

# EXPORT PROMOTION REFORM ACT AND STATE TRADE COORDINATION ACT

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## MARKUP

BEFORE THE

SUBCOMMITTEE ON TERRORISM,  
NONPROLIFERATION, AND TRADE

OF THE

COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

ON

**H.R. 1409 and H.R. 1926**

—————  
JUNE 26, 2013  
—————

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## **EXPORT PROMOTION REFORM ACT AND STATE TRADE COORDINATION ACT**

WEDNESDAY, JUNE 26, 2013

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION, AND TRADE,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The committee met, pursuant to notice, at 2 o'clock p.m., in room 2200 Rayburn House Office Building, Hon. Ted Poe (chairman of the subcommittee) presiding.

Mr. POE. The committee will come to order. We meet today pursuant to notice to mark up two bipartisan export promotion measures. As all offices were previously notified, it is the intent of the Chair to consider the following items en bloc: H.R. 1409, the Export Promotion Reform Act, introduced by Mr. Engel, a bipartisan amendment in the nature of a substitute to H.R. 1409 offered by the Chair, an amendment to my amendment in the nature of a substitute offered by Mr. Lowenthal; and H.R. 1926, the State Trade Coordination Act, introduced by Mr. Chabot.

Without objection, these items are considered as read and will be offered and considered en bloc.

[The information referred to follows:]

113<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1409

To amend the Export Enhancement Act of 1988 to further enhance the promotion of exports of United States goods and services, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2013

Mr. ENGEL introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To amend the Export Enhancement Act of 1988 to further enhance the promotion of exports of United States goods and services, and for other purposes.

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 “Export Promotion Re-  
5 form Act”.

1 **SEC. 2. IMPROVED COORDINATION EXPORT PROMOTION**  
2 **ACTIVITIES OF FEDERAL AGENCIES.**

3 Section 2312 of the Export Enhancement Act of  
4 1988 (relating to the Trade Promotion Coordinating Com-  
5 mittee; 15 U.S.C. 4727) is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (5), by striking “and”  
8 after the semicolon;

9 (B) by redesignating paragraph (6) as  
10 paragraph (7); and

11 (C) by inserting after paragraph (5) the  
12 following:

13 “(6) in making the assessments under para-  
14 graph (5), review the proposed annual budget of  
15 each agency described in paragraph (5), under pro-  
16 cedures established by the TPCC for such review,  
17 before the agency submits that budget to the Office  
18 of Management and Budget and the President for  
19 inclusion in the budget of the United States sub-  
20 mitted to Congress under section 1105(a) of title 31,  
21 United States Code; and”;

22 (2) in subsection (c)—

23 (A) by redesignating paragraphs (3)  
24 through (6) as paragraphs (4) through (7), re-  
25 spectively; and

1 (B) by inserting after paragraph (2) the  
2 following:

3 “(3) in conducting the review and developing  
4 the plan under paragraph (2), take into account rec-  
5 ommendations from a representative number of  
6 United States exporters, in particular small busi-  
7 nesses and medium-sized businesses, and representa-  
8 tives of United States workers;” and

9 (3) by adding at the end the following:

10 “(g) IMPLEMENTATION.—The President shall take  
11 such steps as are necessary to provide the chairperson of  
12 the TPCC with the authority to ensure that the TPCC  
13 carries out each of its duties under subsection (b) and de-  
14 velops and implements the strategic plan under subsection  
15 (c).

16 “(h) DEFINITION.—In this section, the term ‘small  
17 business’ means a small business concern as defined under  
18 section 3 of the Small Business Act (15 U.S.C. 632).”.

