

**GAO**

Report to the Chairman, Subcommittee  
on Criminal Justice, Drug Policy, and  
Human Resources, Committee on  
Government Reform, House of  
Representatives

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April 2000

# EXPORT PROMOTION

## Federal Agencies' Activities and Resources in Fiscal Year 1999



**G A O**

Accountability \* Integrity \* Reliability

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United States General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-284757

April 10, 2000

The Honorable John L. Mica  
Chairman, Subcommittee on Criminal Justice,  
Drug Policy, and Human Resources  
Committee on Government Reform  
House of Representatives

Dear Mr. Chairman:

Over the past decade, U.S. businesses have increasingly recognized the benefits of competing in the international marketplace, with exports as a share of U.S. gross domestic product rising from 6.4 percent in 1988 to 7.9 percent (\$672 billion) in 1998. The U.S. government has a variety of programs intended to help businesses promote their products and services in overseas markets. At your request, this report (1) identifies the federal agencies involved in promoting exports of U.S. goods and services and the export promotion activities they perform, (2) provides these agencies' total resources devoted to export promotion in fiscal year 1999, and (3) isolates the agencies' overseas resources devoted to export promotion during this period. In addition, we describe how some of these agencies participate in a computerized network that provides trade leads from developing countries to U.S. exporters.

In defining "export promotion" we focused on programs and activities conducted by federal agencies that are meant to facilitate specific export transactions, involve direct contact with U.S. exporters, or have export promotion as their stated goal.<sup>1</sup> Such programs and activities include providing U.S. businesses with information on the export process through trade shows, conferences, and seminars; financial assistance in the form of loans, loan guarantees, grants, and other monetary contributions;

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<sup>1</sup>In some instances, agencies have programs that do not facilitate specific export transactions or involve direct contact with exporters but nevertheless have export promotion as their stated goal or indirectly promote exports. For example, the Agriculture Department's Market Access Program provides funds to agricultural trade associations, state regional groups, state agencies, and cooperatives to support the overseas promotion of agricultural goods. In another example, the programs of the Overseas Private Investment Corporation promote investment in developing countries, which indirectly facilitates U.S. exports. We have therefore included such programs in our report.

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information on foreign markets and trade leads; contacts through trade missions and individualized meetings; general business counseling and technology-specific advice; and advocacy through official correspondence or other forms of government intervention. As agreed with your office, we have not assessed whether there is unnecessary overlap among the agencies engaged in these activities because doing so would have required a more lengthy investigation and on-site visits to U.S. government posts overseas.

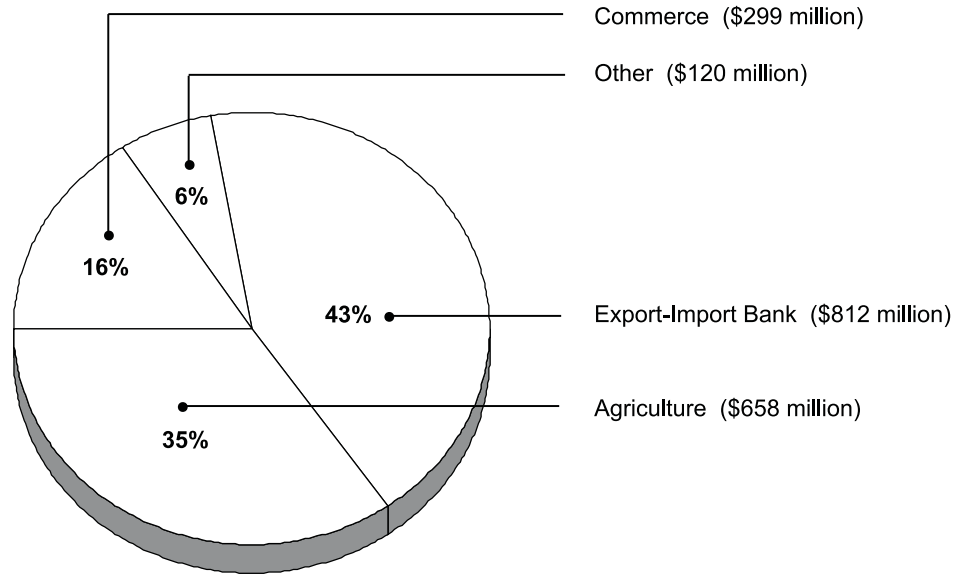
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## Results in Brief

Ten federal agencies are involved in export promotion activities: the Departments of Agriculture, Commerce, Energy, State, and Transportation; the Export-Import Bank of the United States; the Overseas Private Investment Corporation; the Small Business Administration; the U.S. Agency for International Development; and the U.S. Trade and Development Agency. All of these agencies help educate U.S. businesses about the export process by participating in trade shows and other events; seven provide financial assistance to exporters or investors in overseas projects; seven provide trade contacts; and six gather and disseminate market and/or trade lead information.

These agencies received approximately \$1.9 billion for export promotion activities in fiscal year 1999. The Export-Import Bank and the Department of Agriculture, agencies that provide direct financial support to U.S. exporters, received \$1.47 billion, or almost 78 percent, of this amount. Another \$299 million (16 percent) was received by the Department of Commerce, which employed the equivalent of almost 2,000 full-time people in these activities during this period. The remaining 6 percent was devoted to eight other agencies. Figure 1 illustrates these agencies' percentage share of federal dollars, and figure 2 shows their percentage share of staff devoted to export promotion activities.

**Figure 1: Agencies' Share of Federal Dollars Devoted to Export Promotion Activities in Fiscal Year 1999**

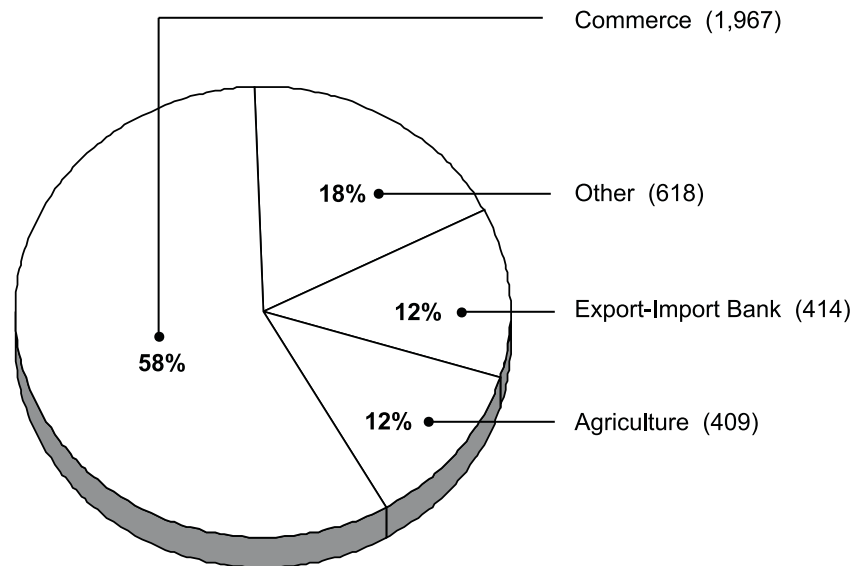


**Total: \$1.9 billion.**

Note: "Other" includes the Departments of Energy, State, and Transportation; the Small Business Administration; the U.S. Agency for International Development; and the U.S. Trade and Development Agency.

