



**Opening Statement
Chairman Sam Graves
Committee on Small Business
“Bureaucratic Obstacles for Small Exporters: Is Our National Export Strategy
Working?”**

July 27, 2011

Good morning. I call this hearing to order.

I want to thank our witnesses on both panels for being here today. Today we will hear testimony on the National Export Strategy and the Administration’s efforts to increase coordination among federal agencies, reduce domestic obstacles to trade, and expand exports from small businesses. We will also hear directly from small firms on the barriers that limit their ability to export.

On March 2010, President Obama announced his National Export Initiative, aimed at doubling exports by the end of 2014. There is strong bipartisan support on the benefits of exporting. It’s a major contributor to the U.S. GDP, totaling \$1.8 trillion in 2010; it provides new sales opportunities for small businesses; and most importantly, exporting creates and supports high paying U.S. jobs. However, of the 28 million small businesses in the U.S., only one percent currently export. So there is great, untapped potential.

One important way to get more small businesses to export is by passing the three pending free trade agreements with Colombia, Panama and South Korea. The independent U.S. International Trade Commission estimates that passing the three trade agreements would increase U.S. exports by \$13 billion, and President Obama stated this will create over 250,000 jobs. Unfortunately, until the Administration and Congress act on these agreements, American small businesses will be at a competitive disadvantage with foreign firms.

As we seek to open new foreign markets, we also need to reduce the domestic bureaucracy to make exporting easier. The export process can be complicated and overwhelming, and many firms do not know where to start. Small firms have a limited amount of time and resources to understand the complex federal and foreign regulations.

There are over 20 federal agencies that can assist businesses with some or all of the export process. Small firms have long voiced that navigating the agencies may be as difficult as navigating the export market itself. It’s our Committee’s job to take a look at these programs to ensure small businesses can access the help they need to effectively compete in global marketplace.

With the unemployment rate staying above 8 percent for 29 consecutive months, exports can be the catalyst to create new jobs and to get our economy back on track. I look forward to today's testimony and understanding how we can work together to make it easier for small businesses to export.

I now yield to the Ranking Member for her opening remarks.