

**SMALL BUSINESS EXPORT OPPORTUNITIES:  
ACCESSING RESOURCES TO EXPAND  
INTERNATIONAL SALES**

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**FIELD HEARING**  
BEFORE THE  
**COMMITTEE ON SMALL BUSINESS  
AND ENTREPRENEURSHIP**  
OF THE  
**UNITED STATES SENATE**  
ONE HUNDRED EIGHTEENTH CONGRESS  
SECOND SESSION

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MAY 29, 2024  
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Printed for the use of the Committee on Small Business and Entrepreneurship



Available via the World Wide Web: <http://www.govinfo.gov>

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COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP  
ONE HUNDRED EIGHTEENTH CONGRESS

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**WEDNESDAY, MAY 29, 2024**

UNITED STATES SENATE,  
COMMITTEE ON SMALL BUSINESS  
AND ENTREPRENEURSHIP,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:00 a.m., at University of New Hampshire Innovation, 21 Madbury Rd. #100, Durham, NH 03824, Hon. Jeanne Shaheen, Chair of the committee, presiding.

Present: Senator Shaheen [presiding].

**OPENING STATEMENT OF SENATOR SHAHEEN**

Chair SHAHEEN. Please be seated everyone. Good morning. Before I officially open this hearing, I am going to explain a little bit about how it is going to work this morning and introduce some folks.

This is an official hearing of the Small Business and Entrepreneurship committee in Washington. I am fortunate enough to be able to chair that committee right now. Joni Ernst, who is from—Senator from Iowa is the Ranking Member on the committee.

And we are here doing a hearing on small business exporting. I want to introduce some of the folks from the committee who are here with us this morning, because we brought up the staff from both the majority and the minority, which we always have to do on an official field hearing.

So, from the majority, we have Jacob Press. If I could just ask you to stand up. Hi, Jacob. Sebastian Roa over there. From the minority, we have Sam Scoca—Sam. And Corey Cooke, who is also a UNH alum. It is really nice. She just started with the committee, so we are delighted to have her here. And Justin Witt.

And then the clerk for the committee is Kathryn Eden, who is in the back. Thank you, Kathryn. For my staff, let me also introduce my staff who are here. We have James Ahn who is my legislative director—stand up. And Will Garrity Binger, who works on small business and issues in D.C.

And Tina Kasim, who many of you know, who works on small business issues here in New Hampshire. So, again, thank you all very much for joining us. This hearing on small business and entrepreneurship will come to order officially. And I have—normally we give opening statements, which I will do, and we will enter those

for the record as well. And then I will introduce our witnesses. It is really an honor to be here at UNH.

For those of you who don't know, I live about five minutes down the road, so it is especially nice for me to be here. Really appreciate the Innovation Center for hosting us this morning, and very much appreciate the witnesses for joining us.

Today, we are going to discuss small business exporting, and in particular, how we work together to expand small business opportunities abroad. More than 95 percent of the world's consumers live outside of the United States, but less than 4 percent of small and medium sized businesses actually export.

And that number has gone up a little bit. I can remember when I first got to the Senate in 2009, only about 1 percent of small businesses were exporting. So, we have made some gains but not a lot. And we have a significant opportunity for growth and that is what this hearing is about, to give us a chance to explore how we can help America's small businesses reach consumers.

In 2021, approximately 2,500 firms exported goods and services worth over \$6 billion from New Hampshire. Of those exporters, over 85 percent were small and medium sized businesses.

Now, the numbers are good, but as I said, I think we can do better. The 85 percent represents about 2,000 small businesses, so there are many more small business owners who have never—exported and many of them could benefit greatly.

There is untapped potential for growth, which makes it critical that we address access and resources to assist small businesses in finding new markets for their products. Companies like Madco 3D in Rochester, not too far down the road, I got a chance to see first-hand the product that they are producing.

They are 3D printing houses, and they can also help address building coral reefs. I think there is a tremendous opportunity for companies like Madco 3D, and we are going to hear from companies this morning who can talk about what they have seen as the result of exporting.

I became a real fan of international trade when I was Governor and led the first trade mission overseas back in 1997. So, a long time ago. But what I saw was just the benefits that New Hampshire businesses could gain as the result of trade.

That is why when I got to the Senate, I helped to create the STEP Program in 2010 to help small businesses offset the cost of training, market research, website upgrades, and trade missions to begin or expand sales internationally.

Last week, the Small Business Committee advanced legislation to update STEP to make it easier for States to administer so that more small businesses can access and compete internationally.

And the changes that we made to the legislation were by and large the result of what we have heard from all of you who work on exporting about what we need to do to make it easier to access those funds and to make them more usable.

Here in New Hampshire, I know our STEP grantee, the Office of International Commerce, works closely with the Commercial Service to ensure that small businesses are supported throughout the process.

I am glad both of those offices are represented here today to discuss the tools that they currently have available. We have two experienced exporters who are also joining us today who can talk about the gaps that we can address better to support small businesses. Last year, New Hampshire exports reached a record of \$7.6 billion.

That is up 85 percent since 2016. And it demonstrates the focus that we have had on expanding international growth in New Hampshire. I still think there is more we can do, and that is what this hearing is all about.

I also want to point out that immediately following this hearing, we have a resource fair to showcase STEP and other organizations that can help small businesses with contracting, manufacturing, and patents.

I hope that folks who are here will take advantage of that. And I am not going to introduce everybody who is here as part of the resource fair at this point. I will do that at the end of the hearing. But just want to say it is a who's who of folks who can be helpful to small businesses in New Hampshire.

Now, with that, let me introduce our witnesses. Justin Osowski is the Director of the U.S. Commercial Service Office in Portsmouth, where he has been for the last 16 years, and we are fortunate that he has been there for that long. He is setting—his hair was a lot less gray when he started. [Laughter.]

Mr. OSLOWSKI. A lot less gray.

Chair SHAHEEN. He leads the office's work assisting businesses with locating international opportunities, conducting market research, and coordinating with U.S. staff overseas to support export opportunities.

He brings particular expertise in the safety and security, defense, aerospace, and environmental technologies industries. He has also worked at U.S. embassies in Greece and the Philippines supporting U.S. commercial efforts.

Next to Justin is Ms. Lisa Rogers. She is Vice President and Director of Operations for Vibrac Precision Test Systems in Manchester. Vibrac provides torque testing equipment to NASA, the U.S. Navy, and several leading companies in defense and consumer products. And if you don't know what torque testing is, which I did not until I visited there, it is very important, particularly in the defense and space industries.

Ms. Rogers has more than 15 years of experience in exporting at Vibrac, ranging from directly handling overseas shipping to navigating due diligence to prevent selling sensitive goods to bad actors.

So, you make sure that everybody complies with our export control regimen, which is not easy. I am grateful you are able to share your experiences with so many aspects of exporting, and to a wide array of markets.

Next, we have Mr. Drew—no, Mr. Drew Matter. He is President and CEO of Mikros Technologies, which designs and manufactures advanced liquid cooling systems for semiconductors and other high power uses in Claremont, New Hampshire.

I got to visit Mikros when you first did your groundbreaking back in 2000 as Governor, and I am pleased to say I got to go back

again a couple of years ago and see the amazing changes that have happened there and the growth. Drew began his career at NASA's Johnson Space Center, and he brings significant manufacturing and engineering expertise.

Since joining Mikros in 2017, he has helped the company expand its exports significantly, especially as the semiconductor market has grown. And finally, we have Adam Boltik, who is the International Trade Resource Manager at the New Hampshire Office of International Commerce in Concord.

He oversees efforts to assist New Hampshire businesses looking to start or expand in markets overseas and supports programs expanding access to export related training and services.

He also represents New Hampshire in promoting the State as a premier investment destination for foreign companies, and previously worked for the International Trade Administration, helping U.S. exporters with foreign government procurement opportunities.

So again, thank you all for being here. We will begin with Justin and go right down the panel.

**STATEMENT OF JUSTIN OSLOWSKI, DIRECTOR, U.S. COMMERCIAL SERVICE PORTSMOUTH, PORTSMOUTH, NEW HAMPSHIRE**

Mr. OSLOWSKI. Great. Thank you. Senator. Before I launch into my prepared comments, I just wanted to recognize your decades-long commitment to international business development and so appreciated.

Your staff is incredible and so hard working. I have worked in three different States, and we have always felt so supported here in New Hampshire. So, I just wanted to recognize your leadership and the team's leadership on such a vital issue. So, thank you. I am also honored to be here with Lisa, and Drew, and Adam.

Can't ask for better clients or friends, so thank you.

Chair SHAHEEN. Thank you very much.

Mr. OSLOWSKI. Chair Shaheen, thank you for inviting me here today to testify on U.S. Government efforts to help small businesses expand in international markets. I am pleased to have the opportunity to discuss how the U.S. Department of Commerce's International Trade Administration, ITA, and its U.S. and Foreign Commercial Service are supporting efforts to increase U.S. exports and assist in small business growth, which in turn leads to good paying jobs here in the United States.

Our country's exports are crucial for a strong economy. The data shows us that businesses that export overall create more jobs, they pay better wages to their workers, and generally earn higher revenues.

Programing by Federal agencies like those here today to assist small businesses in accessing export opportunities provides a return on investment for the American economy. As the Federal Government's primary export promotion arm, the International Trade Administration fosters economic prosperity, enhances job creation, and strengthens national security through a global network of trade specialists across the country and around the world—the U.S. foreign—and Foreign Commercial Service.

Our national and international network of approximately 1,450 trade specialists is uniquely positioned to provide extensive export focused business counseling and support to small and medium sized enterprises, SMEs, throughout the United States through a mix of free and fee based services.

We are located in over 100 U.S. based export assistance centers, or USEACs, and in 127 offices located in U.S. embassies and consulates in 80 countries. We conduct commercial diplomacy and implement programs to help companies identify and access new markets like those here today.

Last year, we assisted approximately 42,000 companies in exporting for the first time, of which 85 percent were SMEs, and near and dear to my heart, 22 percent were from rural or underserved communities. Locally, I am proud to serve as Director of the New Hampshire U.S. Export Assistance Center.

Our USEAC provides local exporters, these guys here, especially SMEs, with global market intelligence, counseling—although I have also received Lisa’s counseling—

[Laughter.]

And other programs and services to help strengthen their global competitiveness—off the topic. Our team works in close coordination with State agencies as well, like the New Hampshire Department of Business and Economic Affairs, as well as local organizations to ensure our services complement each other and not compete.