19 **SEC. 3. EFFECTIVE DEPLOYMENT OF U.S. COMMERCIAL**  
20 **SERVICE RESOURCES.**

21 Section 2301(c)(4) of the Export Enhancement Act  
22 of 1988 (relating to the United States and Foreign Com-  
23 mercial Service; 15 U.S.C. 4721(c)(4)) is amended—



1           (1) by redesignating subparagraphs (B)  
2 through (F) as subparagraphs (C) through (G), re-  
3 spectively; and

4           (2) by striking “(4) FOREIGN OFFICES.—(A)  
5 The Secretary may” and inserting the following:

6           “(4) FOREIGN OFFICES.—(A)(i) In consultation  
7 with the Trade Promotion Coordinating Committee,  
8 the Secretary shall conduct a global assessment of  
9 overseas markets to determine those with the great-  
10 est potential for increasing United States exports,  
11 and to deploy the Commercial Service personnel and  
12 other resources on the basis of the global assess-  
13 ment.

14           “(ii) The assessment conducted under clause (i)  
15 shall take into account recommendations from a rep-  
16 resentative number of United States exporters, in  
17 particular small- and medium-sized businesses, and  
18 representatives of United States workers.

19           “(iii) Not later than 6 months after the date of  
20 enactment of the Export Promotion Reform Act, the  
21 Secretary shall submit to Congress results of the  
22 global assessment conducted under clause (i) and a  
23 plan for deployment of Commercial Service per-  
24 sonnel and other resources on the basis of the global  
25 assessment.

1           “(iv) The Secretary shall conduct an assess-  
2           ment and deployment described in clause (i) not less  
3           than once in every 5-year period.

4           “(B) The Secretary may”.

5 **SEC. 4. STRENGTHENED U.S. COMMERCIAL DIPLOMACY IN**  
6           **SUPPORT OF U.S. EXPORTS.**

7           (a) DEVELOPMENT OF PLAN.—Section 207(c) of the  
8 Foreign Service Act of 1980 (22 U.S.C. 3927(c)) is  
9 amended by inserting before the period at the end the fol-  
10 lowing: “, including through the development of a plan,  
11 drafted in consultation with the Trade Promotion Coordi-  
12 nating Committee, for effective diplomacy to remove or re-  
13 duce obstacles to exports of United States goods and serv-  
14 ices”.

15           (b) ASSESSMENTS AND PROMOTIONS.—Section  
16 603(b) of the Foreign Service Act of 1980 (22 U.S.C.  
17 4003(b)) is amended, in the second sentence, by inserting  
18 after “expertise” the following: “and (with respect to  
19 members of the Service with responsibilities relating to  
20 economic affairs) of the effectiveness of efforts to promote  
21 the export of United States goods and services in accord-  
22 ance with a commercial diplomacy plan developed pursu-  
23 ant to section 207(c),”.

1 (c) INSPECTOR GENERAL.—Section 209(b) of the  
2 Foreign Service Act of 1980 (22 U.S.C. 3929(b)) is  
3 amended—

4 (1) in paragraph (4), by striking “and” at the  
5 end;

6 (2) by redesignating paragraph (5) as para-  
7 graph (6); and

8 (3) by inserting after paragraph (4) the fol-  
9 lowing new paragraph:

10 “(5) the effectiveness of commercial diplomacy  
11 relating to the promotion of exports of United States  
12 goods and services; and”.

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 1409  
OFFERED BY MR. POE OF TEXAS**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Export Promotion Re-  
3 form Act”.

4 **SEC. 2. IMPROVED COORDINATION EXPORT PROMOTION**  
5 **ACTIVITIES OF FEDERAL AGENCIES.**

6 Section 2312 of the Export Enhancement Act of  
7 1988 (relating to the Trade Promotion Coordinating Com-  
8 mittee; 15 U.S.C. 4727) is amended—

9 (1) in subsection (b)—

10 (A) in paragraph (5)—

11 (i) by inserting “, including the use  
12 and coordination of electronic databases,”  
13 after “the appropriate levels and allocation  
14 of resources”; and

15 (ii) by striking “and” after the semi-  
16 colon;

17 (B) by redesignating paragraph (6) as  
18 paragraph (7); and

1 (C) by inserting after paragraph (5) the  
2 following:

3 “(6) in making the assessments under para-  
4 graph (5), review the proposed annual budget of  
5 each agency described in paragraph (5), under pro-  
6 cedures established by the TPCC for such review,  
7 before the agency submits that budget to the Office  
8 of Management and Budget and the President for  
9 inclusion in the budget of the United States sub-  
10 mitted to Congress under section 1105(a) of title 31,  
11 United States Code; and

12 “(7) to the maximum extent practicable, com-  
13 pile, and make available to United States businesses  
14 through websites of the Department of Commerce, a  
15 listing of scheduled Federal- and State-led trade  
16 missions, trade fairs, and related activities.”;

17 (2) in subsection (c)—

18 (A) by redesignating paragraphs (3)  
19 through (6) as paragraphs (5) through (8), re-  
20 spectively;

21 (B) by inserting after paragraph (2) the  
22 following:

23 “(3) in conducting the review and developing  
24 the plan under paragraph (2), take into account rec-  
25 ommendations from a representative number of

1 United States exporters, in particular small busi-  
2 nesses and medium-sized businesses, and representa-  
3 tives of United States workers;

4 “(4) with respect to export promotion and ex-  
5 port financing activities of each agency that is a  
6 member of the TPCC—

7 “(A) identify and explain the role of each  
8 agency; and

9 “(B) describe the goals and objectives of  
10 each agency and the criteria for measuring the  
11 effectiveness of such agency in meeting such  
12 goals and objectives;”;

13 (C) in paragraph (6) (as redesignated), by  
14 inserting “and Congress” after “the President”;

15 (D) in paragraph (7) (as redesignated), by  
16 adding “and” after the semicolon;

17 (E) in paragraph (8) (as redesignated), by  
18 striking the period and inserting “; and”; and

19 (F) by adding after paragraph (8) (as re-  
20 designated) the following:

21 “(9) include such recommendations made by  
22 the Comptroller General of the United States with  
23 respect to Federal trade promotion efforts as apply  
24 to the TPCC and departments and agencies that are  
25 members of the TPCC.”;

1 (3) in subsection (d)(1)—

2 (A) by striking “and” at the end of sub-  
3 paragraph (L);

4 (B) by redesignating subparagraph (M) as  
5 subparagraph (N); and

6 (C) by inserting after subparagraph (L)  
7 the following:

8 “(M) the Millennium Challenge Corpora-  
9 tion;”;

10 (4) in subsection (f)—

11 (A) by inserting “and the Committee on  
12 Small Business and Entrepreneurship” after  
13 “Urban Affairs”; and

14 (B) by striking “International Relations”  
15 and inserting “Foreign Affairs and the Com-  
16 mittee on Small Business”; and

17 (5) by adding at the end the following:

18 “(g) STAFF.—Upon the request of the chairperson of  
19 the TPCC, the head of any Federal department or agency  
20 that is a member of the TPCC may detail to the TPCC,  
21 on a reimbursable basis and at the discretion of such de-  
22 partment or agency head, any of the personnel of that de-  
23 partment or agency to assist the TPCC in carrying out  
24 its duties under this section.

1       “(h) DEFINITION.—In this section, the term ‘small  
2 business’ means a small business concern as defined under  
3 section 3 of the Small Business Act (15 U.S.C. 632).”.

4 **SEC. 3. EFFECTIVE DEPLOYMENT OF U.S. AND FOREIGN**  
5 **COMMERCIAL SERVICE RESOURCES.**

6       Section 2301(c)(4) of the Export Enhancement Act  
7 of 1988 (relating to the United States and Foreign Com-  
8 mercial Service; 15 U.S.C. 4721(c)(4)) is amended—

9           (1) by redesignating subparagraphs (B)  
10 through (F) as subparagraphs (C) through (G), re-  
11 spectively; and

12           (2) by striking “(4) FOREIGN OFFICES.—(A)  
13 The Secretary may” and inserting the following:

14           “(4) FOREIGN OFFICES.—(A)(i) In consultation  
15 with the Trade Promotion Coordinating Committee,  
16 the Secretary shall conduct a global assessment of  
17 overseas markets to determine those with the great-  
18 est potential for increasing United States exports,  
19 and to deploy Commercial Service personnel and  
20 other resources on the basis of the global assess-  
21 ment.