Source: GAO analysis of agency data.

**Figure 2: Agencies' Share of Staff Devoted to Export Promotion Activities in Fiscal Year 1999**



**Total: 3,408 full-time equivalent positions.**

Note 1: Not all staff work full-time on export promotion activities. One full-time equivalent position is equal to one person working full-time; two people working half-time; one person working half-time and two people working one-quarter-time; etc.

Note 2: "Other" includes the Departments of Energy, State, and Transportation; the Overseas Private Investment Corporation; the Small Business Administration; the U.S. Agency for International Development; and the U.S. Trade and Development Agency. (The Overseas Private Investment Corporation was not included in figure 1 because it is authorized to spend funds from the fees it collects and the income it earns from Treasury securities. It generally does not receive a direct appropriation.)

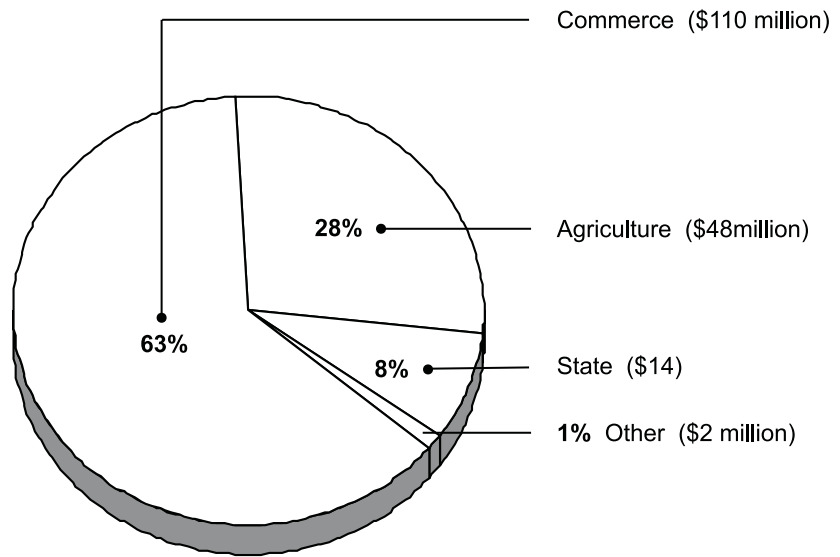
Source: GAO analysis of agency data.

Seven agencies devoted approximately \$174 million in estimated expenses to export promotion activities at U.S. overseas posts in fiscal year 1999. Of this amount, about \$110 million (63 percent) came from the Commerce Department, which devoted the equivalent of over 700 full-time people to these activities during this period. The Departments of Agriculture and State devoted \$48 million (28 percent) and \$14 million (8 percent), respectively. These expenditures covered salaries and expenses of overseas staff and administrative costs associated with overseas facilities. Figure 3 illustrates these agencies' percentage share of estimated expenses,



and figure 4 shows their percentage share of staff devoted to export promotion activities.

**Figure 3: Agencies' Share of Estimated Expenses Devoted to Export Promotion Activities at U.S. Overseas Posts in Fiscal Year 1999**

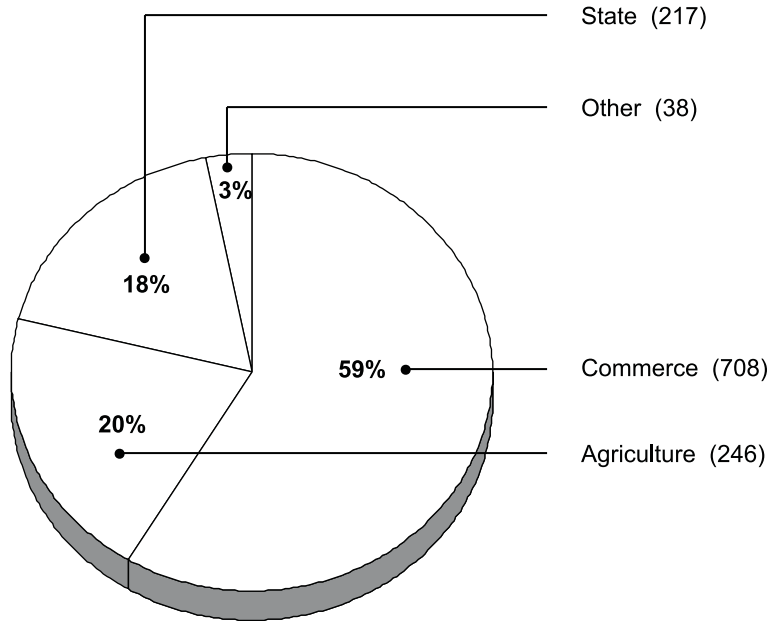


**Total: \$174 million.**

Note: "Other" includes the Export-Import Bank, the Overseas Private Investment Corporation, the U.S. Agency for International Development, and the U.S. Trade and Development Agency.

Source: GAO analysis of agency data.

**Figure 4: Agencies' Share of Staff Devoted to Export Promotion Activities at U.S. Overseas Posts in Fiscal Year 1999**



**Total: 1,209 full-time equivalent positions.**

Note: "Other" includes the Export-Import Bank, the Overseas Private Investment Corporation, the U.S. Agency for International Development, and the U.S. Trade and Development Agency.

Source: GAO analysis of agency data.

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## Background

In October 1992, Congress passed legislation aimed at coordinating and streamlining U.S. export programs and policies.<sup>2</sup> Title II of the Export Enhancement Act of 1992 (P.L. 102-429) authorized the creation of an interagency body called the Trade Promotion Coordinating Committee. The Export Enhancement Act requires this committee to issue an annual report to Congress containing “a governmentwide strategic plan for federal trade promotion efforts” and describing the plan’s implementation.<sup>3</sup> According to the committee, which uses a broader definition of export promotion than the one we are using, 20 federal entities<sup>4</sup> are involved in export promotion and/or trade policy. These entities range from large agencies with significant resources devoted to exporting, such as the Departments of Commerce and Agriculture, to smaller organizations with specific roles in the export process, such as the Export-Import Bank and the U.S. Trade and Development Agency. They also include sizeable agencies like the U.S. Agency for International Development and the Departments of Energy and Transportation, whose work may lead to exports but whose primary mandates focus on missions other than exporting.

The Trade Promotion Coordinating Committee has been issuing annual reports, known as *The National Export Strategy*, since 1993. Our report differs from *The National Export Strategy* in that it uses a narrower, more focused definition of “export promotion.” The programs and activities we have focused on exclude many of the broader, indirect activities reported on by the committee, such as bilateral and multilateral trade negotiations undertaken by the U.S. Trade Representative, the Departments of State and the Treasury, and other agencies; the challenging of unfair trade practices by the U.S. Trade Representative, the Labor Department, and other agencies; and the U.S. Agency for International Development’s efforts to raise living standards in developing countries and transitional economies—

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<sup>2</sup>A January 1992 GAO report had found that federal export promotion activities were fragmented among numerous agencies and lacked any governmentwide strategy or priorities. See *Export Promotion: Federal Programs Lack Organizational and Funding Cohesiveness* (GAO/NSIAD-92-49, Jan. 10, 1992).

