

SHORT-TERM CONTENT POLICY

Small Business and Non-Small Business



ST Content Policy Presentation

July 2010

Comparison of ST Content Policies

	Short-Term Content Policy for Non-Small Business	Short-Term Content Policy for Small Business
Eligibility	Labor, Materials & Direct Overhead	All costs
Definition	Must be manufactured in the US	May be foreign-originated
Scope	< 50% US content = Ineligible	< 50% US content = Cover only US
Calculation of Support	Item-by-item basis	Item-by-item basis Option: Aggregate items on an invoice with the submission of a Content Report
Shipment	All goods must be shipped from US	All goods must be shipped from US

Short-Term Case Example: Medical Equipment

ST medical equipment transaction, consisting of the following goods:

▫ Stethoscopes:	\$17,400
▫ Oximeters:	\$13,800
▫ Dopplers:	<u>\$24,000</u>
TOTAL:	\$55,200

ST Content Eligibility Calculation

Small Business and Non-Small Business Breakdown of Costs

Item	Made in	% US Labor, Materials, and Direct Overhead	% US All Costs	Sales Price (incl. profit)
1) stethoscopes	U.S.	55%	62%	\$17,400
2) oximeters	U.S.	20%	26%	\$13,800
3) dopplers	Mexico	77%	80%	\$24,000

Item #1-

Non- Small Business:

eligible

Small Business: **eligible**
for 100% support

Item #2-

Non- Small Business:

ineligible

Small Business: **eligible**
for U.S. content only

Item #3-

Non- Small Business:

ineligible

Small Business: **eligible**
for 100% support

ST Aggregate Content Reporting for Small Businesses Only

CONTENT REPORT:

Attach to Premium and Shipment Report

Information:

- Description of Individual Items:
 - Cost
 - Manufacturer
 - Number of Units
 - NACIS Code

The Foreign Inputs (*included in each item*)

- Cost
- Foreign Inputs Manufacturer
- Country of Origin

ST Content Reporting

If Small Business Exporter Opts to Aggregate Invoice

	Item 1	Item 2	Item 3
Good or Service	Stethoscopes	Oximeters	Dopplers
Description	Medical Instrument	Measures blood oxygen	Ultrasound equip
Manufacturer	Monarch Surgical	Nonin	Parks Medical
NAICS Code of Product	339112	334510	423450
Cost of Good or Service (excludes profit)	\$14,500	\$11,500	\$20,000
Foreign Content			
Component 1			
Good or Service	Earpieces	LED screens	Batteries
Manufacturer	Jabra	B2B Mfg	Contec Mfg
Country of Origin	France	Taiwan	China
Cost	\$2,500	\$8,000	\$3,000
Component 2			
Good or Service	Labor	Packaging	Packaging
Manufacturer	Jabra	Dart de Mexico	Maxim Int
Country of Origin	France	Mexico	Mexico
Cost	\$3,000	\$500	\$1,000

Level of Support: Aggregate vs. Item-By-Item Approach

Item	Total U.S. Costs (% of All Costs)	All Costs (U.S. & Foreign)	Sales Price (incl profit)	Value of Support if Item-by-Item	Value of Support if Aggregate
1) stethoscopes	\$9,000 (62%)	\$14,500	\$17,400	\$17,400	Average U.S. content is 60% (Total US Costs/All
2) oximeters	\$3,000 (26%)	\$11,500	\$13,800	\$3,000	
3) dopplers	\$16,000 (80%)	\$20,000	\$24,000	\$24,000	
TOTAL SUPPORT				\$44,400	\$55,200

Level of Support:

ITEM-By-ITEM APPROACH: \$44,000

AGGREGATE APPROACH: **\$55,200**