



"Serving Western Legislatures"

Resolution: 13-02

**Resolution on the Reauthorization of the
State Trade and Export Promotion (STEP) Grant Program**

- WHEREAS,** President Obama has issued the National Export Initiative (NEI), to enhance and coordinate federal efforts to facilitate the creation of jobs in the United States through the promotion of exports, and to ensure the effective use of federal resources in support of these goals; and
- WHEREAS,** fiscal challenges since 2008 have compelled state economic development agencies to restructure the trade promotion services they offer to small and medium-sized businesses, resulting in the closure of overseas offices (down nearly 29% in 2010); and
- WHEREAS,** World Bank data indicates that, on average, there is a 40:1 return on investment for each dollar spent on export promotion; and
- WHEREAS,** the State Trade and Export Promotion (STEP) pilot grant initiative authorizes grants to states for small business exporting assistance programs under the Small Business Jobs Act of 2010 and authorizes awards of up to \$90 million in grants over three fiscal years, with up to \$30 million to be awarded each year; and
- WHEREAS,** STEP aims to increase the number of American small businesses exporting and increase the value of exports for those small businesses that are currently exporting. These goals build on the President's National Export Initiative which is working to double U.S. exports and give America a stronger competitive edge in the global market; and
- WHEREAS,** the 50 states, District of Columbia, Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa are eligible to apply for competitively awarded grants and in fiscal years 2011 and 2012, the Small Business Administration awarded grants totaling just under \$60 million with the average value of award being \$577,000; and
- WHEREAS,** the first year of the STEP program has afforded state export development agencies the opportunity to utilize and leverage all of the existing service providers and programs to assist businesses to become export-ready, as well as retain foreign contractors to assist small businesses to enter into new markets; and
- WHEREAS,** Senate bill 1371 has authorized appropriation of \$20 million for STEP 2013-2014 funding, and
- WHEREAS,** the pilot program authorization expires on September 30, 2014
- RESOLVED,** that The Council of State Governments-*WEST* urges Congress to appropriate \$20 million for the 3rd year of the STEP grant pilot program (2013-2014) as part of the final budget or as an anomaly added to a continuing resolution.
- RESOLVED,** that The Council of State Governments-*WEST* urges expanded authorization past FY 2013-2014 for continued funding of the STEP program for eligible states and territories.

Adopted this 2nd Day of August, 2013 at the 66th CSG-*WEST* Annual Meeting in Las Vegas, NV