We also work closely with our interagency colleagues from the U.S. Trade and Development Agency, the Export-Import Bank of the United States, and the U.S. Small Business Administration.

An example of this collaboration is how States leverage SBA’s State Trade Expansion Program, which again we thank you for your leadership Senator, to assist SMEs, including, you know, access services of the U.S. and Foreign Commercial Service to compete globally.

To provide an example of how, the Federal Government helps and how we are equipped to provide, Geophysical Survey Systems, GSSI—you are familiar with them, Senator—in Nashua, New Hampshire has successfully utilized funding from a STEP grant and access to our services to export to new markets since 2016, and they were clients well before then.

GSSI is a leading manufacturer of ground penetrating radar used to non-invasively survey sub-surfaces, and it is testament to the technological innovation of American small businesses.

Oftentimes, SMEs like GSSI and others know they have greater market potential with their products or services but lack the resources to tap into it. The gold key services that ITA provides companies with matchmaking appointments with up to five interested potential partners in a foreign market.

So, you ask yourself, what does that look like in action? Well, GSSI wanted to expand its business in South Korea. Our local office worked with our Foreign Commercial Service colleagues based in Seoul to provide a list of possible partners to help GSSI grow its business.

Years later, that partner purchased \$1.1 million worth of products during the COVID-19 pandemic at a time when many small businesses were shuttering their operations.

GSSI continues to serve an exemplary client for our office, a place where innovative technology, coupled with a commitment to exporting and the utilization of Government services, build a revenue stream which now accounts for nearly 50 percent of their overall sales and has contributed to both job creation and job retention. So, compete with that Lisa. You are coming next. [Laughter.]

So, finally, I would like to note that our economy cannot reach its full potential unless the benefits of trade and commerce are widely felt by individuals and businesses from underserved communities, including our rural communities.

At ITA our focus on equity has enabled us to assist business owners from these communities, ensuring the benefits of export sales reach companies and workers in those communities.

ITA recognizes the unique challenges that rural companies face in beginning to export and expanding their presence globally. Our National Rural Export Center, the REC, delivers tailored training and market research services to rural businesses across the country.

And one of these services, and I am going to get cute here, Rural America's Intelligence Service for Exporters, or our RAISE program, which helps companies target the best markets and helps them reduce potential risks in export decision making.

New Hampshire has one of the highest participation rates in RAISE services in the country. Thanks to the chair—thanks to Chair Shaheen and your colleagues on Commerce's Appropriations subcommittee, ITA recently opened eight new regional RECs to reach even more rural businesses so that they may benefit from the work on the Rural Export Center, as well as the full suite of services provided by ITA.

Chair Shaheen, ITA and the U.S. and Foreign Commercial Service have more than 40 years of proven success in trade promotion and commercial diplomacy. Each day, our priority is to connect American businesses with foreign markets, which you referenced, where over 95 percent of the world's consumers live.

We are here to work hand in hand with you to help our businesses and our State grow, thrive, and compete in the global marketplace. Thank you for the opportunity to appear before you today, and I look forward to answering your questions after my colleagues.

[The prepared statement of Mr. Osowski follows.]

**Testimony of  
Justin Osowski, Director of Commercial Service – New Hampshire, International Trade  
Administration, U.S. Department of Commerce  
before the Senate Small Business and Entrepreneurship Committee’s Hearing Entitled,  
“Small Business Export Opportunities: Accessing Resources to Expand International  
Sales”**

**April 23, 2024**

Chair Shaheen, thank you for inviting me here today to testify on U.S. government efforts to help small businesses expand in international markets.

I am pleased to have the opportunity to discuss how the U.S. Department of Commerce’s International Trade Administration (ITA) and its U.S. and Foreign Commercial Service are supporting efforts to increase U.S. exports and assist in small business growth, which in turn leads to good-paying jobs here at home.

Our country’s exports are crucial for a strong economy. The data shows us that businesses that export overall create more jobs, pay better wages to their workers, and generally earn higher revenues. Programming by federal agencies like those here today to assist small businesses in accessing export opportunities provides a return on investment for the American economy.

As the federal government’s primary export-promotion arm, the International Trade Administration fosters economic prosperity, enhances job creation, and strengthens national security through a global network of trade professionals across the country and around the world – the U.S. and Foreign Commercial Service. Our national and international network of approximately 1,450 trade specialists is uniquely positioned to provide extensive export-focused business counseling and support to small and medium-sized enterprises (SMEs) throughout the United States through a mix of free and fee-based services. We are located in over 100 U.S.-based Export Assistance Centers, or USEACs, and in 127 offices located in U.S. Embassies and Consulates in 80 countries, where we conduct commercial diplomacy and implement programs to help companies identify and access new markets. Last year, we assisted approximately 42,000 companies in exporting for the first time, of which 85 percent were SMEs and 22 percent were from rural and/or underserved communities.

Locally, I am proud to serve as the Director of the New Hampshire U.S. Export Assistance Center. Our USEAC provides local exporters, especially SMEs, with global market intelligence, counseling, and other programs and services to help strengthen their global competitiveness. Our team works in close coordination with state agencies, like New Hampshire’s Department of Business and Economic Affairs (DBEA), as well as local organizations to ensure our services complement each other. We also work closely with our interagency colleagues from the U.S. Trade and Development Agency, the Export-Import Bank of the United States, and the U.S. Small Business Administration (SBA). An example of this collaboration is how States leverage SBA’s State Trade Expansion Program (STEP) to assist SMEs, including to access services of the U.S. and Foreign Commercial Service to compete globally.

To provide an example of the help the federal government is equipped to provide, Geophysical Survey Systems, Inc. (GSSI), located in Nashua, New Hampshire, has successfully utilized funding from a STEP grant and access to our services to export to new markets since 2016. GSSI is a leading manufacturer of ground penetrating radar used to non-invasively survey sub-surfaces and is a testament to the technological innovation of American small businesses. Oftentimes, SMEs, like GSSI, know that they have greater market potential with their products or services, but lack the resources to tap into it. The Gold Key Services at ITA provide companies with matchmaking appointments with up to five interested potential partners in a foreign market. What does this look like in action? GSSI wanted to expand its business in the Republic of Korea (South Korea). Our local office worked with our Foreign Commercial Service colleagues based in Seoul to provide a list of possible partners to help GSSI grow its business. Years later, the partner that GSSI chose from this list helped to grow its sales in South Korea by more than 300 percent, even purchasing \$1.1 million worth of GSSI's products during the COVID-19 pandemic at a time when many small businesses were shuttering their operations. GSSI continues to serve as an exemplary client for our office- a place where innovative technology, coupled with a commitment to exporting and utilization of government services, built a revenue stream which now accounts for nearly 50% of overall sales and has contributed to both job creation and retention.

Finally, I would note that our economy cannot reach its full potential unless the benefits of trade and commerce are widely felt by individuals and businesses from underserved communities, including rural communities. At ITA, our focus on equity has enabled us to assist business owners from underserved communities, ensuring the benefits of export sales reach companies and workers in those communities.

ITA recognizes the unique challenges that rural companies face both in beginning to export and expanding their presence globally. Our National Rural Export Center (REC) delivers tailored training and market research services to rural businesses across the country. One of these services is the Rural America's Intelligence Service for Exporters (RAISE) program, which helps companies target the best markets and helps reduce potential risks in export decision-making. New Hampshire has one of the highest participation rates in RAISE services in the country. Thanks to Chair Shaheen and her colleagues on Commerce's Appropriations Subcommittee, ITA recently opened eight new regional RECs to reach even more rural businesses so that they may benefit from the work of the REC, as well as the full suite of services provided by ITA.

Chair Shaheen, ITA and the U.S. and Foreign Commercial Service have more than 40 years of proven success in trade promotion and commercial diplomacy. Each day, our priority is to connect American businesses with foreign markets, where over 95 percent of the world's consumers live. We are here to work hand in hand with you to help businesses in your state grow, thrive, and compete in the global marketplace.

Thank you again for the opportunity to appear before you today. I look forward to answering your questions.

Chair SHAHEEN. Great. Thanks very much, Justin. Now, I said I was going to do this just like we do in Washington, but if everybody's comfortable, I am just going to use your first names.

Mr. OSLOWSKI. Oh, for sure.

Chair SHAHEEN. Since it is New Hampshire, right.

Mr. OSLOWSKI. I don't even know how to pronounce my own last name, so. [Laughter.]

Chair SHAHEEN. Good. Thank you. Lisa.

**STATEMENT OF LISA ROGERS, VICE PRESIDENT AND DIRECTOR OF OPERATIONS, VIBRAC PRECISION TEST SYSTEMS, MANCHESTER, NEW HAMPSHIRE**

Ms. ROGERS. Hi. Thank you. Good morning and thank you for the opportunity to speak today on this very important topic. My name is Lisa Rogers, and I am Vice President of Operations at Vibrac, a precision test equipment company in Manchester celebrating its 64th year this year.

We have seen a lot. Located in Manchester, our company designs and manufactures custom precision torque testing systems to an array of industries, notably aerospace, defense, consumer product, and automotive industries, among others. We count among our strong customers NASA, the U.S. Navy, Raytheon, Lockheed Martin, Honeywell, BAE, PepsiCo, Becton, Dickinson, and Procter & Gamble, among others.

I have almost 17 years now experience in exports while at Vibrac. I am a newly elected member of the Granite State District Export Council as well. Thank you, Justin. Looking at a snapshot of sales for the past year and a half at our company, our international sales have been over 45 percent.

While we have enjoyed exporting our products internationally over the past 60 plus years, the available markets in the form of distributors and the acquisition of Vibrac Europe in the UK, and now an office in Barcelona—who wants to go—has allowed us to further expand potential for new sales, as well as ability to provide after sales service to our customers.

Key drivers in our export growth recently can be attributed to research of the markets and territories we wanted to target globally, focusing on a microeconomic approach, working closely with the U.S. commercial services on opportunities and avenues for exploration, the SBA, STEP grants, the Trade Winds program through the International Trade Association, or the ITA as Justin mentioned, and even the country commerce guides found on the ITA.

Attendance at international trade shows and missions such as DSI Japan and DSI in London, the Paris Air Show, and Trade Winds event and matchmaker in Bangkok, Thailand last year have propelled us in front of new audiences and compatible technologies. These accelerators have had significant impact on our small company.

