

## **H.R. 4041, The Export Promotion Reform Act** **Introduced by Reps. Howard Berman (D-CA) and Don Manzullo (R-IL)**

The Export Promotion Reform Act would increase the exports of American-made goods and American-provided services, and add jobs for American workers among the 295,000 exporting firms located in the U.S. For every \$1 billion increase in exports, 5,800 U.S. jobs are created.

The bill would make more effective use of existing resources; it would not increase spending and it would not create any new programs, according to the Congressional Budget Office. The bill is endorsed by the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, the National Foreign Trade Council and the Coalition for Employment Through Exports.

All major trading nations promote the exports of their goods and services. U.S. programs are less effective than our competitors', mainly due to poor coordination, according to the U.S. Government Accountability Office (GAO). The U.S. competitive disadvantage in export promotion is one factor in the U.S. loss of market share in world merchandise trade. The U.S. market share of the \$22 trillion in world trade has dropped from 9.8% in 2003 to 8.1% in 2011.

The GAO found that the 17 U.S. export promotion programs would be more effective with improved coordination, elimination of duplicative activities and better allocation of resources. In particular, GAO found that strengthening the interagency Trade Promotion Coordinating Committee (TPCC) would better help U.S. firms and their workers in overseas markets.

### **KEY PROVISIONS**

The bill makes the following improvements in current law:

To carry out a workable export strategy, require a global plan to:

- assess global markets to identify the best opportunities for increasing U.S. exports
- seek the recommendations of U.S. exporters, particularly small- and medium-sized firms and representatives of American workers
- deploy U.S. Commercial Service personnel and budgets to help U.S. firms win sales in the markets with the best opportunities

To make the most effective use of U.S. export promotion resources, require the TPCC to:

- assess and make improvements in current export promotion programs, using feedback from U.S. exporters and workers
- review and approve annual export promotion budgets to cut waste
- coordinate export promotion activities across the government to fill gaps and end duplication

To better use U.S. diplomatic power to help exporters, require the Secretary of State to:

- direct ambassadors to develop country-by-country commercial diplomacy plans aimed at increasing U.S. exports
- require performance assessments of the effectiveness of our embassies in carrying out commercial diplomacy and helping U.S. exporters
- require the State Department Inspector General to assess commercial diplomacy effectiveness in the regular audits of U.S. missions.