<sup>3</sup>We are not commenting on the strategic plan in this report. For our previous discussions of how this plan could be more effective in creating a streamlined approach to promoting U.S. exports, see *Export Promotion: Issues for Assessing the Governmentwide Strategy* (GAO/T-NSIAD-98-105, Feb. 26, 1998) and *National Export Strategy* (GAO/NSIAD-96-132R, Mar. 26, 1996).

<sup>4</sup>One of these entities, the U.S. Information Agency, has since become part of the State Department.

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activities that help create sustainable markets in the long run. This is the reason why we refer to 10 agencies involved in export promotion, while the committee identified 20.

In addition, our report differs from The National Export Strategy in several other important respects:

- It includes staffing data.
- It isolates resources associated with agencies' export promotion presence overseas and provides an allocation of resources by country.
- It describes certain export promotion activities not previously or currently reported in *The National Export Strategy*.<sup>5</sup>

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## Ten Agencies Provide Export Promotion Services

Ten federal agencies perform a variety of activities that help U.S. exporters advance their sales. We have organized these activities into six major categories: education, financing and other monetary assistance, contacts, information gathering and dissemination, technical assistance, and advocacy (see table 1). All of these agencies participate in educating exporters about the export process; seven provide monetary assistance; seven help exporters make contacts with potential buyers; six gather and disseminate information about foreign markets; five provide industry-specific or other technical assistance; and five advocate on behalf of U.S. businesses with foreign officials. Some agencies are more involved than others in providing these services. For example, the Departments of Agriculture and Commerce are involved in all six types of activities, and the Small Business Administration is involved in five.

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<sup>5</sup>For example, these include export counseling, technical assistance, and grants for trade promotion facilities provided by Commerce Department units outside of the International Trade Administration, and other activities.

Table 1: Federal Agencies' Export Promotion Activities

Export promotion activity	DOC	DOE	DOT	EXIM	OPIC	SBA	STATE	TDA	USAID/ GTN	USDA/ FAS
<b>Education</b>										
Outreach at trade events through seminars, panels, booths, etc.	X	X	X	X	X	X	X	X	X	X
Counseling	X					X	X			X
Formal export training course	X					X				
<b>Total agencies involved in education</b>	X	X	X	X	X	X	X	X	X	X
<b>Financing &amp; other monetary assistance</b>										
Loans and loan guarantees for wide variety of exports				X						
Long-term loans and loan guarantees connected with overseas investment					X					
Loan guarantees for agricultural exports				X						X
Loan guarantees for small businesses only						X				
Long-term loan guarantees for building ships			X							
Subsidies										X
Grants for economic adjustment and other assistance	X									
Grants for feasibility studies and related project-specific services								X		
Long-term investment insurance					X					
Short- and medium-term insurance for export sales				X						
<b>Total agencies involved in financial assistance</b>	X		X	X	X	X		X		X
<b>Contacts</b>										
Trade missions	X	X	X			X	X			X
Reverse trade missions	X	X				X		X		X
Customized contacts	X						X			X
<b>Total agencies involved in contacts</b>	X	X	X			X	X	X		X
<b>Information gathering and dissemination</b>										
Market research	X	X				X	X			X
Sector research	X	X				X	X			X
Trade leads	X	X				X			X	X
<b>Total agencies involved in information gathering and dissemination</b>	X	X				X	X		X	X

Continued

Export promotion activity	DOC	DOE	DOT	EXIM	OPIC	SBA	STATE	TDA	USAID/ GTN	USDA/ FAS
<b>Technical assistance</b>										
General (business plans, etc.)	X					X				X
Industry/Technology specific	X	X	X							X
<b>Total agencies involved in technical assistance</b>	X	X	X			X				X
<b>Advocacy for U.S. firms</b>										
Correspondence and contacts with foreign government officials	X		X		X		X			X
<b>Total agencies involved in advocacy</b>	X		X		X		X			X

Continued from Previous Page

Legend

- DOC = Department of Commerce
- DOE = Department of Energy
- DOT = Department of Transportation
- EXIM = Export-Import Bank
- OPIC = Overseas Private Investment Corporation
- SBA = Small Business Administration
- STATE = State Department
- TDA = U.S. Trade and Development Agency
- USAID/GTN = U.S. Agency for International Development/Global Technology Network
- USDA/FAS = U.S. Department of Agriculture/Foreign Agricultural Service

Source: GAO analysis of agency data.

**Educational Activities**

All the agencies participate in educational activities that help U.S. businesses learn about the export process.<sup>6</sup> The Commerce Department maintains a network of over 100 Export Assistance Centers throughout the country, including 19 “U.S. Export Assistance Centers” in major cities run jointly by the Commerce Department, the Export-Import Bank, and the Small Business Administration.<sup>7</sup> Agency officials at these centers provide

<sup>6</sup>Two officials at the Treasury Department spend a small fraction of their time educating U.S. companies about business opportunities with the multilateral development banks and responding to inquiries concerning specific bank projects in developing countries. The multilateral development banks include the World Bank Group and the Inter-American Development Bank Group in the United States, the African Development Bank Group in the Ivory Coast, the Asian Development Bank in the Philippines, and the European Bank for Reconstruction and Development in the United Kingdom. These banks promote economic growth and the development of market economies by providing loans and loan guarantees to developing countries and transitional economies.

<sup>7</sup>For more information on how these centers are serving U.S. exporters, see *Export Promotion: U.S. Export Assistance Centers Seek to Improve Services* (GAO/NSIAD-99-180, June 25, 1999).

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counseling to businesses on all aspects of the export process, including how to market their products abroad and how to obtain financing. The Commerce Department also maintains a Trade Information Center in Washington, D.C., which provides counseling to businesses on how to find and use government programs and guides them through the export process. The Small Business Administration provides similar counseling through its national network of Small Business Development Centers. In addition, agencies send officials to speak at trade seminars and conferences and to speak or staff booths at forums where exporters display their products or services. For example, the Export-Import Bank holds an annual conference attended by exporters and bankers interested in finding out about government programs. Officials from the Commerce Department, the Export-Import Bank, the Overseas Private Investment Corporation, the Small Business Administration, and the U.S. Trade and Development Agency regularly speak at this conference.

Two agencies, the Commerce Department and the Small Business Administration, have developed formal export training courses. The “Export-Trade Assistance Partnership” course developed by the Small Business Administration is currently offered at many of the 19 U.S. Export Assistance Centers around the country. The course developed by the Commerce Department, called the “Market Entry Program,” is geared toward minority-owned companies and is being taught in 18 cities, 11 of which also host U.S. Export Assistance Centers. According to Commerce Department officials, attempts are made to combine the courses in locations where both are offered.