We are already at 71 percent growth from the same period last year. It is important to note here that with growth supported by exports, small businesses can increase not only their profits but opportunities for investment.

Such growth will inevitably require adding new jobs to meet that demand. Vibrac has added eight new jobs in the past year and a

half. Adding new orders to our production schedule requires us to source and vet new suppliers.

As a result, when Vibrac grows, our suppliers can grow. When our local economies grow, we stimulate further interest in how we have achieved this and share that knowledge with other small businesses seeking the same.

Knowledge of and utilization of some of the resources that I mentioned earlier provides much needed support in the forms of training, available trade missions, and possible financial assistance, especially vital information on how to perform due diligence on potential international customers, protecting intellectual property, navigating foreign trade policy and regulations, and how to make sure you get paid all aid small businesses and their ability to support export successfully.

I am continually learning of new resources that I can share internally and with our offices overseas, that we continue our growth. I want to share those with everyone here. The world needs our expertise. They need our exports. Thank you.

[The prepared statement of Ms. Rogers follows.]

**Testimony of Witness Lisa Rogers**  
**Vibrac Precision Test Systems**  
**Field Hearing for the**  
**Senate Committee on Small Business and Entrepreneurship:**  
**Small Business Opportunities: Accessing Resources to Expand International Sales**  
**April 23, 2024**

Good morning and thank you for the opportunity to speak today on this important topic. My name is Lisa Rogers and I am Vice President of Operations at Vibrac, a precision test equipment company celebrating its 64<sup>th</sup> year. Located in Manchester, our company designs and manufactures custom precision torque testing systems to an array of industries, notably aerospace, defense, consumer product, and automotive industries. We count among our strong customers NASA, the US Navy, Raytheon, Lockheed-Martin, Honeywell, BAE, PepsiCo, Becton Dickinson and Procter & Gamble, among others. I have almost 17 years of experience in exports while at Vibrac. I am a newly elected member of the Granite State District Export Council as well.

Looking at a snapshot of sales for the past year and a half, our international sales have been over 45%. While we have enjoyed exporting our products internationally over the past 60+ years, the available markets and customers have increased dramatically. New international business partners, in the form of distributors and the acquisition of Vibrac Europe in the U.K. and now an office in Barcelona, has allowed us to further expand potential for new sales as well as ability to provide after-sales service to our customers. Key drivers in our export growth recently can be attributed to research of the markets and territories we wanted to target globally (focusing on a microeconomic approach), working closely with U.S. Commercial Services on opportunities and avenues for exploration, the SBA, STEP grants, the Trade Winds program through the International Trade Association or the ITA), and even the Country Commerce Guides found on ITA. Attendance at international tradeshows and missions such as DSEI Japan and DSEI London, the Paris Air Show, and a Trade Winds event and matchmaker in Bangkok, Thailand last year have propelled us in front of new audiences and compatible technologies. These accelerators have had a significant impact on our small company. We are already at 71% growth from this same period last year.

It is important to note here that with growth supported by export, small businesses can increase not only their profits but opportunities for investment. Such growth will also

inevitably require adding new jobs to meet the demand. Vibrac has added 8 new jobs in the past year and a half. Adding new orders to our production schedule requires us to source and vet new suppliers. As a result, when Vibrac grows, our suppliers can grow. When our local economies grow, we stimulate further interest in how we have achieved this and share that knowledge with other small businesses seeking the same.

Knowledge of and utilization of some of the resources that I mentioned earlier provides much-needed support in the forms of training, available trade missions, and possible financial assistance. Especially, vital information on how to perform due diligence on potential international customers, protecting intellectual property, navigating foreign trade policy and regulations, and how to make sure you get paid, all aid small businesses in their ability to export successfully.

I am continually learning of new resources that I can share internally and with our offices overseas so that we may continue our growth. The world needs our expertise. They need our exports.

Chair SHAHEEN. Thank you, Lisa. Can I just get a clarification? When you said you had 71 percent growth from last year, was that across the board or was that just in exports?

Ms. ROGERS. That was across the board. And we are currently, as of yesterday, at 51 percent growth in exports.

Chair SHAHEEN. Wow.

Ms. ROGERS. Yes.

Chair SHAHEEN. Thanks.

Ms. ROGERS. So, it has been great.

Chair SHAHEEN. Drew, you are up next.

**STATEMENT OF DREW MATTER, PRESIDENT AND CEO,  
MIKROS TECHNOLOGIES, CLAREMONT, NEW HAMPSHIRE**

Mr. MATTER. Thank you. Chair Shaheen, members of the Small Business committee, staff, and distinguished guests, friends, colleagues. I am honored to speak with you this morning on the topic of small business export opportunities.

My name is Drew Matter, and I serve as President and CEO of Mikros Technologies in Claremont. Mikros designs and manufactures high powered liquid cooling systems that can provide lower power consumption for big computers, servers, data centers.

And the result of that can be helping companies, even communities, and our nation meet broader sustainability goals when these data centers are taking less energy to do their work.

Many of Mikros' exporting successes have come with the help and hard work of our friends at the U.S. Commercial Service, and the New Hampshire BEA, also the Manufacturing Extension Partnership, the MEP, but including assistance that we have had from the STEP grant program over several years.

I am also pleased to be a part of the Granite State District Export Council, and thankful for the ability to participate in that. We were also, as you mentioned, Senator Shaheen, we were also honored to have you visit our R&D facility two years ago with NSF Director Sethuraman Panchanathan.

And I want to thank you for your continued hard work for small businesses like Mikros across our State and across our country. So, our exporting moment. As a small business with a leading thermal technology that was developed out of a project to do cooling for the space station in the mid-80s, the challenges to meet the rapidly increasing demands of the semiconductor market are significant.

Mikros, in our daily work, will work for years with Silicon Valley system design engineers to provide a world class solution for a supercomputer. Only then, after the project is designed, to meet the supply chain counterparts who because we were a small business lay—may lay upon us exaggerated production ramp demands to make sure that we can meet them, unfavorable supplier agreements and financing terms, and immediate pricing pressure.

And we also, every time we ship, we wonder about the risk of our IP. Protecting the jobs of our bright and committed team of Granite State engineers, precision machinists, and technicians in the current AI gold rush moment is what keeps me up at night.

Our exporting experience. In 2020, when global supply chains were in COVID upheaval, Mikros was pleased to participate in a virtual trade mission to India hosted by the U.S. Commercial Serv-

ice at the kind invitation of Justin and Taylor Little. Our first international representative to Mikros ever emerged from this event.

And because of the strong national initiatives in India to advance national computing and a national incentive to electrify vehicles across the country, our business opportunities have grown significantly in the nation of India, among others.

Then, in 2022, Mikros invested in a marketing report by the RAISE team, as Justin mentioned, Rural America's Intelligence Service for Exporters. It is cuter when Justin says it. [Laughter.]

Mr. OSLOWSKI. It is.

Mr. MATTER. The RAISE report cross-referenced Mikros' export codes with top importing countries and top importing companies of those codes worldwide.

I would encourage our representatives and the U.S. commercial service teams in Washington, D.C. to continue to resource the growth of Rural Export Centers so that more businesses can increase their return on exporting investments. It was a game changer for us and an easy decision to make on that resource.

Our current exporting need. The scale of the infrastructure needed to deploy next generation computing systems worldwide in the next three to five years is orders of magnitude above their 2024 levels.

Major chip manufacturers in Silicon Valley are using the word tsunami to describe the market over the next three to five years, and these are tens of millions of chips that are expected to be doing the computing for society in the next decades. The exporting resource needed of small technology businesses like Mikros, and like Vibrac, and others are thus going to grow proportionately.

And so, I see these needs fitting the following categories. First, increasing and continued ease of access to export resources and regulations. Small businesses feel a more acute risk when shipping any international package, as our shipping manager, Joyce Elliot, can tell you. She is here with me today.

I am very thankful for her. We feel that risk acutely. And funding the development of consolidated and up to date U.S export regulations and resources will be key, as small businesses have less margin for lost revenue when unanticipated costs or delays are incurred in shipping. Secondly, intellectual property, protection resources.

Groundbreaking technologies are often developed by small businesses, as Lisa also makes clear, which must then engage international markets against competitors with much greater economic and legal leverage.

Stronger Government backing for intellectual property can help ensure that small businesses can clear critical development hurdles as they grow. And so, my crazy question is, could there be an FDIC for IP? Third, market development resources.

My recommendation is to continue to fund groups like the Rural Export Centers and others that resource small businesses like ours to grow those groups and so that they can achieve greater structural efficiencies to help companies like Mikros more quickly and easily develop relationships with international clients that lead to

long term revenue, greater stability, and greater jobs in the Granite State.

In conclusion, Mikros, and I believe all of us, sit on the precipice of a burgeoning semiconductor market in which the U.S. can continue to maintain a leadership advantage. We actually just submitted a concept paper for the CHIPS Act grant as well. And we are very thankful for your office's offer of support there.

The rise of artificial intelligence is forcing the well-known bend in the hockey stick of the computing market curve. And if that is true, we can use the Wayne Gretzky analogy in a hockey region of the country and skate to where the puck is going, both domestically and internationally.

This will require continued export policies and resources that empower small businesses, so that our local economies and workforces can rise to meet the need of an ever more technologically focused and advanced manufacturing future.

Thank you for the opportunity to share our exporting experiences and recommendations with committee this morning.

[The prepared statement of Mr. Matter follows.]

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United States Senate  
Committee on Small Business and Entrepreneurship

Field Hearing  
"Small Business Export Opportunities:  
Accessing Resources to Expand International Sales"

University of New Hampshire Innovation  
Durham, New Hampshire

Testimony of Drew M.P. Matter  
President and CEO, Mikros Technologies

April 23, 2024



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Chair Shaheen and Members of the Small Business Committee,

I am honored to have the opportunity to speak with you this morning. My name is Drew Matter; I serve as the President and CEO of Mikros Technologies, a technology-focused engineering and manufacturing company located in Claremont, New Hampshire. My previous roles at Mikros focused on the technical and strategic coordination of our product development efforts to diversify our client base and reduce our long-term business risk in the highly competitive markets we serve. This focus put me in the direct path of expanding our exporting efforts, which have increased in recent years with the rapid growth of the semiconductor market. Our strong relationships with the NH Department of Business and Economic Affairs (BEA) and US Commercial Service have been critical to our current exporting success. We remain thankful for their continued efforts to help us secure resources to support our future and grow advanced manufacturing jobs in the Claremont area.