22           “(ii) The assessment conducted under clause (i)  
23 shall take into account recommendations from a rep-  
24 resentative number of United States exporters, in



1 particular small- and medium-sized businesses, and  
2 representatives of United States workers.

3 “(iii) Not later than 6 months after the date of  
4 the enactment of the Export Promotion Reform Act,  
5 the Secretary shall submit to Congress results of the  
6 global assessment conducted under clause (i) and a  
7 plan for deployment of Commercial Service per-  
8 sonnel and other resources on the basis of that glob-  
9 al assessment.

10 “(iv) The Secretary shall conduct an assess-  
11 ment and deployment described in clause (i) not less  
12 than once in every 5-year period.

13 “(B) The Secretary may”.

14 **SEC. 4. STRENGTHENED U.S. COMMERCIAL DIPLOMACY IN**  
15 **SUPPORT OF U.S. EXPORTS.**

16 (a) DEVELOPMENT OF PLAN.—Section 207(c) of the  
17 Foreign Service Act of 1980 (22 U.S.C. 3927(c)) is  
18 amended by inserting before the period at the end the fol-  
19 lowing: “, including through the development of a plan,  
20 drafted in consultation with the Trade Promotion Coordi-  
21 nating Committee, for effective diplomacy to remove or re-  
22 duce obstacles to exports of United States goods and serv-  
23 ices”.

1 (b) ASSESSMENTS AND PROMOTIONS.—Section  
2 603(b) of the Foreign Service Act of 1980 (22 U.S.C.  
3 4003(b)) is amended, in the second sentence—

4 (1) by striking “and highly developed” and in-  
5 serting “highly developed”; and

6 (2) by inserting after “expertise” the following:  
7 “, and (with respect to members of the Service with  
8 responsibilities relating to economic affairs) the ef-  
9 fectiveness of efforts to promote the export of  
10 United States goods and services in accordance with  
11 a commercial diplomacy plan developed pursuant to  
12 section 207(c)”.

13 (c) INSPECTOR GENERAL.—Section 209(b) of the  
14 Foreign Service Act of 1980 (22 U.S.C. 3929(b)) is  
15 amended—

16 (1) in paragraph (4), by striking “and” at the  
17 end;

18 (2) by redesignating paragraph (5) as para-  
19 graph (6); and

20 (3) by inserting after paragraph (4) the fol-  
21 lowing new paragraph:

22 “(5) the effectiveness of commercial diplomacy  
23 relating to the promotion of exports of United States  
24 goods and services; and”.



**AMENDMENT OFFERED BY MR. LOWENTHAL OF  
CALIFORNIA TO THE AMENDMENT IN THE NA-  
TURE OF A SUBSTITUTE TO H.R. 1409**

At the appropriate place in the bill, insert the following:

1       ( ) STATE TRADE PROMOTION AGENCIES.—Section  
2 2312(d) of the Export Enhancement Act of 1988 (15  
3 U.S.C. 4727(d)) is amended—

4           (1) by redesignating paragraph (2) as para-  
5 graph (3); and

6           (2) by inserting after paragraph (1) the fol-  
7 lowing:

8           “(2) STATE TRADE PROMOTION AGENCIES.—  
9 The TPCC shall also include one or more members  
10 appointed by the President who are representatives  
11 of State trade promotion agencies.”.



113TH CONGRESS  
1ST SESSION

# H. R. 1926

To further enhance the promotion of exports of United States goods and services, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2013

Mr. CHABOT (for himself, Mr. GRAVES of Missouri, Ms. CHU, and Mr. TIP-  
TON) introduced the following bill; which was referred to the Committee  
on Foreign Affairs

---

## A BILL

To further enhance the promotion of exports of United States goods and services, and for other purposes.

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 Coordina-  
5 tion Act”.