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## Financial and Other Monetary Assistance

Seven agencies assist exporters or investors with financing, insurance, subsidies, and/or grants: the Departments of Agriculture, Commerce, and Transportation; the Export-Import Bank; the Overseas Private Investment Corporation; the Small Business Administration; and the U.S. Trade and Development Agency. Financing (loans and loan guarantees) helps businesses buy or produce U.S. goods or services for export; assists foreign buyers in paying for U.S. exports; assures that U.S. exporters and/or lenders will be paid; or contributes to the viability of overseas investments that may generate U.S. exports over time. Insurance protects exporters and investors against commercial and/or political risk.<sup>8</sup> Subsidy programs, such as the Department of Agriculture's Export Enhancement Program and Dairy Export Incentive Program, make cash payments available to U.S. exporters of commodities like frozen broilers and milk powder so they can lower their prices in targeted markets and compete with local producers who are receiving payments from their governments. Grants are funds that generally do not have to be repaid.

Of the seven agencies that provide financial assistance, each offers a specific type. For example, the Export-Import Bank, which is wholly devoted to providing monetary assistance to U.S. exporters, provides short-term (up to 1 year) loan guarantees for U.S. exporters that help finance their pre-export costs (buying or producing goods or services for export). It also provides insurance for U.S. exporters that covers commercial and political risk. The insurance generally covers up to a 1-year period, but can cover up to 7 years depending on the value of the export contract. In addition, it provides long-term (up to 10 years in most cases)<sup>9</sup> loans and loan guarantees to foreign buyers of U.S. exports or their banks. The Overseas Private Investment Corporation assists U.S. investors with projects in developing countries and transitional economies, which often result in U.S. exports to these parts of the world. It provides long-term (up to 20 years) insurance to these investors against political risk. It also offers long-term (5-15 years) loans and loan guarantees for costs connected with investments in developing countries. The U.S. Trade and Development Agency provides partial funding for engineering and other studies assessing

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<sup>8</sup>Commercial risk includes nonpayment of goods or services sold. Political risk includes war and other forms of political violence; seizure of assets by foreign governments; and the inability to convert foreign currency into dollars or other globally traded currencies, such as pounds or yen.

<sup>9</sup>Longer terms are available for financing large aircraft or power plants.



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the viability of projects aimed at raising living standards in developing countries and transitional economies and generating U.S. exports. U.S. exporters can obtain complementary services from these three agencies for different stages of the same project. For example, the U.S. Trade and Development Agency may provide partial funding of an initial study; the Overseas Private Investment Corporation may provide financing or insurance for a subsequent investment in an overseas project; and the Export-Import Bank may help finance U.S. exports of equipment and machinery associated with the investment.

Three agencies provide loan guarantees to specific groups of exporters: the Small Business Administration and the Departments of Agriculture and Transportation. The Small Business Administration provides pre-export loan guarantees for small businesses in amounts below \$833,333. (The Export-Import Bank provides pre-export loan guarantees to businesses of all sizes, including small businesses, but in amounts above \$833,333.) Similarly, the Department of Agriculture provides specialized loan guarantee programs for commodities such as grain and meat, and the Department of Transportation provides loan guarantees for construction in U.S. shipyards of vessels for export. According to Export-Import Bank officials, the Bank does not compete with these programs, since it generally offers shorter repayment periods for these items.<sup>10</sup>

The Commerce Department, through its Economic Development Administration, provides grants for projects in communities affected by government cutbacks (for example, military base closures). In recent years, these projects have included several world trade centers, which host export-related events. In addition, the Commerce Department's Trade Development unit offers matching funds for export-related activities to trade associations, states, chambers of commerce, world trade centers, and other entities. The U.S. Trade and Development Agency also provides grants, but its grants are restricted to feasibility studies for overseas projects. (A feasibility study assesses the cost and other factors involved in

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<sup>10</sup>The Export-Import Bank provides financing for agricultural products at terms of up to 1 year, whereas the Agriculture Department provides financing at terms of up to 3 years for many commodities and up to 10 years for others, such as breeder livestock. Export-Import Bank officials stated that the Bank generally provides financing for agricultural products only when money appropriated by Congress for Agriculture Department financing programs has been used up. Regarding shipbuilding, the Export-Import Bank officials said the Bank would provide terms of up to 8.5 years; however, they did not recall the last time the Bank financed the export sale of a ship. The Department of Transportation provides financing for shipbuilding at terms of up to 25 years.

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deciding whether to proceed with a proposed project, such as building a power plant.)

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## Contacts for Future Business Opportunities

Seven agencies help exporters by providing contacts that may lead to sales. They do this through sending U.S. companies on trade missions abroad or organizing reverse trade missions, in which potential foreign buyers are brought to the United States, and by setting up meetings for individual companies.

The Departments of Agriculture, Commerce, Energy, State, and Transportation, as well as the Small Business Administration, lead or set up overseas trips for U.S. companies. The Commerce Department's International Trade Administration is the most active government entity in this area, and supports a number of trade missions annually, including 56 in fiscal year 1999. These missions are led by the Secretary of Commerce, other Department officials, state governors, or U.S. businesses. For example, in 1999, the Secretary of Commerce led an interagency delegation to a "Commercial Opportunities and Partnerships" conference in southeastern Europe. The Department of Transportation led almost a dozen U.S. executives on a business development mission to Brazil, Chile, and Peru. The Small Business Administration, through its Office of International Trade, organized a trip to Mexico funded by participating U.S. businesses. Similarly, the Department of Energy helped U.S. companies specializing in energy efficiency technologies participate in trade missions to China, Mexico, Japan, and Thailand. Some of these agencies have also coordinated their efforts with the Commerce Department. Officials from the Department of Transportation have accompanied Commerce Department officials on trips, and the Small Business Administration has used the Commerce Department's U.S. and Foreign Commercial Service to set up meetings overseas for the companies participating in its trade missions. Several of these agencies also conduct reverse trade missions, as does the U.S. Trade and Development Agency.

Whereas trade and reverse trade missions provide general opportunities for groups of companies, customized contacts are tailored to the needs of individual businesses. The three agencies with the largest overseas presence devoted to export promotion—the Departments of Agriculture, Commerce, and State—have the resources to offer this service. As reported to us, State Department officials provide the service at locations where Agriculture and/or Commerce Department officials are not present.

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The Commerce Department and other agencies enhance trade contacts with related educational services, such as helping companies with market entry strategies and sponsoring trade fairs and marketing seminars. With the advent of the internet and electronic commerce, the Commerce Department is also in the process of adding “virtual” variations to traditional trade missions. In addition, the Small Business Administration has recently launched an internet-based service called “Trade Mission On-Line,” which is an electronic compendium of prospective small business exporters.

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**Information About Foreign Markets Collected and Disseminated**

The Departments of Agriculture, Commerce, Energy, and State, as well as the Small Business Administration, gather information on foreign markets, industry sectors, and sales leads from potential buyers. This information is collected by officials from the Departments of Agriculture, Commerce, and State stationed overseas. Commerce Department officials concentrate on nonagricultural sectors, and State Department officials generally provide background analyses of foreign markets and industry sectors at locations where Commerce Department officials are not present. In addition, the U.S. Agency for International Development maintains a computerized database, called the Global Technology Network, that automatically matches U.S. companies with leads from potential foreign buyers in developing countries. (For more information on this network, see app. I).