Mikros Technologies designs and manufactures high power liquid cooling systems for semiconductors and semiconductor testing, lasers, power electronics, electric vehicles, and other high-power applications that require adept thermal management to perform effectively. Mikros was founded in 1991 from a project to design cooling systems for the Space Station with NASA-Johnson Space Center; 33 years later, we continue to produce some of the most highly effective heat transfer devices in the world. The efficiencies of our systems allow the cooling of high-power chips to be done with less energy input. This can have significant implications in a hyperscale data center or A.I. server installation where cooling can account for up to 40% of the total energy consumption. Mikros' cooling solutions can provide less power consumption for a facility, and more importantly, the municipalities in which they are built, helping companies, and the nation, meet our respective, and collective, sustainability goals.

Chair Shaheen, our company has been grateful for your support over the years. In October 2022, Mikros was honored to host you, along with NSF Director Sethuraman Panchanathan, at our R&D facility in Claremont. I learned then from our founder, Dr. Javier Valenzuela, that you were present at the groundbreaking of that very building in 2000 while governor of New Hampshire. In addition, Mikros has benefitted from your legislative efforts on behalf of small businesses. We have received assistance through STEP Grants with strong BEA support—grants which have funded our marketing efforts in the European Union as well as ITAR training to prepare our manufacturing facilities for government contract work. I am hopeful that another STEP grant will soon help us fund Lean Manufacturing training for all of our employees, which will be critical for us to meet the manufacturing demands of the emerging semiconductor market that can strain limited development resources. Lastly, we recently submitted a concept paper for a CHIPS Act proposal to help fund the scaling of Mikros products that provide critical thermal testing throughout the semiconductor manufacturing process, and your office has offered a letter of endorsement. A CHIPS Act grant for Mikros, although small in terms of total CHIPS funding, could help us double our manufacturing capacity and create a number of new advanced manufacturing jobs in an area of the state where they are needed. For all of your efforts to support small businesses in New Hampshire and nationwide, and for your support of Mikros Technologies in particular, our team would like to offer a special thank you.



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#### Our Exporting Moment

As a small business with world-class thermal technology, the challenges to meet the rapidly increasing demands of the tech sector are significant. Many of our current and prospective clients are household names in Silicon Valley, some of whose products you may have already used this morning. These companies have strong engineering talent and their thermal design teams are eager to partner with us on technical projects to achieve high-power computing goals. Mikros invests months, and sometimes years, in customized development with these engineering teams and the agility of our engineering and production staff is critical to their long-term success. When our client's technical goal is achieved and the project moves to production, the design engineer exits to take on the next new project and a procurement representative enters to minimize their supply chain risk. After being viewed as a critical enabling technology, a small business like Mikros can then be viewed a liability. This can result in exaggerated production ramp demands, unfavorable supplier agreements and financing terms, and undue pricing pressure. Mikros often does not see significant revenue from our engineering development efforts for several fiscal quarters, so scaling to production volumes becomes critical for our growth and long-term sustainability. This need can leave us in a weaker negotiating position on critical business terms.

In addition, even though the performance of our customized solution is a good negotiating tool, we then become keenly aware of the risk of intellectual property theft amidst large global supply chains. Despite our powerful product performance and dedicated partnerships, and despite re-shoring efforts of leading technology companies, if a large Mikros client decides that risk-reduction is more important than product performance, then jobs in the Upper Valley can be at stake. This business reality drives our growing need for market and client diversification, and thus the need for increased exporting to supplement our domestic sales. Being a world-leader in thermal management as a small business in New Hampshire is a privilege and we are proud to be anchored in the Granite State. But protecting the jobs of our bright and committed team of engineers, precision machinists and technicians in this "gold rush" A.I. infrastructure moment is also what keeps me up at night.

#### Our Exporting Experience

Mikros' export experience has historically been limited to shipping to a few international clients in countries with strong U.S. trade agreements. In 2020, when global supply chains were in upheaval due to COVID, our export breakthrough came from an invitation from our friends at the US Commercial Service to participate in a (Virtual) Trade Mission to India. This event provided us customized connections to firms across the country that could benefit from our advanced thermal solutions. What emerged from that event was our first dedicated international Mikros representative, a relationship that continues today. Because of the strong national initiatives to advance computing and vehicle electrification across India, our business opportunities have grown significantly. That representative has connected us with supercomputing initiatives with the Indian government as well as Indian companies building data centers and EVs nationwide. Though the developments are long-



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term and some potential clients are US-based, the independence of their international business segments provides us a stronger diversity of business and export opportunities.

Our most recent exporting resource has come again through assistance from the US Commercial Service. In 2022, Mikros invested in an international marketing report that helped us identify particular countries to target for increased exporting with lowest potential risk. The analyst team, termed "R.A.I.S.E."—Rural America's Intelligence Service for Exporters—cross-referenced Mikros' product export codes with top importers of those codes worldwide, then allowed us to filter those top importers through further metrics to select target regions and even specific contacts in target companies within those regions. The value of this report far outweighs its cost, and we were also encouraged to use STEP grant funding to help offset the cost if needed. Our experience with the R.A.I.S.E. team was very positive, and I believe other small businesses in the state should be encouraged to use this resource for an effective boost to their exporting efforts. I would also encourage our Representatives and US Commercial Service teams in Washington DC to continue to resource Rural Export Centers effectively and advocate for their continued growth and efficiency so that more businesses like Mikros Technologies across the country can benefit from their work.

Our final recent growth experience in exporting stems from our product line that delivers thermal control for semiconductors during the testing process in manufacturing. Our initial release of this product, commissioned by AMD in Austin, TX, was honored to have won the Product of the Year Award from the NH Tech Alliance in 2022. Since that initial product release, which focuses on late stage "Functional Testing," we have translated the underlying thermal control technology to other applications within the chip manufacturing process, including System Level Testing, Engineering Development Testing, and Wafer Testing. The initial success of these new prototypes has increased our exports to southeast Asia, where a vast majority of chip manufacturing is still currently done. As we produce a more complex system for another high-value manufacturing process, the exporting and business demands on Mikros now also involve a level of field support that was previously not required. Product reliability, always important when water comes close to a computer, becomes even more valuable when downtime on a chip manufacturing line can be measured in millions of dollars per minute. Thus, our exporting success in this market depends not only on access to strong client contacts worldwide, but also infrastructure building within Mikros' walls at home.

The CHIPS Act initiative, focused on advancing US national security through the advancement of semiconductor manufacturing infrastructure and ecosystems, will also have an added advantage of helping US companies increase their exports to continued trusted partners in the semiconductor supply chain around the world. Mikros' particular proposal will help us scale not only our manufacturing in New Hampshire, but also our product testing and field support teams that will help us qualify for large scale production efforts domestically and abroad. We already have the technology and the relationships with decision-makers within these leading chip manufacturers. We now seek capital to help build depth as a supplier to this critical market, for the sake of US national security and export resilience.



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#### Our Exporting Need

With the Rise of Artificial Intelligence and Electric Mobility, the largest semiconductor manufacturers in the world are using the image of a "tsunami" to describe the development, manufacturing and supply chain demands they will face over the next three to five years. To quantify that term, one major chip supplier has a roadmap to deploy 1000 1-megawatt (MW) computing systems annually, each of which can contain an average of 1000 1-kilowatt (kW) chips. That could equate to nearly 10,000,000 single-chip cooling systems annually, merely from one manufacturer's own internal initiative. Even if their estimate is only fractionally correct, the scale of the infrastructure needed to deploy next generation computing systems across all market players in the next 3-5 years is several orders of magnitude above their 2024 levels. As a small business serving this market with sought-after thermal technology, Mikros' needs for exporting resources will continue to grow proportionately with worldwide demand. The increase in our international business inquiries that we have already received in the past six months bears witness to the emerging semiconductor demand.

US leadership in the semiconductor market, and the ability for small businesses to contribute to the innovation needed for that leadership, will require federal policies and on-the-ground action to provide increasing ease of access to and use of exporting resources. We see small business exporting needs fitting the following categories:

- *Ease of Access to Export Resources and Regulations.* On a day-to-day basis, small businesses feel a more acute risk when shipping any international package of high value. Shipping terms and resources, export compliance, and ease of product delivery can more significantly affect a client relationship and a small business' bottom line. Funding the continued development of consolidated and up-to-date US export regulations and resources will be key, as small businesses have less margin for the loss of or delayed revenue when shipments are stuck in customs or unanticipated costs are incurred. The US government has made strides in this area, but more can be done to ensure that businesses have the most up to date information to maximize export success and minimize the risk of revenue loss.
- *Intellectual Property Protection Resources.* Ground-breaking technologies are often developed in a small business environment. Yet to fully enter the markets they target, these companies must compete with major players with economic and legal resource leverage, often in areas where defending intellectual property rights is difficult or prohibitively expensive. I lead a company whose products are desired around the world, and every time we ship overseas, I find myself both excited and fearful that we have equipped our larger competitors with our technological advantage. Having stronger government backing would go a long way to help ensure that companies like Mikros can thrive, not only in exporting, but in their domestic business as well. Could there potentially be an FDIC for I.P.?
- *Market Development Resources.* As I noted previously, Mikros has benefited greatly from the federal and state business and export development resources to which we have had access. Our strong relationships have made the Mikros executive leadership team thankful



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to be based in a state where our representatives and government leaders are accessible and committed to small business. My recommendation is to continue funding groups like the Rural Export Centers and others; not only to continue their current level of export assistance, but to grow and achieve their desired structural efficiencies to make the most out of the resources you allocate to them. They are a great help to companies like Mikros, and I see their increased capacities, and access to those capacities, as essential to small business growth across our state and across the nation.

#### Conclusion

In conclusion, Mikros Technologies' experience with exporting has been positive and has the potential to continue in this trajectory, despite the inherent risks for businesses like ours with international clients. We have seen the effectiveness of the legislative and on-the-ground work of your teams to this moment, and we sit on the precipice of a burgeoning semiconductor market in which the US can continue to maintain a leadership advantage. For Mikros Technologies, the future of computing infrastructure is at the well-known "bend in the hockey stick" of the market curve. Thus the proverbial Wayne Gretzky business adage is apropos—we must "skate to where the puck is going." That will require continued exporting resources to small businesses across the nation so that local economies and their workforces can rise to meet the need of a more technologically focused, advanced manufacturing future.