6 **SEC. 2. MEMBERSHIP OF REPRESENTATIVES OF STATE**

7 **TRADE PROMOTION AGENCIES ON TRADE**

8 **PROMOTION COORDINATING COMMITTEE.**

9 Section 2312(d) of the Export Enhancement Act of  
10 1988 (15 U.S.C. 4727(d)) is amended—

1 (1) by redesignating paragraph (2) as para-  
2 graph (3); and

3 (2) by inserting after paragraph (1) the fol-  
4 lowing new paragraph:

5 “(2) REPRESENTATIVES FROM STATE TRADE  
6 PROMOTION AGENCIES.—The TPCC shall also in-  
7 clude 1 or more members appointed by the President  
8 who are representatives of State trade promotion  
9 agencies.”.

10 **SEC. 3. FEDERAL AND STATE EXPORT PROMOTION COORDI-**  
11 **NATION PLAN.**

12 (a) IN GENERAL.—The Secretary of Commerce, act-  
13 ing through the Trade Promotion Coordinating Committee  
14 and in coordination with representatives of State trade  
15 promotion agencies, shall develop a comprehensive plan to  
16 integrate the resources and strategies of State trade pro-  
17 motion agencies into the overall Federal trade promotion  
18 program.

19 (b) MATTERS TO BE INCLUDED.—The plan required  
20 under subsection (a) shall include the following:

21 (1) A description of the role of State trade pro-  
22 motion agencies in assisting exporters.

23 (2) An outline of the role of State trade pro-  
24 motion agencies and how it is different from Federal

1 agencies located within or providing services within  
2 the State.

3 (3) A plan on how to utilize State trade pro-  
4 motion agencies into the Federal trade promotion  
5 program.

6 (4) An explanation of how Federal and State  
7 agencies will share information and resources.

8 (5) A description of how Federal and State  
9 agencies will coordinate education and trade events  
10 in the United States and abroad.

11 (6) A description of the efforts to increase effi-  
12 ciency and reduce duplication.

13 (7) A clear identification of where businesses  
14 can receive appropriate international trade informa-  
15 tion under the plan.

16 (c) DEADLINE.—The plan required under subsection  
17 (a) shall be finalized and submitted to Congress not later  
18 than 12 months after the date of the enactment of this  
19 Act.

20 **SEC. 4. ANNUAL FEDERAL-STATE EXPORT STRATEGY.**

21 (a) IN GENERAL.—The Secretary of Commerce, act-  
22 ing through the head of the United States Commercial  
23 Service, shall develop an annual Federal-State export  
24 strategy for each State that submits to the Secretary of  
25 Commerce its export strategy for the upcoming calendar

1 year. In developing an annual Federal-State export strat-  
2 egy under this subsection, the Secretary of Commerce  
3 shall take into account the Federal and State export pro-  
4 motion coordination plan developed under section 3.

5 (b) MATTERS TO BE INCLUDED.—The Federal-State  
6 export strategy required under subsection (a) shall include  
7 the following:

8 (1) The State's export strategy and economic  
9 goals.

10 (2) The State's key sectors and industries of  
11 focus.

12 (3) Possible foreign and domestic trade events.

13 (4) Efforts to increase efficiencies and reduce  
14 duplication.

15 (c) REPORT.—The Federal-State export strategy re-  
16 quired under subsection (a) shall be submitted to the  
17 Trade Promotion Coordinating Committee not later than  
18 February 1 of each year.

19 **SEC. 5. COORDINATED METRICS AND INFORMATION SHAR-**  
20 **ING.**

21 (a) IN GENERAL.—The Secretary of Commerce, in  
22 coordination with representatives of State trade promotion  
23 agencies, shall develop a framework to share export suc-  
24 cess information, and develop a coordinated set of report-  
25 ing metrics.

1 (b) REPORT TO CONGRESS.—Not later than 1 year  
2 after the date of the enactment of this Act, the Secretary  
3 of Commerce shall submit to Congress a report that con-  
4 tains the framework and reporting metrics required under  
5 subsection (a).