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The information obtained from these agencies is put into the Commerce Department's National Trade Data Bank, which serves as a single repository for all federal international trade information. The Commerce Department's Trade Information Center acts as a clearinghouse for the National Trade Data Bank and other information of value to exporters. It directs businesses to market research and trade leads, provides information on overseas and domestic trade events, and tells companies how to access reports and statistics from the National Trade Data Bank.<sup>11</sup> The Agriculture Department also disseminates the agricultural trade information it collects to a list of 2,800 farmers and other suppliers and to state agricultural organizations across the country, which in turn distribute the information to even larger lists of local farmers. In addition, the Small Business Administration is making an international trade database available to U.S. companies at 171 Small Business Development Centers around the country. The database, called the "International Trade Data Network," was created and is maintained by the Rhode Island Export Assistance Center in Smithfield, RI. The network collects trade-related information from the Departments of Agriculture, Commerce, and State, as well as from other government entities and from private sources.<sup>12</sup>

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## Other Assistance Provided

Five agencies provide technical assistance by helping companies design business plans or industry-specific approaches to exporting. For example, retired business executives working with the Small Business Administration can show individual companies how to set up a business. The Departments of Agriculture, Energy, and Transportation, as well as industry specialists at the Department of Commerce, offer industry-specific services or advice (such as showing foreign governments how U.S. energy or transportation technologies work.) The Agriculture Department also helps agricultural industry representatives improve their general business plans to enhance their exports to foreign markets.

Five agencies—the Departments of Agriculture, Commerce, State, and Transportation; and the Overseas Private Investment Corporation—advocate on behalf of U.S. businesses. The Commerce Department has an

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<sup>11</sup>The National Trade Data Bank is available via the internet for a fee. It is also available free of charge at Commerce's Trade Information Center and at libraries designated as depositories of information generated by the federal government. Such libraries are usually affiliated with universities.

<sup>12</sup>This network can also be accessed via the internet for a fee.

“Advocacy Center” that helps U.S. companies bidding on foreign contracts. Assistance provided by the center can include a visit to a key foreign official by a high-ranking U.S. government official or by U.S. officials stationed overseas, or letters to foreign decisionmakers, according to information made available by the center. For example, in coordination with this center, the Department of Transportation has generated several letters on behalf of U.S. companies bidding on airport construction projects in China. The Overseas Private Investment Corporation advocates on behalf of U.S. businesses when foreign governments engage in activities that could potentially lead to a political risk insurance claim. In its comments, the Commerce Department stated that a body called the “Trade Promotion Coordinating Committee Advocacy Network” serves as the federal government’s main coordinating body for advocacy.

## Export-Import Bank, Agriculture, Commerce Account for Bulk of Resources Devoted to Export Promotion

Of the \$1.888 billion devoted to export promotion activities in fiscal year 1999, almost 78 percent was received by the two agencies that provided the greatest amount of financial assistance to U.S. exporters: the Export-Import Bank and the Department of Agriculture. The Export-Import Bank received the largest appropriation for this purpose in fiscal year 1999—\$812 million. The Agriculture Department was second, with \$658 million—\$589 million in appropriations for specific programs, which provide subsidies, financing, cost-sharing, or other forms of monetary assistance; and an estimated \$69 million in administrative and other costs associated with these programs and additional export services, which were paid for from the Foreign Agricultural Service’s fiscal year 1999 appropriation for salaries and expenses. Approximately 16 percent of the \$1.888 billion total—\$299 million—went to the Commerce Department, which does not fund any significant financial assistance programs for exporters but devotes more staff to promoting exports than any other agency. In fiscal year 1999, it filled 1,967 full-time equivalent positions for this purpose. The Export-Import Bank ranked second in staff devoted to export promotion, with 414 full-time equivalent positions filled by people administering loans, guarantees, and insurance in fiscal year 1999. The Agriculture Department was third, with 409. Table 2 contains a listing of 10 agencies’ resources devoted to export promotion activities. (See app. II for more detailed information on this data, including a description of each agency’s export promotion programs and activities.)

Table 2: Federal Resources Devoted to Export Promotion Activities in Fiscal Year 1999

Agency	Budget	Staff (full-time equivalent positions)	Type of funds <sup>a</sup>
Export-Import Bank	\$812,000,000	414	Appropriated; includes \$10,000,000 transferred from the U.S. Agency for International Development
Agriculture	658,169,396	409	\$589,320,000 appropriated for specific programs; \$68,849,396 from other appropriations estimated for export promotion activities
Commerce	298,590,000	1,967	\$270,390,000 appropriated for specific agency units; \$28,200,000 from other appropriations estimated for export promotion activities
U.S. Trade and Development Agency	59,000,000	39	\$44,000,000 appropriated for agency; \$15,000,000 transferred to agency from other sources
State <sup>b</sup>	24,594,000	251	Appropriated
Transportation	17,288,000	3	Obligated
Small Business Administration	11,300,000	38	\$5,000,000 appropriated for specific activities; \$6,300,000 from other appropriations estimated for export promotion activities
Energy	4,113,857	3	\$1,200,000 appropriated for energy efficiency program; \$2,913,857 obligated for export promotion activities involving fossil fuels
U.S. Agency for International Development/Global Technology Network <sup>c</sup>	2,807,700	94	Obligated
Overseas Private Investment Corporation <sup>d</sup>	(175,000,000)	190	Authorized
<b>Total<sup>e</sup></b>	<b>\$1,887,862,953</b>	<b>3,408</b>	

<sup>a</sup>In those instances in which there were no specific appropriations for export promotion activities, we used portions of appropriated funds estimated by agency officials or funds obligated by the agency for export promotion activities in fiscal year 1999. These funds could be used for export promotion as well as other activities, but the appropriations language did not identify the portion to be used for export promotion. Amounts that an agency has set aside or committed to pay are referred to in this report as obligated."

<sup>b</sup>The 251 figure for staff does not represent full-time equivalent positions filled, but positions budgeted, some of which may not be full-time and some of which may have gone unfilled. This is the best estimate of full-time equivalent positions devoted to export promotion activities filled in fiscal year 1999 that the State Department could provide.

<sup>c</sup>In order to avoid double counting, we subtracted 10.3 full-time equivalent positions filled by Department of Commerce and State employees in fiscal year 1999.

<sup>d</sup>The Overseas Private Investment Corporation is authorized to spend funds from the fees it collects and the income it earns from Treasury securities. It generally does not receive a direct appropriation.

<sup>e</sup>The total budget figure does not include the Overseas Private Investment Corporation.

Source: GAO analysis of agency data.

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**Majority of Export  
Promotion Funds Devoted  
to Financial Assistance  
Programs Provided by Two  
Agencies**

The Export-Import Bank in fiscal year 1999 received \$825 million in appropriations for loans and insurance for U.S. exporters and loans and loan guarantees for foreign buyers. This amount included \$50 million in appropriations for employee salaries and benefits, and other administrative expenses, and \$10 million transferred from the U.S. Agency for International Development to help with exports of emergency supplies to Central America in the wake of Hurricane Mitch. According to an official from the Office of Management and Budget, the Bank's net appropriation of \$812 million also included \$13 million in offsetting receipts from loan and guarantee fees and insurance premiums.

