

THE EXPORT PROMOTION REFORM ACT

Introduced by Congressman Howard L. Berman

Overview:

With 95 percent of the world's consumers living overseas, expanding US exports in world markets is one of the best ways for American businesses to grow and create jobs. According to the U.S. Department of Commerce, for every \$1 billion in U.S. exports, 6,000 manufacturing jobs are supported here at home. The Export Promotion Reform Act is designed to increase the export of American made goods and services, and in turn create new jobs here at home at no additional cost to taxpayers.

Why Export Promotion Reform Is Necessary:

All major trading nations conduct export promotion activities on behalf of their nations' exporters. In the United States, seven different government agencies are tasked with supporting American companies through every step of the export process. An interagency task force known as the Trade Promotion Coordinating Committee (TPCC) is supposed to coordinate those various programs and develop a government-wide export promotion plan, but the Government Accountability Office (GAO) has identified a number of flaws and weaknesses in these efforts that limit their effectiveness.

According to the World Trade Organization, the U.S. share of global merchandise exports has dropped from 9.8% in 2003 to 8.7% in 2009. Over the same period, the U.S. has dropped from first place to third place, behind China and Germany, in the dollar value of national exports. Strengthening our export promotion efforts, as proposed in this legislation, can help reverse the U.S. decline in this critical area.

This Reform Would:

The Export Promotion Reform Act strengthens current U.S. export promotion programs by addressing the problems identified by GAO, and does so without spending any additional taxpayer dollars. Specifically, the bill would improve the effectiveness of current export promotion efforts by:

Better Understanding the Needs of U.S. Exporters

- Authorizes the Commerce Secretary to seek the recommendations of U.S. exporters, particularly small- and medium-sized firms and representatives for American workers

Improving U.S. Understanding of Global Demands

- Instructs the Commerce Secretary to assess global markets to identify opportunities for increased U.S. exports and re-assign U.S. Commercial Service personnel to carry out this assessment
- Directs the Secretary of State to order ambassadors to develop country-by-country commercial diplomacy plans aimed at increasing U.S. exports

Enhancing Coordination Between Government Agencies

- Provides the TPCC greater authority to assess current export promotion programs and direct improvements, review and approve annual export promotion budget submissions, and direct the implementation of export promotion activities by other agencies
- Orders country plans to be drafted in consultation with the Director General of the Commercial Service and through the TPCC with the heads of other agencies with export promotion programs

Instituting Outcome Reviews

- Requires annual performance assessments of the efforts taken by ambassadors and deputy chiefs of mission to carry out the commercial diplomacy plan
- Requires the State Department Inspector General to include an assessment of commercial diplomacy effectiveness in the period audits of U.S. missions.