

114TH CONGRESS
1ST SESSION

H. R. 2543

To establish a State Trade and Export Promotion Grant Program.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2015

Mr. LARSEN of Washington (for himself and Mr. REICHERT) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To establish a State Trade and Export Promotion Grant Program.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Trade and Ex-
5 port Promotion Utilization Program for American Small
6 Businesses Act” or the “STEP UP for American Small
7 Businesses Act”.

8 **SEC. 2. STATE TRADE AND EXPORT PROMOTION.**

9 Section 22 of the Small Business Act (15 U.S.C. 652)
10 is amended—

1 (1) by redesignating subsection (l) as subsection
2 (m); and

3 (2) by inserting after subsection (k) the fol-
4 lowing:

5 “(l) STATE TRADE AND EXPORT PROMOTION GRANT
6 PROGRAM.—

7 “(1) DEFINITIONS.—In this subsection—

8 “(A) the term ‘eligible small business con-
9 cern’ means a business concern that—

10 “(i) is organized or incorporated;

11 “(ii) is operating in the United States;

12 “(iii) meets—

13 “(I) the applicable industry-based
14 small business size standard estab-
15 lished under section 3; or

16 “(II) the alternate size standard
17 applicable to the program under sec-
18 tion 7(a) of this Act and the loan pro-
19 grams under title V of the Small
20 Business Investment Act of 1958 (15
21 U.S.C. 695 et seq.);

22 “(iv) has been in business for not less
23 than 1 year, as of the date on which assist-
24 ance using a grant under this subsection
25 commences;

1 “(v) is export ready, as determined by
2 the Associate Administrator; and

3 “(vi) has access to sufficient resources
4 to bear the costs associated with exporting
5 and doing business with foreign pur-
6 chasers, including the costs of packing,
7 shipping, freight forwarding, and customs
8 brokers;

9 “(B) the term ‘program’ means the State
10 Trade and Export Promotion Grant Program
11 established under paragraph (2);

12 “(C) the term ‘rural small business con-
13 cern’ means an eligible small business concern
14 located in a rural area, as that term is defined
15 in section 1393(a)(2) of the Internal Revenue
16 Code of 1986;

17 “(D) the term ‘socially and economically
18 disadvantaged small business concern’ has the
19 meaning given that term in section 8(a)(4)(A)
20 of the Small Business Act (15 U.S.C.
21 637(a)(4)(A)); and

22 “(E) the term ‘State’ means each of the
23 several States, the District of Columbia, the
24 Commonwealth of Puerto Rico, the Virgin Is-

1 lands, Guam, the Commonwealth of the North-
2 ern Mariana Islands, and American Samoa.

3 “(2) ESTABLISHMENT OF PROGRAM.—The As-
4 sociate Administrator shall establish a trade and ex-
5 port promotion grant program, to be known as the
6 ‘State Trade and Export Promotion Grant Pro-
7 gram’, to make grants to States to carry out export
8 programs that assist eligible small business concerns
9 in—

10 “(A) participation in a foreign trade mis-
11 sion;

12 “(B) a foreign market sales trip;

13 “(C) a subscription to services provided by
14 the Department of Commerce;

15 “(D) the payment of website translation
16 fees;

17 “(E) the design of international marketing
18 media;

19 “(F) a trade show exhibition;

20 “(G) participation in training workshops;

21 “(H) a reverse trade mission;

22 “(I) procurement of foreign consultancy
23 services (after consultation with the Depart-
24 ment of Commerce to avoid duplication); or

1 “(J) any other export initiative determined
2 appropriate by the Associate Administrator.

3 “(3) GRANTS.—

4 “(A) JOINT REVIEW.—In carrying out the
5 program, the Associate Administrator may
6 make a grant to a State to increase the number
7 of eligible small business concerns in the State
8 that export and to increase the value of the ex-
9 ports by eligible small business concerns in the
10 State.

11 “(B) CONSIDERATIONS.—In making
12 grants under this subsection, the Associate Ad-
13 ministrator may give priority to an application
14 by a State that proposes an export program
15 that—

16 “(i) focuses on eligible small business
17 concerns as part of an export promotion
18 program;

19 “(ii) demonstrates intent to promote
20 exports by—

21 “(I) socially and economically
22 disadvantaged small business con-
23 cerns;

24 “(II) small business concerns
25 owned or controlled by women; and

1 “(III) rural small business con-
2 cerns;

3 “(iii) promotes exports from a State
4 that is not 1 of the 10 States with the
5 highest percentage of exporters that are el-
6 igible small business concerns, based upon
7 the most recent data available from the
8 Department of Commerce; and

9 “(iv) includes—

10 “(I) activities which have re-
11 sulted in the highest return on invest-
12 ment based on the most recent year;
13 and

14 “(II) the adoption of shared best
15 practices included in the annual re-
16 port of the Administration.

17 “(C) LIMITATIONS.—

18 “(i) SINGLE APPLICATION.—A State
19 may not submit more than 1 application
20 for a grant under the program in any 1
21 fiscal year.

22 “(ii) PROPORTION OF AMOUNTS.—The
23 total value of grants made under the pro-
24 gram during a fiscal year to the 10 States
25 with the highest percentage of exporters

1 that are eligible small business concerns,
2 based upon the most recent data available
3 from the Department of Commerce, shall
4 be not more than 40 percent of the
5 amounts appropriated for the program for
6 that fiscal year.

