



Highlights of [GAO-06-660T](#), a report to the House Committee on Small Business

Why GAO Did This Study

In 1992, Congress established the Trade Promotion Coordinating Committee (TPCC) to provide a unifying interagency framework to coordinate U.S. export promotion activities and to develop a governmentwide strategic plan. TPCC member agencies' activities include providing training, market information, advocacy, trade finance and other services to U.S. companies, especially small- and medium-sized businesses. These U.S. government agencies together have \$1.5 billion in budget authority for export promotion programs and activities for fiscal year 2006. Each year, the TPCC submits to Congress a mandated national export strategy, reporting member agencies' activities and trade promotion budget authority and establishing broad priorities. The TPCC secretariat, which has no budget of its own, is housed in the Commerce Department, which chairs the committee.

In this testimony, which updates findings from a 2002 report, GAO (1) reports on trends in TPCC member agencies' budget authority; (2) assesses TPCC's coordination of trade promotion and its national export strategies; and (3) discusses small- and medium-sized businesses' participation in trade promotion activities.

www.gao.gov/cgi-bin/getrpt?GAO-06-660T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager, (202) 512-4347, yagerl@gao.gov.

EXPORT PROMOTION

Trade Promotion Coordinating Committee's Role Remains Limited

What GAO Found

TPCC's national export strategies for fiscal years 2002-2006 show that agencies' trade promotion-related budget authority dropped by about one third. This resulted mainly from budget changes at the Department of Agriculture and Ex-Im Bank, which account for more than half of U.S. trade promotion budget authority. At the same time, budget authority for two other key agencies, the Departments of Commerce and State, remained relatively steady. However, the effect of these trends on the agencies' trade promotion activities is unclear. For example, the decline in Ex-Im Bank's budget authority did not reduce its ability to provide export financing.

TPCC member agencies have taken several steps, such as participating in interagency training and outreach to exporters, to improve coordination of trade promotion efforts. However, coordination challenges persist, for example, among the Departments of Commerce, State, and Agriculture regarding the allocation of overseas staff for trade promotion activities. In addition, as GAO found in 2002, the annual national export strategies have several limitations that affect the TPCC's ability to coordinate trade promotion activities. For example, the strategies do not identify or measure agencies' progress toward mutual goals or review their budget allocations. In addition, they focus on different topics each year without evaluating progress in addressing previous years' topics. GAO has made similar comments in several prior reviews of the TPCC.

A lack of systematic information makes it difficult to assess progress or trends in small and medium-sized businesses' participation in trade promotion activities across agencies. TPCC agencies track small-business participation in a variety of ways. The national export strategies provide only anecdotal information on these businesses' participation in trade promotion activities.

TPCC Program Budget Authority FY 2006 (Enacted)

Department or Agency	Budget Authority (millions)
Agriculture	\$769
Commerce	335
Ex-Im Bank	123
State	177
U.S. Trade and Development Agency	50
U.S. Trade Representative	44
Energy	9
Small Business Administration	6
Treasury	3
Labor	0

Source: TPCC, for publication in the 2006 national export strategy.

Note: TPCC's other members are the Council of Economic Advisors; the Departments of Defense, Interior, and Transportation; the Environmental Protection Agency; the National Security Council/National Economic Council; OMB; the U.S. Agency for International Development; and the Overseas Private Investment Corporation.