The Agriculture Department's \$658 million in fiscal year 1999 export promotion funds helped U.S. exporters in a variety of ways. For example, \$325.8 million appropriated for its General Sales Manager Programs made loan guarantees available to foreign banks for the purchase of U.S. grain and other commodities. Its Dairy Export Incentive and Export Enhancement Programs, for which a total of \$146 million was appropriated in fiscal year 1999, provided exporters of milk and other commodities with cash payments that allowed them to charge lower, more competitive prices in foreign markets. Its Market Access Program (\$90 million) helped small businesses, nonprofit trade organizations, and other entities fund promotions of consumer (that is, brand name) products abroad. The Department's Foreign Market Development Program (\$27.5 million) assisted nonprofit agricultural trade associations by sharing the cost of market research and other activities that improve their access to foreign markets. In addition, the Agriculture Department paid for other export services from the Foreign Agricultural Service's fiscal year 1999 appropriation for salaries and expenses. These services included providing trade leads obtained from Department officials stationed at overseas posts; promoting U.S. exports of agricultural goods and services to low- and middle-income countries through market research, specialized training, and other activities; providing lists of foreign buyers and U.S. suppliers; providing advertising space (for a small fee) in a biweekly newsletter distributed to over 18,000 potential buyers in 65 countries; organizing trade shows and trade missions; and providing export counseling.<sup>13</sup>

### Commerce Department Resources Provide a Variety of Services

The Commerce Department's \$299 million appropriated in fiscal year 1999 for export promotion activities was allocated primarily to three units within the Department. Its U.S. and Foreign Commercial Service, which provides U.S. companies with market research, trade leads, contacts, trade missions, trade shows, and export counseling at overseas posts and locations across the country, received \$184 million, or about 60 percent of the total. This unit also accounted for 1,284 (65 percent) of the 1,967

<sup>13</sup>These programs and activities do not include \$829.85 million appropriated in fiscal year 1999 for the Public Law 480 Title I food aid program. This program provides financing at below-market interest rates for U.S. exports of agricultural commodities to developing countries and private entities. Although its stated goal is to give priority to "those developing countries which have demonstrated the potential to become commercial markets," we have found that its importance in helping develop long-term U.S. agricultural markets has not been demonstrated. (See *Food Aid: Competing Goals and Requirements Hinder Title I Program Results* (GAO/GGD-95-68, June 26, 1995), p. 5.)



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full-time equivalent positions filled by Commerce Department employees engaged in export promotion activities during this period. The Department's Trade Development unit, which advocates for U.S. businesses in global competition for overseas contracts, received \$60.4 million (20 percent) and filled 407 full-time equivalent positions. Its Market Access and Compliance unit, which helps exporters identify barriers to foreign markets and the means to overcome them, received \$26.3 million (9 percent) and filled 178 full-time equivalent positions. Six other Commerce units devoted about 5 percent or less of their resources to promoting exports.

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### Services Provided by Other Agencies Account for the Remaining Funds

The U.S. Trade and Development Agency received \$44 million in appropriations in fiscal year 1999. This money is for funding feasibility studies for projects in developing countries and transitional economies that lead to U.S. exports. The agency also received an additional \$15 million in transfers from funds provided to carry out the Support for East European Democracy (SEED) Act of 1989 (P.L. 101-179) and the FREEDOM Support Act of 1992 (P.L. 102-511) for activities in the Balkans and the newly independent states of the former Soviet Union.

The State Department received \$25 million in appropriations in fiscal year 1999 to conduct business services—advocacy of U.S. business interests to foreign governments, counseling, and market analysis—and to support the export promotion efforts of other U.S. government agencies at overseas posts. These activities were carried out by the Department's regional bureaus (which include foreign service officers stationed abroad) and its Bureau for Economic and Business Affairs.

Approximately \$11.3 million of the Small Business Administration's appropriations during this period was devoted to export promotion activities: support and oversight of the agency's activities at the U.S. Export Assistance Centers, educating small businesses about the export process, delivering export financing, gathering and disseminating trade leads and other export-related information, organizing trade missions, and conducting other activities through its own staff and a network of local organizations. According to an agency official, \$1 million of these funds was a congressionally mandated line item to make the Rhode Island Export Assistance Center's International Trade Data Network available to small businesses at locations across the country.

The Department of Transportation in fiscal year 1999 approved the issuance of loan guarantees for three projects involving the export of ships built in the United States. According to Department officials, under the Federal Credit Reform Act of 1990 (P.L. 101-508, Title XIII), the Department was required to set aside \$17 million for these projects. In addition, approximately \$250,000 in administrative expenses was allocated to these projects. Similarly, the Department of Energy set aside approximately \$2.9 million for export projects during this period. These projects included promoting U.S. coal, oil, and gas technologies in China. The Energy Department also received an appropriation of \$1.2 million for promoting exports of energy-efficient technologies.

In the absence of any specific appropriations to the U.S. Agency for International Development for export promotion projects in fiscal year 1999, this agency set aside approximately \$2.8 million to pay U.S. and overseas-based contractors for gathering and disseminating trade leads in connection with its Global Technology Network, a computerized database that automatically matches U.S. companies with leads from potential foreign buyers.

The Overseas Private Investment Corporation was established to operate on a self-sustaining basis. Therefore, according to agency officials, it annually reports “net negative budget authority,” which is the amount by which its sources of funds (insurance premiums and interest earned on Treasury securities) exceed its uses of funds. For fiscal year 1999, it reported net negative budget authority of \$175 million for promoting U.S. investments in developing countries and transitional economies.

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## Commerce, Agriculture, and State Maintain the Largest Overseas Presence Devoted to Promoting U.S. Exports

Agency officials from seven agencies (the Departments of Agriculture, Commerce, and State; the Export-Import Bank; the Overseas Private Investment Corporation; the U.S. Agency for International Development; and the U.S. Trade and Development Agency) estimated that expenses connected with export promotion activities conducted overseas came to \$174 million in fiscal year 1999.<sup>14</sup> As shown in table 3, the Commerce Department, which maintains the largest overseas presence devoted to export promotion, had 708 full-time people stationed around the globe in fiscal year 1999 and accounted for \$109.7 million in estimated expenses (63 percent). The Agriculture Department's overseas staff and expenses in fiscal year 1999 were less than half that, or 246 full-time people and \$47.7 million. The State Department in fiscal year 1999 estimated that it spent \$14.3 million on export promotion activities overseas, with the equivalent of 217 people working full-time on these activities.<sup>15</sup> The remaining four agencies together accounted for 1 percent of estimated expenses and 3 percent of staff. These agencies' expenses include salaries and benefits, housing, travel, and administrative and other costs. (See app. III for a country-by-country allocation of these resources.)

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<sup>14</sup>This amount is included in the \$1.888 billion in total funds devoted to export promotion activities during this period.

<sup>15</sup>This information is based on reports from 196 (85 percent) of 230 State Department posts overseas and includes all U.S. embassies in capital cities.

