

# FROM DIAPERS TO WINE BARRELS, NEW ITA PARTNERS LAUNCH EXPORT PROMOTION CAMPAIGNS

by Brad Hess

*Market Development Cooperator Program, Trade Development*

Organizations like Automation Alley and the Ohio Valley Regional Development Commission (OVRDC) have hit the ground running in their efforts to promote exports of a variety of U.S. products. In October, these two groups, and five others, received Market Development Cooperator Program (MDCP) awards. MDCP awards help non-profit export multiplier organizations such as local development agencies, small business development centers and trade associations. From the Federal Government, award-winners receive both financial assistance and professional support for export marketing ventures designed to help small and medium-size enterprises (SMEs).

## DIAPER ASSEMBLY

In early November, International Trade Administration (ITA) team members met with companies participating in Automation Alley's export promotion project. Project Manager Therese Thill noted that export promotion is "the logical extension of Automation Alley's commitment to promote Oakland County, Michigan's unique mix of industries," many of which have been spun off from the automotive

industry. During this visit, an ITA team led by Jeff Gren, Director of Trade Development's Office of Microelectronics, Medical Equipment and Instrumentation, found sophisticated technology in an industry quite unrelated to building cars and trucks: diaper manufacturing.

Jon Slaybaugh, General Manager of Ametek Patriot Sensors, showed Gren and the rest of the Automation Alley team one of his company's high-speed position products that is used in the manufacturing process of several high-volume consumer products, only one of which is diapers. Slaybaugh noted that, although they are disposable and consumed in high volume, "you can't just roll them out in giant sheets and tear them off; diapers are precision assembled from components." The precision assembly required is at such a high rate of speed that the job could not be done without the sophisticated technology that companies like Ametek Patriot Sensors offer.

Diaper manufacturing underscores how diversified the market promises to be for Automation Alley's mix of companies. Over the next three years, Automation Alley, with the help of Gren's ITA team, including Pontiac, Michigan Export Assistant Center Director Richard Corson, will focus on the German and Mexican markets. The organization will match the \$400,000 of Federal financial assistance two-to-one.

## OHIO HARDWOOD WILL KEEP GERMANS IN GOOD SPIRITS

The other MDCP award winners for 2000 are moving ahead and abroad where they sometimes find the demand high for U.S. products in unusual applications. "In Germany," notes John Hemmings, III, OVRDC's Assistant Director, "oak is in particular demand in the cooperage industry." For the benefit of those who don't follow the hardwood products industry, Hemmings went on to explain that cooperage is barrel making. "The Germans prefer oak barrels for wine and spirit production," according to Hemmings.

OVRDC will spend \$100,000 in addition to the \$50,000 in Federal financial assistance it receives. Through its Ohio Appalachian Hardwood Initiative, OVRDC will promote exports to Germany and Japan. Industry Specialist Chris Twarok of the Office of Materials, Metals and Chemicals, heads an ITA team of Trade Development and Commercial Service professionals that will help OVRDC increase its exports over the two-year term of the project.

## A PARTNERSHIP WHERE LOCAL INITIATIVE DETERMINES SUCCESS

The MDCP is premised on the concept that export assistance works best

when it is delivered locally by state agencies, quasi-public providers, or non-profit industry organizations, with ITA playing an enabling role. Through MDCP cooperative agreements, ITA works alongside the award winners. Industry specialists, trade specialists and other ITA professionals help award winners however they can. This may include working trade shows, doing research, counseling companies, referring resources and presenting industry and market insights to companies.

Only weeks into its project, Automation Alley's companies are already benefiting from partnership with ITA. During the visit to Ametek Patriot Sensors, General Manager Jon Slaybaugh identified two international trade problems his company had to address, a letter of credit and difficulty with intellectual property rights. ITA's Jeff Gren was able to recommend, on the spot, resources Slaybaugh could call upon to resolve these problems. As Slaybaugh pointed out, "just knowing the rules and having access to resources makes a big difference."

### FUNDING FORMULA YIELDS EXPORTS

Organizations eligible to apply for MDCP awards include trade associations, non-profit industry organizations such as small business development centers, World Trade Centers, chambers of commerce and state departments of trade and their regional associations. Awards are limited to \$400,000 for each project, which may last up to three years. Award winners put up two dollars for every Federal dollar in award money.

By requiring investment by award winners, when all the MDCP projects to date are completed, non-Federal export multipliers will have spent over \$43 million to develop foreign markets versus \$17 million of Federal award dollars. This investment has yielded a handsome return. As Commerce Secretary Norman Y. Mineta noted when he announced the winners,

"cooperator projects have been responsible for over \$2 billion in exports since the program began in 1993." The complete list of 2000 MDCP award winners can be viewed at [www.exports.gov/MDCP](http://www.exports.gov/MDCP).

### COMPETITION FOR FISCAL 2001 MDCP AWARDS

Eligible organizations may apply for MDCP awards after ITA opens the competition with the publication of a notice in the Federal Register in early 2001. Applications will be due approximately eight weeks after publication of the notice.

"Before you apply, find out if you are eligible," recommended Jerry Morse, Division Director in Trade Development's Office of Planning, Coordination, and Resources Management (OPCRM). Morse designed the MDCP in 1993 after Congress passed legislation creating the program. "A winning MDCP application requires significant forethought and planning," Morse added, "potential applicants should contact the MDCP manager as soon as possible to maximize their effort."

### CHANCES OF SELECTION

The seven winners for fiscal 2000 were chosen out of a field of 45 competing eligible applicants. A panel of ITA executives reviewed each application in light of five evaluation criteria published in the MDCP Federal Register notice. The Selection Panel scored each application and ranked the top ten applicants. Assistant Secretary for Trade Development Michael J. Copps made the final choice from the ten ranked finalists.

In addition to preparation, it is sometimes persistence and follow-up that pay off for applicants. "Sometimes an applicant is selected for an award the first year it applies," noted OPCRM Director Robert Pearson. Pearson went on to say that, "the majority of winners are repeat applicants that have submitted applications in previous years."



Photo courtesy of U.S. Department of Commerce

Deputy Under Secretary for International Trade Timothy Hauser congratulates John William Hemmings III and Douglas Fry of the Ohio Valley Regional Development Commission, recipient of \$50,000 of MDCP financial assistance.

To help potential applicants and unsuccessful applicants from previous years, the MDCP Manager is available to counsel entities interested in preparing an application for the upcoming competition. Jerry Morse cautions potential applicants not to wait until the publication of the MDCP Federal Register notice to contact the MDCP Manager, "In order to be fair to all applicants, from the date the notice is published until the applications are due eight weeks later, ITA professionals, including the MDCP Manager, cannot counsel potential applicants." MDCP policy allows ITA employees to respond to potential applicant inquiries the same way it fields any other inquiry from the public, but during this eight-week period between competition announcement and submission deadline, the policy does not allow counseling or suggestions about the merits of particular MDCP application ideas. During this period, organizations can ask the MDCP Manager about the application process, however, they should not discuss any of the substance of their application with the MDCP Manager. ■

Interested organizations should contact MDCP Manager, Brad Hess by Tel: (202) 482-2969, Fax: (202) 482-4462, Email: [Brad\\_Hess@ita.doc.gov](mailto:Brad_Hess@ita.doc.gov), or by visiting the MDCP web site at [www.export.gov/mdcp](http://www.export.gov/mdcp).