7 “(iii) DURATION.—The Associate Ad-
8 ministrator shall award a grant under this
9 program for a period of not more than 2
10 years.

11 “(D) APPLICATION.—

12 “(i) IN GENERAL.—A State desiring a
13 grant under the program shall submit an
14 application at such time, in such manner,
15 and accompanied by such information as
16 the Associate Administrator may establish.

17 “(ii) CONSULTATION TO REDUCE DU-
18 PPLICATION.—A State desiring a grant
19 under the program shall—

20 “(I) before submitting an appli-
21 cation under clause (i), consult with
22 applicable trade agencies of the Fed-
23 eral Government on the scope and
24 mission of the activities the State pro-
25 poses to carry out using the grant, to

1 ensure proper coordination and reduce
2 duplication in services; and

3 “(II) document the consultation
4 conducted under subclause (I) in the
5 application submitted under clause (i).

6 “(4) COMPETITIVE BASIS.—The Associate Ad-
7 ministrator shall award grants under the program
8 on a competitive basis.

9 “(5) FEDERAL SHARE.—The Federal share of
10 the cost of an export program carried out using a
11 grant under the program shall be—

12 “(A) for a State that has a high export
13 volume, as determined by the Associate Admin-
14 istrator, not more than 65 percent; and

15 “(B) for a State that does not have a high
16 export volume, as determined by the Associate
17 Administrator, not more than 75 percent.

18 “(6) NON-FEDERAL SHARE.—The non-Federal
19 share of the cost of an export program carried out
20 using a grant under the program shall be comprised
21 of not less than 50 percent cash and not more than
22 50 percent of indirect costs and in-kind contribu-
23 tions, except that no such costs or contributions may
24 be derived from funds from any other Federal pro-
25 gram.

1 “(7) REPORTS.—

2 “(A) INITIAL REPORT.—Not later than
3 120 days after the date of enactment of this
4 Act, the Associate Administrator shall submit
5 to the Committee on Small Business and Entre-
6 preneurship of the Senate and the Committee
7 on Small Business of the House of Representa-
8 tives a report, which shall include—

9 “(i) a description of the structure of
10 and procedures for the program;

11 “(ii) a management plan for the pro-
12 gram; and

13 “(iii) a description of the merit-based
14 review process to be used in the program.

15 “(B) ANNUAL REPORTS.—

16 “(i) IN GENERAL.—The Associate Ad-
17 ministrator shall publish on the website of
18 the Administration an annual report re-
19 garding the program, which shall include—

20 “(I) the number and amount of
21 grants made under the program dur-
22 ing the preceding year;

23 “(II) a list of the States receiving
24 a grant under the program during the

1 preceding year, including the activities
2 being performed with each grant;

3 “(III) the effect of each grant on
4 exports by eligible small business con-
5 cerns in the State receiving the grant;

6 “(IV) the total return on invest-
7 ment for each State; and

8 “(V) a description of best prac-
9 tices by States that showed high re-
10 turns on investment and significant
11 progress in helping more eligible small
12 business concerns to export.

13 “(ii) NOTICE TO CONGRESS.—On the
14 date on which the Associate Administrator
15 publishes a report under clause (i), the As-
16 sociate Administrator shall notify the Com-
17 mittee on Small Business and Entrepre-
18 neurship of the Senate and the Committee
19 on Small Business of the House of Rep-
20 resentatives that the report has been pub-
21 lished.

22 “(8) REVIEWS BY INSPECTOR GENERAL.—

23 “(A) IN GENERAL.—The Inspector General
24 of the Administration shall conduct a review
25 of—

1 “(i) the extent to which recipients of
2 grants under the program are measuring
3 the performance of the activities being con-
4 ducted and the results of the measure-
5 ments; and

6 “(ii) the overall management and ef-
7 fectiveness of the program.

8 “(B) REPORTS.—

9 “(i) PILOT PROGRAM.—Not later than
10 6 months after the date of enactment of
11 the STEP UP for American Small Busi-
12 nesses Act, the Inspector General of the
13 Administration shall submit to the Com-
14 mittee on Small Business and Entrepre-
15 neurship of the Senate and the Committee
16 on Small Business of the House of Rep-
17 resentatives a report regarding the use of
18 amounts made available under the State
19 Trade and Export Promotion Grant Pro-
20 gram under section 1207 of the Small
21 Business Jobs Act of 2010 (15 U.S.C.
22 649b note).

23 “(ii) NEW STEP PROGRAM.—Not later
24 than 18 months after the date on which
25 the first grant is awarded under this sub-

1 section, the Inspector General of the Ad-
2 ministration shall submit to the Committee
3 on Small Business and Entrepreneurship
4 of the Senate and the Committee on Small
5 Business of the House of Representatives a
6 report regarding the review conducted
7 under subparagraph (A).

8 “(9) AUTHORIZATION OF APPROPRIATIONS.—

9 For the purpose of carrying out this subsection,
10 there are authorized to be appropriated such sums
11 as may be necessary for each of the fiscal years
12 2016 through 2020.”.

○