

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5203

To improve small business export assistance.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1994

Mr. WYDEN introduced the following bill; which was referred to the Committee on Foreign Affairs

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## 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 1994”.

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 trans-  
5 actions costs and inadequate information about for-  
6 eign markets 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.—There is authorized to be appropriated  
12 \$40,000,000 to provide grants to qualified entities for ac-  
13 tivities described in section 2303 of the Export Enhance-  
14 ment Act of 1988.

15 (b) THE FOREIGN BUYER PROGRAM.—There is au-  
16 thorized to be appropriated \$2,000,000 to provide finan-  
17 cial support, on a shared basis, to small businesses to in-  
18 crease the number of small businesses participating in ac-  
19 tivities described in section 2304 of the Export Enhance-  
20 ment Act of 1988.

21 (c) TRADE MISSIONS.—

22 (1) The International Trade Administration  
23 (ITA) shall establish a grant program to provide fi-  
24 nancial support, on a shared basis, for foreign trade  
25 missions run by State governments and designed

1 primarily for participation by small and medium-  
2 sized businesses.

3 (2) ITA shall make available for this program  
4 no less money than is available for foreign trade  
5 missions run by the Federal Government.

6 (3) In the selection of trade missions to which  
7 the ITA will provide financial support, ITA shall  
8 consider the extent to which a proposed trade mis-  
9 sion will advance the State's economic development  
10 and export promotion strategies.

11 **SEC. 4. DISCRETIONARY FUNDS WITHIN THE INTER-**  
12 **NATIONAL TRADE ADMINISTRATION.**

13 In order to better fulfill its mandate to promote ex-  
14 ports of goods and services of the United States, particu-  
15 larly by small- and medium-sized businesses, the Inter-  
16 national Trade Administration shall make it a priority to  
17 expand financial support for State-based export enhance-  
18 ment activities, using discretionary funds within its budg-  
19 et. Such financial support may include matching grants  
20 for new or experimental State-based export enhancement  
21 programs that are not specifically authorized by Congress  
22 but that have the potential to facilitate exporting by small  
23 businesses.

1 **SEC. 5. IMPROVING INFORMATION AND TECHNICAL ASSIST-**  
2 **ANCE AVAILABLE TO HELP SMALL BUSI-**  
3 **NESSES COMPLY WITH EXPORT CONTROL RE-**  
4 **QUIREMENTS.**

5 Not later than one year after the date of enactment  
6 of this Act, Federal agencies involved in administering  
7 controls and regulations concerning the export of goods  
8 and services from the United States shall, in consultation  
9 with small businesses, State departments of trade, State-  
10 based industry trade associations, international freight  
11 forwarding companies, and other State-based providers of  
12 export assistance to small businesses, establish and imple-  
13 ment a plan to—

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

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

22 **SEC. 6. IMPROVING EFFICIENCY TO REALIZE SAVINGS TO**  
23 **PAY FOR IMPROVED SMALL BUSINESS EX-**  
24 **PORT ASSISTANCE.**

25 Not later than 180 days after the date of enactment  
26 of this Act, the International Trade Administration, in

1 consultation with other Federal agencies that provide ex-  
2 port assistance services (including trade finance and insur-  
3 ance), shall submit to Congress a plan to consolidate or  
4 eliminate programs that provide substantially similar ex-  
5 port assistance services or provide export assistance serv-  
6 ices to substantially similar recipients. The plan shall iden-  
7 tify savings of not less than \$100,000,000 per year, to  
8 be achieved primarily through improved efficiency, stream-  
9 lining, and targeting of resources to sectors with high ex-  
10 port potential.