6 **SEC. 6. ANNUAL SURVEY AND ANALYSIS AND REPORT**  
7 **UNDER NATIONAL EXPORT STRATEGY.**

8 Section 2312 of the Export Enhancement Act of  
9 1988 (15 U.S.C. 4727) is amended—

10 (1) in subsection (c)—

11 (A) in paragraph (5), by striking “and” at  
12 the end;

13 (B) in paragraph (6), by striking the pe-  
14 riod at the end and inserting “; and”; and

15 (C) by adding at the end the following:

16 “(7) in coordination with State trade promotion  
17 agencies, include a survey and analysis regarding the  
18 overall effectiveness of Federal-State coordination  
19 and export promotion goals on an annual basis, to  
20 further include best practices, recommendations to  
21 better assist small businesses, and other relevant  
22 matters.”; and

23 (2) in subsection (f), in paragraph (1), by in-  
24 serting “(including implementation of the survey and



1 analysis described in paragraph (7) of that sub-  
2 section)” after “the implementation of such plan”.

○

Mr. POE. I will now recognize myself and the ranking member to speak on these measures. I recognize myself for 5 minutes.

Our economy is still in bad shape. Fewer people are participating in the labor force this year than at any point since 1979. Twenty-two million Americans are unemployed or underemployed. I have the Port of Houston in my district. It is responsible for 50 percent of the City of Houston’s economy. The Port of Houston exports more cargo than any other port in the United States. Ninety-five percent of the world’s consumers live outside the United States, and the fastest-growing region of the world is Africa, with a growth rate of 4.2 or 4.7 percent in 2012.

The Port of Houston and other facilities just like it are hungry for more business and trade. If we want to grow the American economy, exporting more goods and services has to be part of the solution. Instead of tying up small businesses with red tape, we need to free them up to reach growing markets. We need to come along and help them identify export opportunities abroad. No one can match the quality and innovation that we can provide in this country.

H.R. 1409, the Export Promotion Reform Act, would give the Secretary of Commerce 6 months to submit to Congress the results of a global assessment of overseas markets. The report would tell us which ones provide us with the best export potential for Americans. After that, the Secretary will send commercial service personnel to work with our diplomatic personnel to reduce obstacles to U.S. exports and seal the deal.

Last year, this very bill made it through the House with unanimous support, only to get held up in the do-nothing Senate. My amendment in the nature of a substitute, incorporates language from Representative Sam Graves’ H.R. 1909. The amendment says the Federal Government should let businesses know when there are Federal- and State-led trade missions so businesses can take advantage of those trade missions. It also requires the seven different Federal agencies in charge of export policy to tell us why all seven are needed, and how they measure results. We need a more efficient and streamlined approach when it comes to export policy.

In all, this bill will help grow the economy, create jobs, and put money back in the pockets of Americans.

H.R. 1926 requires the Federal Government to work better with the States on trade. It requires the Secretary of Commerce to produce a State-by-State export strategy every year. That strategy has to have reporting metrics so we can measure how well we are

doing. Mr. Chabot has worked on this bill to produce a straight-forward result.

To do trade well, you can't just have some grand national policy. You have to get local. You have to talk to the manufacturers, service providers, small business owners. By getting the Federal Government to work closely with States, it will increase efficiency and reduce duplication. Local businesses will better understand export opportunities, have a more targeted approach to potential markets, and create more jobs as they grow.

This is why it matters. In 2011, over 40,000 companies exported goods and services from just the State of Texas. Ninety-three percent of those companies were small- and medium-sized businesses, and they accounted for 30 percent of Texas' total exports. In 2012, Texas' export shipments of merchandise totalled \$250 billion. Houston accounted for half of that. While it is hard for any State to try to stack up, I think, to the State of Texas, this goes to show how important exports are to the economy.

If we can get the Federal Government to work closely with the States, then all States win. Together, these bills will help grow the economy, create jobs, put money back in the pockets of Americans.

I now recognize the ranking member for 5 minutes.

Mr. SHERMAN. Thank you, Mr. Chairman. I want to thank you for calling this markup and urge my colleagues to support your motion that we pass all the items on the agenda en bloc by unanimous consent. I strongly support efforts to increase exports, and believe that both bills under consideration, including the Lowenthal amendment, will make important contributions to our efforts to promote exports.