Thank you for your continued service to small businesses and the opportunity to share our exporting experiences and future needs with the committee.

Chair SHAHEEN. Well, thank you very much. I know we will get into some of the issues that you raise more after all the testimony, but I just wanted to comment on the IP because I want to make sure everybody knows that we have a new office of—a new patent and trademark office that is opening in New Hampshire in the near future.

And it is going to be for Northern New England. And so, some of the issues that you raise about intellectual property, I think, it will be a great opportunity to discuss with some of those folks.

I don't know, do we have anybody from the patent? Thank you. You want to introduce yourself?

Ms. DOHERTY. Yes, Senator. My name is Elizabeth Doherty. I am the Eastern Regional Outreach Director for the U.S. Patent Trademark Office.

Excited to be bringing our first ever community outreach office here to the New Hampshire and New England community. Excited to be standing that up to provide resources to inventors, innovators, entrepreneurs, small business owners.

Chair SHAHEEN. We are very excited that they are here. And that you are here today. Thank you. Adam, next.

**STATEMENT OF ADAM BOLTIK, PROGRAM MANAGER, NEW HAMPSHIRE OFFICE OF INTERNATIONAL COMMERCE, CONCORD, NEW HAMPSHIRE**

Mr. BOLTIK. Thank you, Chair Shaheen. Thank you to my fellow panelists for basically saying what I was planning on saying anyway, so it will be really easy to go through all of this. Thanks, UNH for hosting for all of the resource partners that are here, and especially to the small business representatives, both here on the panel and in the audience.

There are many that I recognize that we have talked to, that we have worked with, that have used our programs such as STEP, and I am glad that they are here. Hopefully they are all very, very happy. If not, we can talk later.

But thank you for this opportunity as well to speak on the State of New Hampshire's efforts to assist small businesses in accessing resources to expand to international markets. As you mentioned, the importance of international trade to the States economy cannot be overstated.

The Department of Business and Economic Affairs is committed to ensuring that companies have the support and assistance they need to compete in the global marketplace. You mentioned that this past year, we set a record number of exports valued at over \$7.6 billion.

It has been incredible to sort of be in the office seeing these numbers grow, and I think it really is a testament to the great demand worldwide for products, equipment, and components made in New Hampshire, by New Hampshire companies, particularly small businesses such as those that are represented here.

And while global trade can be lucrative, as we have discussed, the initial risks to getting into these markets I don't think can be ignored. Companies can be bogged down by burdensome regulations and rules, overwhelmed by the availability of potentially incompatible sales channels or opportunities, and faced with uncer-

tainty for receiving payments after a sale occurs. I think both Lisa and Drew mentioned that that was a big concern for them.

And we know that for small businesses, these are not small challenges. I think the best tool that we have is the State Trade Expansion Program administered by the U.S. Small Business Administration. I think you are very familiar with sort of how that works and how we have benefited.

But it allows us to offer support to companies new to exporting, as well as to veteran exporters who are expanding their reach. Since the program was created in 2011, New Hampshire has received more than \$2.9 million in STEP funds across, I think, 11 rounds now.

And it has been our companies that have used this funding to turn that into more than \$108 million in exports, representing a return on investment of more than \$37 per Federal dollar that was invested.

Since its inception, STEP funding has helped New Hampshire companies with hundreds of export building activities. Companies have used that funding to redesign packaging to meet changing regulations in foreign markets, obtain innovative market research from the Department of Commerce's RAISE program.

I am not going to say that because I know I will trip over what it means. And then also finding new partners and sales channels thanks to the U.S. Commercial Service. The STEP funding has also enabled the Department of Business and Economic Affairs to support educational programs and prepare training materials.

In recent funding rounds, we have worked with partners including SBA's New Hampshire District Office, the New Hampshire Small Business Development Center, and the U.S. Commercial Service to develop our export accelerator program, which we are happy to say launched this month with an initial class of eight companies.

We are ready to learn more and put together export plans thanks to our assistance. We are in the process for applying for another round of STEP funding, and I am very happy to note that the Small Business Committee recently passed legislation that would reauthorize the STEP program and make sure that it continues to be there to help us, as well as to help the small businesses that really need it.

I also appreciate the engagement from your staff, Senator Shaheen, who made sure that I was—my views were incorporated in sort of the development, making sure that the changes that were being made were going to help States and small businesses. I think at least at one point, I was on a call at 11:00 at night when I was in Poland, but they still really, really wanted to get some of those details down.

Another key BEA initiative that we were again proud to have Federal support for includes a partnership with the U.S. Department of Commerce's International Trade Administration through their Market Development Cooperative program. We received funding from them a couple of years ago to put together what we call the New Hampshire E-Global Institute.

This is a free resource for companies, those interested in exporting or otherwise, to learn about trends and opportunities in e-com-

merce, to self-assess the readiness of their digital strategies, and most importantly, link with other companies that can help them in their efforts and grow.

The ability to export products from maple syrup to India to aircraft parts to Germany helps our companies diversify their bottom line. We know exporting helps these companies create jobs, invest in infrastructure, withstand economic headwinds, and be competitive at home and abroad.

The examples and stories from Lisa and Drew demonstrate this with the number of jobs they have been able to create and the ability to pivot when global crises have made doing business hard. But the success of these companies and other New Hampshire exporters is neither accidental nor happenstance.

It comes about because of a longtime partnerships with agencies whose expertise and aligned commitment is a model for other States. BEA is proud to be a partner with Federal, State, and local agencies, and entities that share the same goals that we do, which is providing the best economic opportunities we can for everyone.

It would be hard for us to deliver what we do for New Hampshire businesses without the support of programs such as SBA STEP funding or the Department of Commerce's Market Development Cooperative Problem—Program.

I knew I was going to trip over something. But it would be impossible to do any of this without our partners. We have the capacity to bring these partners together, and I think from our recent record setting exports to the strong return on investment, to our STEP grants, it is clear that these partnerships work. Thank you, Senator.

[The prepared statement of Mr. Boltik follows.]



Adam Boltik, Program Manager  
 Department of Business and Economic Affairs  
 Office of International Commerce  
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Good morning, Chair Shaheen, and thank you for this opportunity to speak on the efforts of the State of New Hampshire to assist our state's small businesses in accessing resources to expand international sales.

For context, the importance of international trade to the New Hampshire economy cannot be overstated and the Department of Business and Economic Affairs (BEA) is committed to ensuring our companies have the support and assistance they need to compete in the global marketplace. The State's post-COVID-19 Economic Recovery and Expansion Strategy (ERES) includes focusing on opportunities available for companies expanding their reach in an international marketplace where we like to say, time and again, some 95% of the global consumers live.

The increasing value of New Hampshire exports demonstrates this commitment. Over the past three years, exports have reached, and surpassed, \$7 billion, indicating the need for products, equipment, and components made by New Hampshire companies is in great demand around the world. These record setting numbers demonstrate that the businesses of New Hampshire can identify and take advantage of opportunities abroad, but it may be more difficult for some to access international markets, establish a presence with key trade partners, and equip their businesses for success with such endeavors.

While the rewards of going global can be lucrative, the risks of taking that first step into an international market cannot be ignored. Immediately, companies can be bogged down by regulations and rules impacting their products and services, bombarded by a wide range of sales channels and opportunities that may not be the right fit, or faced with uncertainty when it comes to receiving payment after a sale occurs. For small businesses, these are not small challenges.

One of the most powerful tools BEA has in its international trade toolbox is the State Trade Expansion Program (STEP). With this funding, our office offers modest grants to companies preparing to enter global markets for the first time, and veteran exporters expanding their reach overseas. Over the past 13 years, New Hampshire has received \$2.9 million in STEP funds, which our companies have turned into more than \$108 million in exports - representing a return of \$37.66 in exports for every federal dollar invested.

Since its inception, STEP funding has helped New Hampshire companies with hundreds of export-building activities.

For example, companies have received STEP funding for a variety of uses, including redesigning packaging to meet changing regulations, getting innovative market research from the Department of Commerce's Rural America's Intelligence Service for Exporters, supporting small business participation at trade shows, ensuring payment from foreign buyers through Export-Import Bank of the United States credit insurance, and finding new partners and sales channels through the U.S. Commercial Service.

The STEP funding has also enabled BEA to support educational programs or help us prepare training materials so that businesses are ready for what they may encounter. BEA is using recent rounds of funding to work with partners, including the SBA District Office, the U.S. Commercial Service, and the New Hampshire

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Small Business Development Center (NH SBDC), for our Export Accelerator program, which begins next month.

Training programs like these target companies that are just looking beyond the domestic market for the first time or for companies that have been exporting for decades and who could use a refresher on the latest rules. Another key BEA initiative in this area includes a partnership with the U.S. Department of Commerce's International Trade Administration through the Market Development Cooperator Program (MDCP), which has enabled BEA to establish the New Hampshire eGlobal Institute. This institute is meant to serve as a free resource for New Hampshire companies to learn about the latest trends and opportunities in e-commerce, to self-assess the readiness of their digital strategies, and most importantly to link them to other New Hampshire companies that can help them in their efforts to grow their virtual sales presence to take advantage of growing business-to-business and business-to-consumer e-commerce markets.

The ability to export products, from maple syrup to India to aircraft parts to Germany, helps our companies diversify their bottom line, offsetting challenges to the economy at home and abroad. Exporting is an advantage enabling companies to grow, thrive, and prosper. Exporting helps these companies create jobs, invest in infrastructure, withstand economic headwinds, and be competitive at home and abroad. With the records we have set, we know that New Hampshire companies recognize these opportunities and are taking advantage of them. Those records are the result of hard work and dedication from companies all over the state of New Hampshire in every sector and of every size, and BEA is gratified to work with small businesses, especially to make sure they have every opportunity to expand.

The success of New Hampshire exporters over the past decade is neither accidental nor happenstance. It comes about because of longtime partnerships with agencies whose expertise and aligned commitment is a model for other states. BEA is proud to be a partner with federal, state, and local agencies and entities that share the same goals as we do: providing the best economic opportunities we can for everyone.

It would be harder for us to deliver what we do for New Hampshire businesses without the support of SBA's STEP funding and programs like the Department of Commerce's MDCP. But it would be impossible to do it without our partners. BEA has the capacity to bring partners together and from our recent record-setting export to the strong return on investment of our STEP grants, these partnerships work.