**Table 3: Federal Agencies' Overseas Resources Devoted to Export Promotion Activities in Fiscal Year 1999**

Agency	Budget <sup>a</sup>	Staff (full-time equivalent positions)
Commerce	\$109,719,194	708
Agriculture	47,708,396	246
State <sup>b</sup>	14,301,742	217
U.S. Agency for International Development/ Global Technology Network <sup>c</sup>	1,077,700	34
Overseas Private Investment Corporation <sup>d</sup>	388,111	1
U.S. Trade and Development Agency	352,903	2
Export-Import Bank	151,530	1
Energy	0	0
Small Business Administration	0	0
Transportation	0	0
<b>Total</b>	<b>\$173,699,576</b>	<b>1,209</b>

<sup>a</sup>These budget figures are estimates of actual costs. The costs consist of salaries and expenses for agency officials stationed overseas in fiscal year 1999 and involved in export promotion activities. We used estimates of actual costs, because there are no specific appropriations for these costs.

<sup>b</sup>Of 230 posts, 196 (85 percent) responded to our request for information and are included in this figure.

<sup>c</sup>In order to avoid double counting, we subtracted 10.3 full-time equivalent positions filled by Department of Commerce and State employees in fiscal year 1999.

<sup>d</sup>The Overseas Private Investment Corporation, the Export-Import Bank, and the U.S. Trade and Development Agency each have one U.S. employee stationed at a Caspian Trade and Investment Center in Turkey. The budget for the Overseas Private Investment Corporation includes funding for the operation of the center. The U.S. Trade and Development Agency also has an employee stationed in the Philippines.

Source: GAO analysis of agency data.

Officials from the Departments of Agriculture, Commerce, and State gather market information and trade leads and assist U.S. companies through trade missions, counseling, buyer contacts, and other activities. The Commerce Department officials focus on nonagricultural sectors, and the State Department officials render most of their assistance in locations where neither Commerce nor Agriculture Department officials are present.

The U.S. Agency for International Development set aside approximately \$1 million in fiscal year 1999 to pay 29 contractors who worked full-time gathering trade leads in developing countries for its Global Technology Network. An additional 28 people—private contractors and officials from

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the Departments of Commerce and State, some working full-time and some part-time—were paid primarily by other sources.

One official each from the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency was stationed at a Caspian Trade and Investment Center in Turkey in fiscal year 1999. These officials spent all their time helping U.S. exporters and investors with financing and insurance in the oil-rich Caspian Sea region. The U.S. Trade and Development Agency also had an export promotion official stationed in the Philippines during this period.

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## Agency Comments

We obtained comments on a draft of this report from the 11 agencies discussed in the report, and from the Office of Management and Budget. Nine agencies provided oral comments, while the Department of Commerce and the U.S. Agency for International Development provided written comments. All the agencies generally agreed with the information presented and made some technical corrections, which we incorporated as appropriate. (See app. IV—scope and methodology—for a list of the agency officials who submitted comments.)

In its comments, the Commerce Department expressed concern that we had combined a discussion of services provided by “core” export promotion agencies (such as the Commerce Department) with those of “secondary” export promotion agencies. We have added information to the report to point out that the Commerce Department is the most active provider of certain export promotion services, and we have provided additional examples of the Department’s activities. In addition, the Commerce Department was concerned that we did not highlight certain of its activities that help businesses make trade contacts, such as developing market entry strategies, statistical data, and analyses; sponsoring trade fairs and marketing seminars; and providing export counseling at overseas posts and through its network of domestic offices. We have added a discussion of some of these activities; the rest are discussed in the appropriate sections of the report. The Commerce Department’s comments are included in their entirety as appendix V.

The U.S. Agency for International Development agreed with the information presented in the report and clarified the role of the Global Technology Network. The agency’s comments are included in their entirety as appendix VI.

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We are sending copies of this report to appropriate congressional Committees and to the heads of each of the agencies discussed in this report. In addition, we are also sending copies of the report to the Honorable Jacob J. Lew, Director of the Office of Management and Budget, and to other interested parties. We will also make copies available to others on request.

Please contact me on (202) 512-3655 if you or your staff have any questions about this report. Another GAO contact and staff acknowledgments are listed in appendix VII.

Sincerely yours,

A handwritten signature in cursive script that reads "Susan S. Westin".

Susan S. Westin, Associate Director  
International Relations and Trade Issues

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# Federal Agencies' Participation in the U.S. Agency for International Development's Global Technology Network

The U.S. Agency for International Development has created a database of trade leads called the "Global Technology Network." This database automatically matches and communicates leads on possible export sales from over 50 developing countries in four key sectors—agriculture, communication and information, environment and energy, and health—to about 3,500 registered U.S. companies. According to the U.S. Agency for International Development, the network's primary purpose is to facilitate the transfer of U.S. technology and services to address development needs in these four sectors. Seven federal agencies, including the U.S. Agency for International Development, participate in the database: six input and/or disseminate trade leads, and four provide linkages with export financing and other programs. (Three of these four provide linkages and input/disseminate trade leads.) See table 4 for these agencies' participation in the network.

**Table 4: Federal Agencies' Participation in the U.S. Agency for International Development's Global Technology Network**

	DOC	DOE	DOT	EXIM	OPIC	SBA	STATE	TDA	USAID	USDA/ FAS
<b>Participation in the Global Technology Network</b>										
Inputting and/or disseminating trade lead data	X	X				X	X		X	X
Linkage with financing and/or other export assistance programs	X			X		X				X

**Legend**

- DOC = Department of Commerce
- DOE = Department of Energy
- DOT = Department of Transportation
- EXIM = Export-Import Bank
- OPIC = Overseas Private Investment Corporation
- SBA = Small Business Administration
- STATE = State Department
- TDA = U.S. Trade and Development Agency
- USAID = U.S. Agency for International Development
- USDA/FAS = U.S. Department of Agriculture/Foreign Agricultural Service

Source: GAO analysis of agency data.



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**Appendix I**  
**Federal Agencies' Participation in the U.S.**  
**Agency for International Development's**  
**Global Technology Network**

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The Departments of Agriculture, Commerce, Energy, and State; the Small Business Administration; and the U.S. Agency for International Development input leads from potential foreign buyers into the database and/or disseminate leads from the database to wider lists of exporters. The Departments of Agriculture and Commerce, the Export-Import Bank, and the Small Business Administration provide U.S. companies using the database with financing and/or other export assistance programs. They facilitate this assistance by means of electronic links from the database to their websites. In addition, Global Technology Network officials have provided training on how to use their database to export counselors at 17 of the 19 U.S. Export Assistance Centers across the country.

The network uses “push” technology to match U.S. companies with potential foreign buyers of their products or services. This technology works as follows. When U.S. companies register to participate in the database, which is free, they can designate up to 17 different codes categorizing the nature of their products or services. When potential foreign buyers submit leads to the system, they indicate the codes they are interested in. The system uses the codes to match potential buyers with U.S. registrants. Within 48 hours, the system automatically emails or faxes the U.S. companies information about the foreign entities seeking to buy their products or services. It is then up to the U.S. companies receiving this information to contact the entities and notify the network if they have closed a deal. The network complements this electronic matching service by providing counseling to U.S. companies and importing country entities relating to specific leads and by offering travel grants<sup>1</sup> to U.S. companies and importing entities to help them pursue the leads. Each lead is updated every 3 weeks until a contract for a sale is signed. According to the Director of the Global Technology Network, about 100 new leads are received each month. The total number of leads received in fiscal year 1999 was 1,443.<sup>2</sup>

In fiscal year 1999, 57 people<sup>3</sup> employed by U.S. Agency for International Development contractors, the Commerce Department, and the State

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<sup>1</sup>The U.S. Agency for International Development obligated \$15,000 for such grants in fiscal year 1999.