In a world with a perfectly free economy, the United States would not be in the export promotion business, and no other government would be in the export promotion business. But the reality is far different. With our competitors doing far more than we are to promote their exports, we need an effective commercial diplomacy and other export promotion programs.

In my nearly 17 years on the committee, I have seen a shocking difference between the attitude of our Diplomatic Corps toward pushing American exports, where it seems to be below getting more people to show up at the 4th of July party, and the focus of foreign diplomatic corps, which seem to put export promotion at the very top of their list.

The measures we have under consideration are long-recommended changes to the operation and planning of the multi-agency Trade Promotion Coordination Committee, commonly known as TPCC, and they provide for State promotion agencies, State trade promotion agency representation on the TPCC, and greater State participation in the TPCC's activities more generally.

The GAO has recommended that our export promotion efforts across disparate agencies involved be better coordinated, better planned, and these measures will help implement those recommendations, as well as ensure that State government efforts to promote exports are part of the planning and coordination process. I strongly support the measures being adopted today and look forward to perfecting them at the full committee.

I have agreed, of course, to co-sponsor them both. I know that our colleague, Brad Schneider, the gentleman from Illinois, has amendments that he will, in due time, put forward as the process moves on, and these will also deserve all of our support. At least, they will have my support.

I do want to take a brief opportunity to note that to address our long-term chronic trade deficit we have to do more than the very limited amount that we are talking about doing here today. Since the 1970s, we have run larger and larger trade deficits. We have eroded and decimated our manufacturing base, shifted 1 million jobs overseas, and seen a depression of domestic wages.

Export promotion is not the solution, or at best is a tiny part of the solution. We need a completely different trade policy. That will become apparent when the whole thing crashes, because you can't run these trade deficits year after year without eventually a crash similar to the one we faced in 2008.

Finally, I want to argue against a change being put forward by some American corporations. They are lobbying to reduce the domestic content requirement of Export-Import Bank financing. While the Export-Import Bank is not under the jurisdiction of this subcommittee or our full committee, it is the sister agency of OPIC, which is an important part of our jurisdiction.

Currently, for most of its programs, Ex-Im Bank will finance the lesser of 100 percent of the value of the American content of an export, or 85 percent of the total export. There are exceptions to this rule. There are those who want to weaken the rule, and basically use U.S. taxpayer money to finance goods that are not, for the most part, made in the United States.

We can understand why individual companies would be concerned chiefly at generating profitable business rather than generating jobs in the United States, but the Ex-Im Bank is not in the business of generating profits. It is in the business of creating U.S. jobs. And I hope they keep that in mind.

Thank you, Mr. Chairman, and I yield back my time. But I am sure I have exhausted it.

Mr. POE. Thank you, Ranking Member. Does any other member seek recognition?

The gentleman from California, Mr. Lowenthal, is recognized for 5 minutes.

Mr. LOWENTHAL. Thank you, Mr. Chair, for including this amendment today, and the ranking member for your support.

I would like to say, in 1992, the Congress enacted the Trade Promotion Coordinating Committee, the TPCC, to oversee the 20 Federal export promotion programs which were spread across the entire Federal Government. The TPCC membership is currently drawn from Federal agencies with jurisdiction over our interest in our trading relationships. My amendment would add critical representation on the TPCC from State government trade development agencies.

This is in furtherance of the goals of H.R. 1409, which are to strengthen the coordination of programs, which will hopefully increase U.S. exports and create jobs for American workers.

Including State government representatives would have three benefits: Improved efficiency, added State expertise, and ultimately result in a better use of Federal funds.

On the efficiency front, virtually all States have agencies to help companies increase exports. In this era of budgetary constraints, maximizing coordination between the Federal and State levels would increase the efficient use of all interested parties in promoting exports.