Thank you for your time and the opportunity to testify. I am happy to take any questions.

Chair SHAHEEN. Thank you all very much for your testimony and for the work that you have done, and for the feedback that you give us. I like the story about at 11:00 at night in Poland. I hadn't heard that story before.

And we know that the best ideas usually come from all of you who are out in the field, who are seeing how things work. And our job is to try and address those concerns, make changes to make things work better.

So, we are delighted to have your thoughts today. And Adam, you gave us a good segue into what I wanted to have as my first question which is, how do you help companies get started in exporting?

So, if—and I know Lisa and Drew, you have thoughts about that as well. But a company calls you. They think they have a good product or service. They want to export it. What do you tell them to do? Justin, you want to start first.

Mr. OSLOWSKI. Yes. I mean, we have an amazing team here in New Hampshire. So, the commercial service, that is not our client, honestly. I mean, we would help direct them, but Liz Gray, I don't know if she is in the room.

But Liz Gray, Adam worked very, very closely with our office, to include SBA and included our Granite State District Export Council members. We started NH export accelerator program.

And that is the sort of collaborative nature—legacy of collaboration that Dawn Wivell started decades ago when you were Governor.

Chair SHAHEEN. And Dawn is actually here too, so we are delighted that she is still involved.

Mr. OSLOWSKI. Yes. There is—I have said this before, it is a culture of collaboration that exists within the State that is actually the envy of other States.

So, for us, that new to export company, if they don't have an export plan, that could be a referral on to the SBDC, the SBA. That could be a referral on to Lisa. Hey Lisa, I know you had trouble in this market, can you touch—and then we graduate them.

They evolve. And then hopefully the idea is for them to become a client who is ready for us, who can then go international, because I think it is an educational process. You just can't jump straight in it. I mean, you can. If you have a website, guess what, you are already international.

But we would like it to be more planned. We like that export plan in place. And certainly, having something like the NH Export Accelerator program would be something that I would definitely refer them to right away, including tremendous assets online that trade.gov has.

Chair SHAHEEN. So, Adam, talk a little bit more about the accelerator program.

Mr. BOLTNIK. Sure. I think we are really excited to see this all take off. And it became a project for us to work with, again, our partners in SBDC, SBA, Commercial Service. You are going to hear these groups a lot.

Chair SHAHEEN. The alphabet soup of agencies. [Laughter.]

Mr. BOLTNIK. But you know, we wanted to help strengthen and expand the pipeline of businesses that were going from sort of

doing business today into graduating to be able to use Commercial Service project, programs and services.

You know, we were able to partner with SBDC thanks again to support from the STEP grant, using sort of their model of various academies and training programs where they bring together groups of businesses to work together towards a common goal.

So, when we suggested, hey, we would love to see something that could give businesses an export plan, they just hopped on this and really took the lead, and we could not have done this without them.

Because, you know, being able to have that export plan, being able to work with your peers to put something together really is going to help make companies a little more confident in the export journey, as well as understand what resources there are available from the State, from the Federal Government, from our partners.

And, you know, again, we are really excited that this has started up. We want to see where this is going, but hope to be continuing it a lot more, to get companies on that journey to where they can finally start going, to trade shows and hanging out with Justin.

Mr. OSLOWSKI. Yes, that is what I do.

Chair SHAHEEN. And so, for anybody who didn't notice on your way in, Liz Gray and the Small Business Development Centers are represented here so they can talk more as part of the resource fair for anybody who has questions.

Lisa or Drew, as you are thinking about, particularly maybe you, Lisa, because I think you started at Vibrac before they actually started exporting, right? Or you were involved in the early stages of that.

Ms. Rogers. Yes. They had been exporting previously. Vibrac is a very small company. We are 18, actually as of last week, 19 employees. When I said we brought on eight, that is a huge jump—stretchmarks. So, and we will just leave it there. But, you know, I jumped in. I am a former teacher. I am a former educator.

So, I came in with a keen interest in learning everything. And I didn't start as Vice President of Operations. I started as the office manager. And my husband said, I need you at this company. And so, I got my fingerprints all over everything. And one of those things was helping with shipping and receiving.

I got to know the entire company by getting involved in all aspects of it. And when our shipper had to go on a medical leave, I had to roll up my sleeves and ship, and a lot of stuff went overseas. So, the domestic stuff was easy, but when you have to—it is now called ACE and you have to get an ITN number for in order to ship, and you follow with your—goods. And what is an HS code? I sweat profusely because I didn't know what those things were.

So, it was birth by fire, and I just learned it from the ground up. Luckily with my expertise and experience in that, you don't have to sweat anymore. They have so many more opportunities, resources available for something like that.

And I am very happy to be able to help other companies sidestep some of that. One thing that I do, that we had mentioned, Senator, was being a former teacher, I look at everything, where is your outline? You know, what is your export plan? What is your outline? Let me look at that.

And the little red pen comes out because I want to see what are you thinking of looking—what are you looking at? Have you covered—do you know your market? Who are your potential customers? What does the market look like outside of our borders? And you know, what resources are you willing to dedicate to export?

The STEP program is an enormous impact, and it made a huge difference for our company. We were—we had visibility and we garnered quite a bit from work, and it was a lot of work when we were in Tokyo for the DSI.

We used the STEP grant for that, and that was fantastic. We began discussions with Pratt and Whitney. You get your feet in the door at some of these events that you wouldn't otherwise be able to even on LinkedIn premium.

But taking all of this information, do you know how to collect from international customers? Do you know how to protect yourself, your intellectual property? Vibrac, because of the nature of what we do, we have hundreds of patents that have been put out.

And some of our technology is used by the Department of Defense in protecting not only our country but helping other countries in their battles as well. You know, that being said, there are a lot of outside entities that would like to get a hold of things, so you have to be very careful who you ship to.

A very, very specific tool, that I use and have our sales staff use right now is the known entities list through the Bureau of Industry and Security, bis.gov. You just go right into their page. You can do a search by the person's name, the company's name, their address, any other information about them, and immediately find out if they pop up.

We have had some pop up, which means no go for shipping. And you know, that is a first step tool—forms that are used as part of this. The E-Global Institute, which has recently been launched, is in my opinion a powerful tool for people who want to begin exporting. It can be very overwhelming.

But again, create your outline. What are your goals? What do you want to achieve? You know, know your market. Know your customers. Know your budget, okay. Sometimes you might have to get some legal advice on certain aspects, but if you have things written out ahead of time, you won't have that birth by fire.

You get to just put the toes in slowly into the water a little bit to test it out, and then jump in. But the resources that my colleagues here have mentioned make that transition into international markets incredibly easy, compared to what I had to do.

As Justin mentioned, there are numerous aspects with the U.S. Commercial Services that provide companies opportunities for expansion and growth, and that is a great way to test the waters. So, our technologies are quite different, but you have also done, and you have worked at NASA before.

You know, you have indicated as well. But even if you are creating a unique firefighter suit, for example, with new technology, this patent technology, they can use that everywhere around the globe. And you can find your markets easily by targeting that and using those resources on there.

I mentioned earlier, on the ITA, they have a country commerce guide. You can go into these guides and look up all these different countries and find out what do you need to do to be able to export to that country. What are the regulations? What are the rules? Like we, you know, ship things to Saudi Arabia.

Sending things into the kingdom requires multiple steps of documentation that you wouldn't have otherwise shipping to the UK or to France or to Germany. Same with some of the other Middle Eastern countries as well.

Chair SHAHEEN. Drew, I am sure you could add to that as well. But can I also ask you in your, testimony, you mentioned that the Rural Export Center, so the RAISE program was a game changer. Talk about what you got from that that made that a game changer, if you would.

Mr. MATTER. Yes. So, we—I think it was very eye opening for me to look through our HS codes and do several cycles with this team of analysts.

And they said, okay, so what do you make, and honestly, there were five or six different levels of, I said, well, we make cooling systems for computers, and they would send back a report. These things? No, no, not these things. Different kind of niche. I would tell them another thing. Well, these things? No.

By the end of six, five or six cycles—they were very patient with me because I think I also got to the point where I said, you know, this is exactly what they do, and they said, that is a little too specific. Okay, let's bring it—back up a little bit.

We were able to really hone in then on where the United States is exporting or what the countries around the world that are importing those specific codes. And in the world of cooling computers, there are all kinds of ways to do it.

We give the analogy of, if you are—you know, in the world of liquid cooling, there are Honda Accords and there are Ferraris. We make a Ferrari. If you need a Honda Accord, it is a great car, and you should go buy one. But if you need a Ferrari, we make a Ferrari.

So, we were able to actually look at the kinds of countries and hone in on first a group of countries around the world, and then from there say, okay, now let me look at 20 different factors that I can rank, what is most important to Mikros. One of them was IP.

In addition to the revenue and those kinds of things, we also wanted to pick different continents. We wanted to diversify geographically and by different kinds of markets. And by the end of the time, we had picked three countries at which they then dug in.

And at the end of that, the country reports, we actually had names of companies and the potential for them to the, give us contacts at those companies to call.

Chair SHAHEEN. And so, did you use BIS, as Lisa said, to check out whether there were concerns about those companies?

Mr. MATTER. We did. And the report had some factors of ease of doing business, regulatory compliance, and ranking sort of worldwide, which we were able to understand more broadly as well. Yes, it was very helpful for us.

Chair SHAHEEN. And are you still working with the RAISE program and with that Rural Center?

Mr. MATTER. Right now, we are still going through the whole report. There is so much that we can act on in that. And I want to say for the low, low price—it was kind of a steal. If we were to enlist a marketing group that would be private, it would have been 10 times the cost. And so, it was very helpful for a small business.

It was something very—we would not have done that because of the cost with another group. But with this group, it was an easy spend and it was very clear that the focus, the tailored focus on us was a unique asset.

Chair SHAHEEN. And how long did it take to get the report? Was it—

Mr. MATTER. They spent a good couple months getting the information out of me. And then I would say another few months getting the report put together.

Chair SHAHEEN. Justin is nodding. Has that been an issue or are you feeling like that gets done expeditiously?

Mr. OSLOWSKI. Yes, we have definitely devoted more resources to the Rural Export Center. And I think our closest center is in Charleston. So, you know in hindsight, I look at it two ways—

Chair SHAHEEN. Charleston, South Carolina—West Virginia.

