION

H. R. 648

To improve small business export assistance.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 1995

Mr. WYDEN introduced the following bill; which was referred to the Committee on International Relations

A BILL

To improve small business export assistance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Export
5 Enhancement Act of 1995”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

8 (1) United States exports are concentrated very
9 heavily among a very few large companies. Only 2
10 percent of United States businesses account for 85
11 percent of United States exports.

1 (2) Small businesses remain a large untapped
2 resource of potential export growth for the United
3 States economy. However, small businesses with
4 competitive products frequently face high transaction
5 costs and have inadequate information about foreign
6 markets, factors which limit their ability to export.

7 (3) There is a significant need for export assist-
8 ance services targeted to smaller exporters. Over 95
9 percent of United States exporters have annual ex-
10 port sales of less than \$5,000,000, and 72 percent
11 of United States export shipments are worth less
12 than \$20,000.

13 (4) There are over 150 Federal export pro-
14 motion programs fragmented among 19 different
15 Federal agencies. Federal export promotion activities
16 are characterized by duplication of effort, overlap,
17 inefficient dissemination of services and information,
18 turf battles, and confusion among both providers
19 and users of assistance. The Trade Promotion Co-
20 ordinating Committee concluded that “for many
21 small and medium-sized firms, getting through the
22 bureaucracy may be as great a hurdle as foreign
23 market barriers”.

24 (5) The National Performance Review con-
25 cluded that the Federal Government must reallocate

1 its resources to sectors that have clearly shown
2 growth potential while it works to make its services
3 more accessible to clients.

4 (6) State-based and private sector organizations
5 frequently have better, more timely information
6 about which companies are ready to export, and ex-
7 actly what type of help they need, than do Federal
8 providers of export assistance.

9 (7) State-based providers of export assistance,
10 including State departments of trade, local industry
11 associations, international freight forwarding compa-
12 nies, local and regional banks, chambers of com-
13 merce, and world trade centers, have good local net-
14 works to deliver services but their resources are lim-
15 ited in comparison to the Federal Government.

16 (8) Effective outreach by export assistance pro-
17 viders is key to providing useful service to small
18 businesses.

19 (9) For all companies seeking to export, trade
20 finance is a necessity, and the Federal Government
21 must find ways to help the private sector to deliver
22 trade finance in a useful and profitable way.

23 (10) Partnerships between the Federal Govern-
24 ment and State-based providers of export assistance
25 can more effectively focus export assistance on small

1 businesses. By combining the funds and inter-
2 national resources of the Federal Government with
3 the local networks of State-based providers of export
4 assistance, such partnerships can provide a sharper
5 focus on long-term export market development than
6 do traditional trade promotion activities.

7 **SEC. 3. EXPANDING FEDERAL FINANCIAL SUPPORT FOR**
8 **STATE-BASED EXPORT ENHANCEMENT AC-**
9 **TIVITIES.**

10 (a) THE MARKET DEVELOPMENT COOPERATOR PRO-
11 GRAM.—Of the funds made available in each fiscal year
12 under section 202 of the Export Administration Amend-
13 ments Act of 1985 for export promotion programs,
14 \$40,000,000 shall be made available to provide grants to
15 qualified entities for activities described in section 2303
16 of the Export Enhancement Act of 1988 (15 U.S.C.
17 4723).

18 (b) THE FOREIGN BUYER PROGRAM.—Of the funds
19 made available in each fiscal year under section 202 of
20 the Export Administration Amendments Act of 1985 for
21 export promotion programs, \$2,000,000 shall be made
22 available to provide financial support, on a shared basis,
23 to small businesses to increase the number of small busi-
24 nesses participating in activities described in section 2304

1 of the Export Enhancement Act of 1988 (15 U.S.C.
2 4724).

3 (c) TRADE MISSIONS.—

4 (1) GRANT PROGRAM.—The International
5 Trade Administration (hereafter in this Act referred
6 to as the “ITA”) shall establish a grant program to
7 provide financial support, on a shared basis, for for-
8 eign trade missions run by State governments and
9 designed primarily for participation by small and
10 medium-sized businesses.

11 (2) FUNDING.—The ITA shall make available
12 for the program established under paragraph (1) no
13 less funds than are available for foreign trade mis-
14 sions run by the Federal Government. The ITA shall
15 use funds otherwise available to it to provide finan-
16 cial support under the program.

17 (3) CONSIDERATIONS IN PROVIDING SUP-
18 PORT.—In the selection of trade missions to which
19 the ITA will provide financial support under this
20 subsection, the ITA shall consider the extent to
21 which a proposed trade mission will advance the
22 State’s economic development and export promotion
23 strategies.

1 **SEC. 4. DISCRETIONARY FUNDS WITHIN THE INTER-**
2 **NATIONAL TRADE ADMINISTRATION.**

3 In order to better fulfill its mandate to promote ex-
4 ports of goods and services of the United States, particu-
5 larly by small- and medium-sized businesses, the ITA shall
6 make it a priority to expand financial support for State-
7 based export enhancement activities, using funds other-
8 wise available to the ITA. Such financial support may in-
9 clude matching grants for new or experimental State-
10 based export enhancement programs that are not specifi-
11 cally authorized by the Congress but that have the poten-
12 tial to facilitate exporting by small businesses.

13 **SEC. 5. IMPROVING INFORMATION AND TECHNICAL ASSIST-**
14 **ANCE AVAILABLE TO HELP SMALL BUSI-**
15 **NESSES COMPLY WITH EXPORT CONTROL RE-**
16 **QUIREMENTS.**

17 Not later than one year after the date of the enact-
18 ment of this Act, the heads of Federal agencies involved
19 in administering controls or regulations concerning the ex-
20 port of goods or services from the United States shall, in
21 consultation with small businesses, State departments of
22 trade, State-based industry trade associations, inter-
23 national freight forwarding companies, and other State-
24 based providers of export assistance to small businesses,
25 jointly establish and implement a plan to—

1 (1) consolidate information regarding rules and
2 restrictions on exports and make it available in a
3 format that is easily accessible by small businesses
4 that seek to export; and

5 (2) create an outreach program to inform small
6 businesses seeking to export of relevant rules and re-
7 strictions on exports and to provide technical assist-
8 ance for complying with those rules and restrictions.

9 **SEC. 6. IMPROVING EFFICIENCY TO REALIZE SAVINGS IN**
10 **THE OPERATION OF FEDERAL EXPORT AS-**
11 **SISTANCE PROGRAMS.**

12 Not later than 180 days after the date of the enact-
13 ment of this Act, the ITA, in consultation with other Fed-
14 eral agencies that provide export assistance services (in-
15 cluding trade finance and insurance), shall submit to the
16 Congress a plan to consolidate or eliminate programs that
17 provide substantially similar export assistance services or
18 provide export assistance services to substantially similar
19 recipients. The plan shall identify savings of not less than
20 \$100,000,000 per year (as compared to current costs), to
21 be achieved primarily through improved efficiency, stream-
22 lining, and targeting of resources to sectors with high ex-
23 port potential.

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