



U.S. Small Business Administration

TESTIMONY of

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Chairman Chabot, Ranking Member Velazquez, and other distinguished members of this committee; I am grateful to have the opportunity to speak with you today on matters related to Trade Promotion Coordinating Committee (or TPCC), interagency collaboration, and the role of SBA's Office of International Trade (OIT) therein.

I wish to testify today about three distinct but interrelated priorities for OIT and its role as chair of the TPCC's Small Business Working Group: (i) first - enhanced interagency collaboration, (ii) second - participation in the Small Business Exporting Listening Tour, and (iii) third - a reinvigorated role as a small business trade champion in the forthcoming North American Free Trade Agreement (NAFTA) modernization

Starting with the first, I am happy to report that we are off to an auspicious start for interagency collaboration since I last testified before this Committee three (3) weeks ago. Mr. Chairman, Administrator Linda McMahon believes internal and interagency coordination is *essential* for us to achieve our small business trade objectives and run an effective and efficient operation in OIT. As a result, over the past few weeks OIT has hosted or participated in a number of

interagency trade and commercial policy-focused meetings with the goal of increasing opportunities for U.S. small business exporters.

On June 13, 2017, OIT hosted an interagency brainstorming session with the Office of the United States Trade Representative (USTR), along with the SBA Offices of Advocacy, Investment and Innovation, and Government Contracting and Business Development, and Small Business Development Center representatives, to discuss efforts to establish new venues of commercial cooperation with the United Kingdom that would be helpful to small business exporters.

We have also held meetings with USTR on the forthcoming NAFTA modernization negotiations, and with the U.S. Department of State on entrepreneurship and public diplomacy. And I, personally, have reached out to a number of SBA stakeholders, such as our friends at the State International Development Organizations (SIDO), and state economic development officers who work with our State Trade Expansion Program (STEP) program award recipients.

We will host another meeting of the TPCC Small Business Working Group on July 11, 2017, and commit to continue hosting quarterly meetings of this inter-agency group to share information, leverage activities, and plan new avenues of cooperation on behalf of U.S. small business exporters.

With respect to the second priority – the Small Business Exporting Listening Tour – I think this this is an opportune moment for the TPCC Small Business Working Group and its three-pronged mission to grow the number of U.S. small business exporters, expand their foreign markets, and align federal, state and local government resources for trade promotion.

I believe the future of the TPCC Small Business Working Group will be based on a more business-responsive model, as informed by the outputs of the Small Business Exporting Listening Tour that OIT and the TPCC just launched in Illinois with the Illinois Small Business Development Center network, the Illinois Office of Trade and Investment, and the National Association of Manufacturers.

The primary objectives of this pilot effort were to (1) gather insight on challenges, needs, perceptions and opportunities that can help shape export

promotion services and policy, and (2) strengthen collaboration between Federal, State, and local resource provider networks. Two teams conducted three Exporter Roundtables and one Stakeholder dialogue each; one team stayed in Chicago Metro area, while the other traveled to Champagne, Peoria and Moline, Illinois. In a day and a half, OIT representatives, joined by Commerce and USTR, met with 28 small business exporters and about the same number of local resource providers and other relevant stakeholders to gather insight on challenges that small business exporters face in expanding global sales.

Next up is Texas, working with the University of Texas San Antonio and the Texas Department of Agriculture. These state-by-state dialogues will form a prominent part of the TPCC Small Business Working Group's focus in the near term.

And finally, the third priority for OIT and the TPCC Small Business Working Group is to act as a champion for small business in the renegotiation of the NAFTA. As the two largest markets for U.S. small business exports, Mexico and Canada represent relatively easy access markets. Therefore the TPCC Small Business Working Group will need to unite around a common goal of ensuring

that the interests of small business are adequately represented in the renegotiation of the NAFTA.

OIT will need to invigorate the training of our field staff and resource partners so they are prepared to counsel small business owners after ratification of a modernized NAFTA. In this regard, OIT will seek to strengthen our existing collaboration with the Department of Commerce for market access, U.S.

Customs and Border Protection for border logistics, and the U.S. Export-Import Bank for export credit insurance and other financing options. We will also be looking at new ways to collaborate to benefit small business exporters.

In sum, this moment presents a favorable opportunity for collaboration. Not only among the agencies comprising the TPCC Small Business Working Group but also with SIDO, state trade agencies, SBDCs, and other SBA resource partners. I feel we all recognize that U.S. small businesses are the engine for our economy, and that anything we can do to help them achieve global market success will make our nation stronger and more prosperous.

We have a strong leader at SBA who brings real world experience to the job and understands international trade. I have a great team in the Office of

International Trade that is committed to advancing our mission. My interactions with the TPCC Secretariat and TPCC member agencies have been tremendous and I can easily see the wealth of experience and dedication they bring to the job. I am committed to continuing to build strong and mutually supportive and beneficial relationships with our state trade agency partners. I am very optimistic about our prospects for success.

With that I wish to thank you for the opportunity to speak with you today, and I look forward to answering your questions.