Mr. OSLOWSKI. West Virginia. Yes, and so my thought was, well, we are so efficient here in the Northeast, we just don't need additional resources. What can I say? Yankee ingenuity. But you know, Taylor and I serve that function.

We have introduced RAISE. Adam has done a great—you know, rose—raised the profile. And but it is—you know, it does take some time. Part of that is because of the due diligence around it. They want to make sure that the market research is being conducted appropriately and properly.

Some of that is just because of the demand as well. But, you know, this is a living document. Once a RAISE report is conducted, I think companies can certainly use that for years to come because it is a country matrix. It is a pretty fancy outline, there you go, you know, of what—and a lot of our companies are actually using it to reinforce resource allocation because they are focused on this market or that market.

But why should we really be there? So, this is a living document that provides live feedback basically because you can change the inputs, the weights of those inputs. And so, yes, it is a little slower than I think most companies would expect, but as long as the quality report that comes out, and like I said, we want to make sure we are doing it correctly.

Mr. MATTER. And we have a list of 30 countries, and we highlight the top 3, but once we are done with those, we will move on to number 4. So, there is plenty that comes with that, that you can act on for years to come.

Chair SHAHEEN. So, I was looking at the top countries that we export to and obviously our top trading partners obviously is the—number one is Canada. And I think number two is Germany and number three is Mexico.

So, makes sense as part of the trade agreement between Canada—the North American Trade Agreement, which is now [US]MCA, that that would make sense. But are there other regions of the world, other parts, other countries that you all are looking

at as potential trading partners? You mentioned India, Drew. Are there—the Indo-Pacific, I know is—

Mr. MATTER. Yes. We focused on Southeast Asia. We focused on India, and we wanted to—we actually had to decide between a country in Europe and a country in South America. So, I think, we because we had had—before I would say this efforts with our friends here over the past five years. We just had a client that found us from Japan, a client that found us from Israel, and a client that found us from Germany.

And so, and those are in a more technologically focused countries, and it was maybe statistically easy to think that that is where we would be exporting. I think this allowed us to look geographically, broadly.

And then also, where are the—when we do cooling, we can do it for computers, but we can also do it for lasers, and we can do it for electric vehicles. And so, that diversification of the market also helps bring stability for Mikros.

Chair SHAHEEN. So, did you decide on the Latin American country or the European country?

Mr. MATTER. We went with a European country.

Chair SHAHEEN. And why?

Mr. MATTER. That is a good question. I think we wanted to—we had no other than the one country in Germany—or other than Germany, we had no other countries in Europe, and we felt like there was—we were seeing more kind of business trends in especially the power electronics realm going into the European market.

And then also with data center, there is a big move in Europe to use the waste heat from data centers to heat homes, which is I think a pretty neat—that is a pretty neat thing.

Chair SHAHEEN. Yes. Combined heat and power, something that we are looking at in the U.S. as well.

Mr. MATTER. Yes. So, we are very attracted to that. I did participate actually in a commercial service seminar with doing trade with Brazil. And that was our other option. There are some major aerospace manufacturers there, and that was the other option.

Chair SHAHEEN. And Lisa, you talked about the fact that about 45 percent—I think you said 45 percent of your business now is an exports?

Ms. ROGERS. It has jumped to 51.

Chair SHAHEEN. That is right.

Ms. ROGERS. Yes, it did. But yes, it—from the 45 to 51 percent, it did jump. And that was largely in part due to the geopolitical environment for that aspect of our company. Our growth was so significant that internally we had to split into two, into a consumer products division and into the aerospace and defense division.

One of the systems that we make is a bearing inspector system, and it does low speed, high resolution testing on bearings, and very small bearings. And, as you can imagine, in many industries, particularly in aerospace and defense, there are bearings on everything.

So, you know, the unclassified version is that we manufacture the systems that calibrate the Patriot missiles and the THAAD missile program. We are also involved with the Artemis mission for

the moon, which is pretty exciting. And then on the consumer products, we test your bottle caps.

So, we have a wide pendulum swing between those, but we have seen the most significant growth in the aerospace and defense, and internationally, with that bearing inspector and the associated products that go with that.

As countries, considering the environment that you are in, you have to keep your finger on the pulse, that there is a greater need for our equipment.

Chair SHAHEEN. And Justin, you rattled off a number of statistics about trade jobs in your testimony. And one of the things that is implicit, I think, in some of those statistics is that it helps small businesses be more recession proof.

Mr. OSLOWSKI. Oh, absolutely.

Chair SHAHEEN. So, when we went through the pandemic—

Mr. OSLOWSKI. Diversification of the revenue stream, yes.

Chair SHAHEEN [continuing]. Those businesses who could export—and I can't remember if it was you or Lisa who talked about being able to continue to do business during the pandemic, and the difference that that made for so many businesses.

It really makes a huge difference and is one of the things that I think doesn't get talked about as much, but it is really critical.

Mr. MATTER. Yes. I would add one of the biggest benefits of being a small business in New Hampshire is really the size of the State. There is a strong sense of community here. We call each other by first names.

And when—you know, if—I have been on a call, a national call with the U.S. Commercial Service where you had different folks highlighted, different kinds of markets. And my first thought was on exporting, somebody exporting perishable foods is very different than somebody cooling a supercomputer, right.

And I feel like, and I have said this several times to Taylor and Justin, I don't know what I have to offer here. But the beautiful thing is, whatever you are making, that you can call a team that is an interconnected, interagency team, and they will say, you need to talk to this person. You need to talk to this person.

I think that is a real benefit of being in New Hampshire. And I think as exports grow and as the resources grow, I think we need to keep that sense of community—actually is very empowering. And actually, that sense of community gets revenue faster to companies. It is often overlooked but I think it is very valuable.

Chair SHAHEEN. Yes. No, and Adam, you and Justin both talked about that as well, but about the collaboration that goes on, which I think is one of the things that we really do well here, and we have so many other agencies represented because everybody works together and that is critical for our small businesses.

Can I—I know we are getting short—a little short on time here. My staff is getting anxious there. But talk a little bit, if you would, about outreach that you do. Because one of the reasons we are doing this hearing is to try and make small businesses more aware of the opportunities that exist out there and the resources that are available to help them.

And that is why you all are here but talk about outreach and what you do. And maybe, Adam and Justin, and from Lisa and

Drew, what you have seen that you think is helpful in terms of letting companies know what is available. So, Adam.

Mr. BOLTIK. So, we are often called sort of one of those best kept secrets, and I am sure Justin gets this as well, which is both great because there is only a few of us, but at the same time, you know, we want to be that resource.

We want to be known and want to be out there. And that is where our partnerships come into play. You know, the way that the system in New Hampshire is set up is no matter who you come in and talk to, whether it is my office at BEA, the Commercial Service, SBA, SBDC, like we automatically know who the right people are to bring together to talk about the various programs and services we have.

So, we have often been on basically joint client visits where we are on calls. We are visiting facilities together, all of us talking about the different tools that we can bring to the table to help businesses, no matter where they are in their business development or export journey. It is still always a challenge.

Obviously, there is always lots more businesses that are out there. You have mentioned sort of the universe of small businesses that do export versus don't. We would also love to see that number increase as well. But, you know, it is thanks to those partners.

We also have wonderful champions like Drew and like Lisa. Like folks that other companies who are here and some that aren't, who love to talk about their work with us, and most importantly, the success they have had.

Hearing those successful stories, I think, is the best tool that we have to talking about what we can do and how we can help. So, we are always looking for new ways to share those stories. We are a Government agency, so sometimes it is not as easy to share those stories as it is for Drew and Lisa.

But that is the great way to do it, is when people can see that this does work in a wide range of industries, a wide range of markets, they get excited, and they reach out to us. And because we can all respond together with our experiences. I think that is when we are doing the best for businesses.

Chair SHAHEEN. Okay. Does anybody want to add to that?

Mr. OSLOWSKI. Yes, I just think it is a leveraging of our resources. I mean, the partnerships here, our outreach, really. You know, what private sector companies don't want to hear is I am from the Government, you should trust me. But they want to hear from Lisa. They want to hear from Drew.

And they want to understand the experiences that they have had with us. And, you know, that is not completely fair because there is a little bit of an anti-government bias. We are obviously here very focused on our clients.

But, you know, but they are our best salespeople to go out there and to talk about what we have been able to successfully accomplish. You, being able to highlight exporting and international business as part of a field hearing.

That is our best advertisement for, you know, utilizing our services, leveraging the resources that are available, and actually putting a plan into action.

Chair SHAHEEN. And for Lisa and Drew, maybe just can you talk about what the biggest challenges are that you think as you are—

Ms. ROGERS. Currently? Getting the right people. Finding the right people to talk to. You know, now that we are established and you know we have that good, solid foundation that is under us, that can be the trickiest part.

And but once you have got your foot in the door—and I think that would speak to so many other people as well, just getting your foot in the door and making sure it stays open. And so, the resources that our small company has been exposed to because the colleagues here, has had an enormous impact.

Sometimes you don't know you are thirsty until someone puts the glass of water in front of you. And, you know, that is really—you know, really how I see it. If I had to look retrospectively, I wish that I had known these were there because I wouldn't have otherwise. You know, I wouldn't know to intuitively go look for an e-global institute.

So, I think putting something out in publications, in you know, the New Hampshire Business Review and other publications that puts these in front of people's, hey, did you know that this is available to you?

That is giving them their glass of water, in my opinion. And that that is a key, I think, first step that I wish that I had. And I think that that is paramount to getting your foot in the door and getting started. That momentum to accelerate forward.

Mr. MATTER. I would say in the technology world, on projects that take a lot of engineering investment up front, our biggest risk is investing in a project for months, years and either it not coming to fruition or finding out that the engineers, you know—the engineers wanted the Ferrari, and the supply chain people wanted the Honda.

And so, when the supply chain people say, why does this Honda cost the Ferrari price? And when you have to say your engineers designed it that way. That is tricky for us. So internationally, I think there can be a challenge in making sure that the client is for real.

So, it is—we have gotten—had enough of these meetings where we can kind of tell, are they just testing the waters of high tech American companies to kind of see what is out there? And these companies can ask us to do lots of things, which as a small business in New Hampshire, I can deploy my engineering resources and waste a lot of opportunity cost on something that is not going to come to fruition.

