

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

June 6, 2012

President of the United States of America
The White House
Washington, DC 20500

Dear Mr. President,

We welcome the addition of the Chair of the National Governors Association and the President of the United States Conference of Mayors to the PEC and note the Memorandum of Intent signed by the International Trade Administration and the State International Development Organization, both excellent steps toward formalizing the coordination of efforts to advance goals set out in the National Export Initiative.

State, local and federal trade and export promotion agencies share similar goals. For example, just as the U.S. Commercial Service promotes U.S. exports, with a particular focus on small and medium-sized enterprises (SMEs), many state export promotion agencies are also focused on helping SMEs export. In this climate of fiscal austerity, efficient use of resources is more important than ever. Better communication and coordination across all levels of government can minimize redundancy and optimize the effectiveness of trade promotion initiatives. We recommend the following to improve cooperation across all levels of government:

Use States and Local Areas as Testing Grounds for Federal Initiatives

State and local-level initiatives are exceptional opportunities to inform potential federal programs and test concepts and projects on a small scale without dedicating the resources required for a nationwide effort. These state and local projects can help identify high-performing programs with the potential for nationwide implementation.

Improve Understanding of SME Needs and Opportunities

State and local governments are geographically, culturally, and economically closer to the businesses in their respective jurisdictions than the federal government, and they have strong communication infrastructures. As a result, state and local governments often have a better understanding of the needs of local firms, particularly small businesses. Through more intensive and formalized information sharing, which can be facilitated by local U.S. Export Assistant Centers, the federal government can gain a better understanding of SMEs nationwide. Better data and qualitative information about potential exporters could help federal authorities reach a wider constituency to provide information about available federal programs and resources to help SMEs grow exports and create jobs.

Eliminate Redundancy

The U.S. economy is the collection of its sub-national economic regions. Those regions are competing in international markets for trade and investment. While competition exists, local, state and federal governments share common goals for exporting and attracting investment. Improved intergovernmental collaboration could diminish duplicative efforts and bring down the costs of export promotion. The PEC recommends stronger intergovernmental collaboration and information sharing about trade missions and trade shows and expositions to help ensure better coordination.

Highlight the Importance of Trade Promotion and Trade Promotion Tools

The importance of state and local government trade missions is often not fully understood by the public, making it difficult for state and local elected officials to sustain broad public support for

trade and foreign direct investment promotion efforts. The federal government can mitigate the misperceptions of trade missions by elevating the importance of trade and investment promotion efforts and by partnering with state and local officials to educate the public about the benefits of promoting American businesses and products globally. The Trade Policy Coordinating Committee should also provide state and local officials with up-to-date information about trade shows and trade missions.

Create Individualized State and Local Export Plans

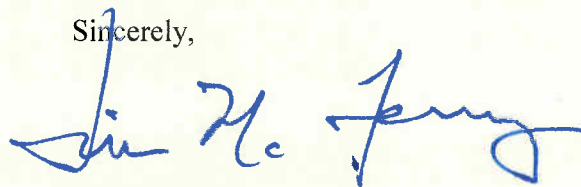
Developing customized models, toolkits, and practice guides to address specific state and local needs can help overcome specific hurdles to increasing exports. For example, Brookings Institution and the U.S. Department of Commerce's International Trade Administration (ITA) partnered to create the Metropolitan Export Initiative. The PEC encourages the Administration to work with Brookings and ITA to analyze the results of the pilot initiatives and to create a sustainable program for individual metropolitan areas to develop export strategies that fully take advantage of their individualized assets and optimize communication and interaction between state, local, and federal authorities.

In addition, the PEC encourages the Administration to continue to work closely with state and local government organizations like the United States Conference of Mayors, which has a Metro Exports and Ports Task Force to promote local export strategies, export promotion partnerships among local labor, educational, and business institutions, and coordinated national and regional freight policies, and the National Governors Association, which has undertaken a year-long comprehensive initiative to provide governors state-of-practice tools and action-based strategies to generate job growth, promote entrepreneurial activity, and expand trade and investment in the states.

Cooperation among federal, state, and local governments has already provided some successes. For example, in Washington State, a national leader in exports, close cooperation between federal and state authorities has helped local businesses access federal grants and educational opportunities while allowing federal authorities to develop working relationships with local companies. Another partnership between the federal government and states, the State Trade and Export Promotion Pilot Grant Program (STEP), has helped grow the number of small businesses that export and the value of exports from the small business sector.

Growing American exports is critical to promoting economic growth, creating jobs, and ensuring America's preeminence on the global stage. Private industry and government agencies at every level must work together to achieve the goal to double our nation's exports by the end of 2014.¹

Sincerely,



Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.