With regard to the expertise of State export promotion agencies, many States, such as my home State of California, have extensive and sophisticated export development programs. Under the California Economic Development Agency, there are 14 trade coordination offices that work closely with industry and labor to sell more California products overseas. These agencies have a lot to contribute to the Federal effort.

Finally, working with a constrained fiscal environment, we must always look for ways to better use our Federal funds. Every year, State export agencies receive some \$30 million in Federal funds, primarily from the Small Business Administration, yet the programs supported by these funds are not fully leveraged and coordinated with Federal export programs.

This amendment would help solve the problem. The underlying bill, H.R. 1409, together with these provisions added by Chairman Poe and from Chairman Graves' bill, H.R. 1909, and from Representative Chabot's bill, H.R. 1926, all fit together and constitute a robust package of provisions to help our exporters.

It is an important issue for me, as I represent the Port of Long Beach. And the Port of Long Beach, along with the adjacent Port of Los Angeles, is the busiest port complex in the United States. I encourage my colleagues to support this amendment, and I again want to thank Chairman Poe and the Ranking Member Sherman for including the amendment in H.R. 1409, because I believe it makes the bill better.

And I will yield back.

Mr. SHERMAN. So you are saying that the Long Beach and San Pedro ports together are busier and handle more traffic than the Houston port?

I yield back.

Mr. POE. Did I say that? I don't recall. It must have been something that just slipped from my lips.

I agree that the Houston port, I think, is the largest port in the Gulf.

Mr. LOWENTHAL. As Long Beach would be the largest port in California. [Laughter.]

Mr. POE. Thank you. Does anybody else wish to speak?

[No response.]

Mr. POE. Hearing no further requests for recognition, the question occurs on adopting the items under consideration en bloc. Those in favor, say aye.

[Chorus of ayes.]

Mr. POE. Those opposed, no.

[No response.]

Mr. POE. In the opinion of the Chair, the ayes have it, and the en bloc items are approved.

Without objection, the items in the bloc will be reported favorably to the full committee. H.R. 1409 will be reported in the form of a single amendment in the nature of a substitute, incorporating the adopted amendments, and the staff is directed to make any technical and conforming changes.

I want to thank all of our members and the staff for the assistance and cooperation that went into today's markup. The subcommittee stands adjourned. Thank you very much.

[Whereupon, at 2:34 p.m. the subcommittee was adjourned.]



# APPENDIX

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MATERIAL SUBMITTED FOR THE RECORD

**SUBCOMMITTEE MARKUP NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515-6128

**Subcommittee on Terrorism, Nonproliferation, and Trade**  
**Ted Poe (R-TX), Chairman**

June 20, 2013

**TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS**

You are respectfully requested to attend an OPEN meeting of the Subcommittee on Terrorism, Nonproliferation, and Trade, to be held in Room 2200 of the Rayburn House Office Building (and available live on the Committee website at [www.foreignaffairs.house.gov](http://www.foreignaffairs.house.gov)):

**DATE:** Wednesday, June 26, 2013

**TIME:** 2:00 p.m.

**MARKUP OF:** H.R. 1409, To amend the Export Enhancement Act of 1988 to further enhance the promotion of exports of United States goods and services, and for other purposes; and

H.R. 1926, To further enhance the promotion of exports of United States goods and services, and for other purposes.

**By Direction of the Chairman**

*The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.*







**6/26/13 Terrorism, Nonproliferation, and Trade Subcommittee Markup Summary**

The Chair called up the following measures for consideration by the Subcommittee. By unanimous consent, the two measures and two amendments (previously provided to Members of the Subcommittee) were considered *en bloc*:

1. H.R. 1409 (Engel), “To amend the Export Enhancement Act of 1988 to further enhance the promotion of exports of United States goods and services, and for other purposes.”
  - a. As amended by Poe (amendment in the nature of a substitute)
  - b. As amended by Lowenthal (amendment to the ANS)
  
2. H.R. 1926 (Chabot), “To further enhance the promotion of exports of United States goods and services, and for other purposes.”

The measures and respective amendments were adopted by voice vote and were referred favorably to the Full Committee.

The Subcommittee adjourned.