What has been helpful in now having a rep in India, for instance—now we have somebody on the ground who can go and test the waters for us, and we can train that person, that team to do that for us. I think that is one of—that is probably our biggest challenge right now is picking the projects that are going to—it may have the highest ROIs is one way to put it, but another way is not have a spin our wheels for no reason.

And when you are exporting, there is another element of time and energy and cost there that we have to be much more careful of.

Chair SHAHEEN. Well, I can tell you—I serve on the Foreign Relations committee. And in that capacity, I have had a chance to travel in the last two years to four countries in South—Latin America, and four countries just recently in the Indo-Pacific. And not to mention, a number of trips to Europe.

And I can tell you that every country we visited, number one on their list was trade. They said, we want to do more business with the United States. We want to do more trade. What are you going to do to help encourage that trade?

So, the interest is out there. We just have to make sure that the resources are available for companies and that people—that we can do those match ups in a way that work for both sides.

Mr. OSLOWSKI. What are their names, by the way? [Laughter.]

Chair SHAHEEN. Well, one of the countries that was very interested, South Korea. You mentioned South Korea. And Japan. And I—Japan has moved way up on the list in terms of trading partners since I was in the Governor's office.

So that is a very good sign. To see those trading partners increase in countries where we haven't historically done business is really exciting. Well does any—would anyone like to make any final comments before we close?

I know we promised folks we would get you out in time to have all the resource agencies be available. And so, thank you all very much for joining us, to all of our witnesses. Please stay in touch.

I know you will stay in touch with Justin and Adam, and hopefully you will with our office and the other folks who are represented here. The record will remain open for two weeks for additional questions and statements. And I would just point out, for any companies that are interested, we do New Hampshire Business Day on June the 12th.

In Washington, we have a number of folks who are coming from the Administration and Government to talk to small businesses in New Hampshire, and one of those people is Secretary Raimondo who is—and also Doctor Panch, who heads the National Science Foundation, who you mentioned Drew.

So, we have—we also have somebody from the Department of Defense. So, we have—we will have lots of folks who will be there to answer questions and to talk about what opportunities are available. So, if you haven't taken advantage of signing up for that, they can do that through Tina—

Ms. KASIM. Yes—we have invitations with the QR codes, so you can just scan that, and we will get you registered.

Chair SHAHEEN. And just before we close, I want to—because we have a number of resource agencies here, I just want to go through and mention who is here as part of the official record before we close the hearing, because we have, in addition to the U.S. Commercial Service and New Hampshire's Office of International Commerce, we have the Export-Import Bank here, I think, represented. If you—great, thank you.

And we have SBA's New Hampshire District Office, Amy Bassett is here. And of course, Liz Gray. We already, mentioned the Small Business Development Center. I think we have SCORE, a network of mentors. Yes, thank you. And the Center for Women and Enter-

prise. And we have staff from New Hampshire's Apex Accelerator, which we have already talked about.

And the Manufacturing Extension Partnership I think is here. Great. And last but not least, I have already introduced the U.S. Patent and Trademark Office. So, we have lots of folks here. So, it is an opportunity not just for any businesses who are here to network, but for all of you to network with each other, for those of you who may not know everybody who is here represented.

And I want to thank all of you for being here—and for the work that you do every day to support our small businesses. As somebody mentioned on the panel so eloquently, I think it was you Justin, that our small businesses, the more we can do to help them, the more job opportunities we have for people, the better the jobs, and the more opportunities for families.

So again, thank you all so much for joining us. And for all of our panelists, thank you for being here and for your testimony, and we look forward to continuing to work with you. At this point, I will officially close the hearing.

[Whereupon, at 11:09 a.m., the hearing was adjourned.]



**APPENDIX MATERIAL SUBMITTED**

**Senate Committee on Small Business and Entrepreneurship Hearing  
May 29, 2024  
Follow-Up Questions for the Record**

Questions for Mr. Osowski

Questions from:

Chair Shaheen

**You work with many kinds of businesses and help them access markets across the globe. We know that women-owned businesses are underrepresented among exporters, comprising just one-sixth of small firms that sell abroad.**

**QUESTION 1:**

**Are there unique challenges that women face when trying to make contacts in other countries, and are there specific things the government can do to help them overcome barriers to securing contracts?**

Equity is at the core of our work at ITA to ensure that the benefits of trade are broadly shared. Through our Global Diversity Export Initiative (GDEI) we are bringing new and diverse exporters into our trade ecosystem — serving all businesses, especially micro-, small-, and medium-sized enterprises (MSME), and introducing new opportunities to businesses from diverse communities, including women-owned businesses. While women-owned businesses as a whole have huge potential for growth, these same businesses often face obstacles including lack of access to information about exporting and export resources, lack of overseas business networks, differing perceptions of risk, difficulty accessing financing, and challenges identifying and vetting potential business partners.

With over 100 locations across the United States and in nearly 80 countries overseas, ITA is uniquely positioned to help women-owned businesses overcome these obstacles and increase exports to global markets. ITA has developed partnerships and programs to address challenges most common to women-owned MSMEs.

For example, our Building Bridges to Global Markets event series is designed to bring in-person expertise on trade finance solutions, access to capital and local trade resources. These events incorporate the participation of federal trade partners, such as the Small Business Administration and the Export-Import Bank of the United States, to provide information on how to leverage their collective financing resources. On June 13, ITA's U.S. Commercial Service office in Los Angeles organized 2024 Building Bridges: Women in Global Trade in partnership with New Economics for Women (NEW) Women's Business Center. The NEW Women's Business Center provides resources and tools to help ensure women entrepreneurs are on the right track for economic independence through small business ownership.

Later this year, on December 8-9, 2024, ITA will lead its first-ever GDEI trade mission to Saudi Arabia focused on expanding export opportunities for MSMEs that are founded, led, operated, or owned by women to help them to develop new overseas business networks and identify prescreened partners to begin or expand export opportunities in the Saudi Arabian market. Additionally, ITA maintains strategic partnerships with leading national chambers of commerce and diverse business associations, including the Organization of Women in International Trade, The WMarketplace, Lendistry, and The 22 Fund to expand outreach about our programs and services to more women-owned businesses across the country.

**QUESTION 2:**

**Do you have any examples you would be able to share of how a woman-owned business may face more challenges in exporting?**

Unfortunately, women-owned businesses often face challenges in exporting including the lack of an overseas business network, differing perception of risk, lack of access to financing, and challenges identifying and vetting potential business partners. In some markets, women face legal barriers when conducting business, such as the lack of protection against discrimination in access to credit and limitations on travel.<sup>1</sup> Women may also face cultural biases when exporting. A long-standing client of the New Hampshire USEAC, Geophysical Survey Systems, Inc. (GSSI) manufactures a line of ground penetrating radar for use in multiple industries and has benefited from Commercial Service counseling and services around the globe. GSSI's international sales manager and Granite State District Export Council member, Grace Preston, frequently travels abroad to help support and build the company's international sales which constitute nearly 50% of their revenue. Grace commented that, "Backing & support by the U.S. Government around the globe helps build credibility and eliminates the additional effort that women sometimes need to undertake to build international sales." Our global network in U.S. Embassies and Consulates abroad maintains relationships with key industry representatives and foreign government officials which can provide women-owned business with introductions to ease market entry.

In another example, ITA's Louisville, Kentucky, office assisted Advanced Energy Materials LLC, a minority, woman-owned company, to sell \$300,000 in products to a hydrogen desulfurization project in Saudi Arabia. In a highly regulated industry sector, the client sought guidance on U.S. export controls, Incoterms®, proper classification of their product, and U.S. Department of Transportation hazmat intermodal transport regulations. The U.S. Commercial Service teams in Louisville and Saudi Arabia assisted this woman-owned company with information on the export compliance process and provided market and industry sector intelligence to aid them with current and future sales. According to the company, this export sale helped retain 12 engineers and production personnel at their manufacturing plant in Louisville.

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<sup>1</sup> Lolita Laperle-Forget and Alev Gürbüz Cuncu. *Women, International Trade, and the Law: Breaking Barriers for Gender Equality in Export-Related Activities*. World Bank Group. <https://documents1.worldbank.org/curated/en/099719003262429360/pdf/IDU1db100dac106bf14cdd1ac4c11c1a90dfe62b.pdf>

Lastly, ITA's Cleveland, Ohio, office assisted Redex Industries, Inc., a rural woman-owned company and manufacturer of Udderly Smooth®, to sell \$250,000 in skincare products to a large Canadian retailer. Redex turned to the U.S. Commercial Service for assistance with identifying potential qualified business partners in Canada. The U.S. Commercial Service teams in Cleveland and Canada helped this woman-owned company identify a qualified business partner through our business matchmaking service.

**Senate Committee on Small Business and Entrepreneurship Hearing**  
**May 29, 2024**  
**Follow-Up Questions for the Record**

Questions for Ms. Rogers

Questions from:

Chair Shaheen

Exporting can be challenging for small businesses, which often lack resources to make contacts in foreign markets. These challenges may be even harder to overcome for businesses owned by women, who often confront skepticism or discrimination, especially in places where companies run by women are scarce.

**QUESTION 1**

Having worked in exporting for more than 15 years, could you tell us how operating as a woman in exporting has affected your ability to compete abroad?

I have experienced some difficulty working with some international customers because I am a woman. While the world economy has significantly grown and with it the presence of woman-owned and/or operated companies, there still very much exists cultural nuances and barriers in some countries. Business negotiations and dealings have traditionally been conducted by men while women usually handle more administrative dealings. I found that I had to do my homework on the country that we were exporting to and learn the local protocols and preferences on top of the importing requirements of that country. Many business deals in some countries are conducted based on trust after sometimes many months of communication. I had to earn that trust by presenting myself through my knowledge and negotiating skills as a key decision maker at our company.

**QUESTION 2**

Could you provide an example where you found it hard to make inroads for your company because you were a woman?

The first time that I worked on an international order to the Middle East (in Saudi Arabia) and entered the completion stages to export, I had to communicate with the end user. Prepayment still had not been made and we do not ship without it. I received an email in reply kindly requesting that I provide the name of my superior so that he could communicate with HIM. Even though I replied that I was the one who would be handling the process, he nonetheless called me at the office and told me that I did not know how to conduct the transaction. He told me that I, as a woman, should not worry about such things and that we must trust each other. He told me that it was how things were done. After refusing to pass the job on to a man, he relented as the company desperately needed our equipment.