<sup>2</sup>Seven hundred twenty (50 percent) of these leads came from Latin America, primarily from Argentina, Brazil, and Mexico; 556 (39 percent) came from Asia, primarily from India, Korea, and the Philippines.

<sup>3</sup>Some worked full-time and some worked part-time.

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**Appendix I**  
**Federal Agencies' Participation in the U.S.**  
**Agency for International Development's**  
**Global Technology Network**

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Department gathered leads in Africa, Asia, Eastern Europe, and Latin America. (App. II details how many people worked for which agency and what percentage of their time was spent gathering leads for the network, and app. III shows the countries in which they worked.) Network representatives have also trained officials from U.S. and foreign nongovernmental organizations and other entities to input leads directly into the system. In addition, the Department of Energy submits leads for small power projects in Eastern Europe. The Department of Agriculture, which does not have staff stationed in some of the smaller African and Eastern European countries covered by the network, disseminates leads from the network to U.S. commodity exporters. The Agriculture Department is currently working with network officials to have agricultural officers stationed overseas collect leads on joint ventures and market opportunities in countries where network representatives are not present.

Officials from the U.S. Trade and Development Agency stated that the trade lead service is not relevant to their activities because they focus on the initial stage of the overseas trade process—feasibility studies—and trade leads do not come into play until months or years later. Officials from the Overseas Private Investment Corporation noted that their agency has worked with the network on a project in Africa and consulted with network representatives in other regions. The Overseas Private Investment Corporation is currently considering a memorandum of understanding with the U.S. Agency for International Development to share investment-related information through the network.

# Federal Agencies' Export Promotion Programs and Activities in Fiscal Year 1999

Agency/program	Type of export promotion activity	Dollars devoted to export promotion <sup>a</sup>	Full-time equivalent positions <sup>b</sup> filled	Notes
<b>Export-Import Bank</b>				
Programs	These programs provide loans, loan guarantees, and insurance for U.S. exports	\$765,000,000	414	The dollar value of exports guaranteed by the Export-Import Bank in FY99 was \$13.067 billion.
Administrative expenses	Salaries and benefits of Export-Import Bank employees	50,000,000	N/A	
Transfer of funds from the U.S. Agency for International Development (USAID)	These funds supported loans, loan guarantees, and insurance for exports of emergency supplies to Central America in the wake of Hurricane Mitch	10,000,000	N/A	
Offsetting receipts paid by Export-Import Bank customers	Loan guarantee fees; interest payments; insurance premiums	(13,000,000) <sup>c</sup>	N/A	
<b>Total – Export-Import Bank</b>		<b>\$812,000,000</b>	<b>414</b>	
<b>Agriculture Department/Foreign Agricultural Service (FAS)</b>				
Short-term export credit guarantees (General Sales Manager-102 Program); medium-term guarantees (General Sales Manager-103 Program); supplier credit guarantees; and facilities financing guarantees	These programs provide loan guarantees for commodity exporters	\$325,820,000	63	Includes \$3,820,000 in appropriations for administrative expenses. (Administrative expenses include the salaries and benefits of those who administer the program.) The dollar value of exports guaranteed under these programs in FY99 was \$3.045 billion.
Dairy Export Incentive Program	This program provides subsidy payments (cash payments that allow commodity exporters to sell their goods in foreign markets at lower, more competitive prices)	145,600,000	8	Includes \$600,000 in estimated administrative expenses. <sup>d</sup>
Market Access Program	Helps fund promotions (e.g., advertising) of consumer products abroad	93,877,000	55	Includes \$3,877,000 in estimated administrative expenses.

Continued

**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

<b>Agency/program</b>	<b>Type of export promotion activity</b>	<b>Dollars devoted to export promotion<sup>a</sup></b>	<b>Full-time equivalent positions<sup>b</sup> filled</b>	<b>Notes</b>
Overseas presence	Salaries, benefits, and expenses of agricultural attachés, counselors, and trade officers stationed overseas who assist U.S. companies through counseling, buyer contacts, market information, and other activities	47,708,396	246	There are no specific appropriations for these activities; the dollar figure is an estimate of actual expenses (salaries, etc.) incurred in FY99. <sup>e</sup>
Foreign Market Development Program	Assists nonprofit trade associations by sharing the cost of market research and other activities that improve their access to foreign markets	29,016,000	14	Includes \$1,516,000 in estimated administrative expenses.
Emerging Markets Program	Promotes U.S. exports to low- and middle-income countries through market research, specialized training, and other activities	10,500,000	6	Includes \$500,000 in estimated administrative expenses.
Miscellaneous	Trade shows and missions; annual overseas marketing plans	4,015,000	8	There are no specific appropriations for these activities; the dollar figure is an estimate of the eight officials' salaries and benefits in FY99.
Export Enhancement Program	This program provides subsidy payments.	1,150,000	2	Includes \$150,000 in estimated administrative expenses.
"AgExport Connections"	Provides trade leads, foreign buyer lists, and advertising space (for a small fee) in a biweekly newsletter distributed to over 18,000 potential buyers in 65 countries	324,000	5	There are no specific appropriations for these activities; the dollar figure is an estimate of the five officials' salaries and benefits in FY99.
Trade Assistance and Promotion Office	Provides export counseling (e.g., by directing companies to the appropriate Agriculture Department officials to answer their questions), market information, and information on how to contact distributors and importers	159,000	2	There are no specific appropriations for these activities; the dollar figure is an estimate of the two officials' salaries and benefits in FY99.
<b>Total - Agriculture Department</b>		<b>\$658,169,396</b>	<b>409</b>	<b>These totals exclude appropriations and staff for Public Law 480 Title I and other food aid programs.<sup>f</sup></b>

Continued from Previous Page

**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

<b>Agency/program</b>	<b>Type of export promotion activity</b>	<b>Dollars devoted to export promotion<sup>a</sup></b>	<b>Full-time equivalent positions<sup>b</sup> filled</b>	<b>Notes</b>
<b>Commerce Department</b>				
International Trade Administration (ITA) U.S. & Foreign Commercial Service unit (includes commercial service officers stationed across the country and at overseas posts)	Conducts market research; provides trade leads and contacts; conducts trade shows; provides export counseling	\$183,695,000	1,284	The dollar amount includes \$7,290,000 in ITA administrative expenses (salaries of personnel who perform administrative functions, e.g., financial management, information management, etc.). The remainder (\$176,405,000) was appropriated for the salaries, benefits, and expenses of those who conduct export promotion activities; it includes \$21,016,000 for administrative support services provided by the State Department in connection with overseas posts.
ITA Trade Development unit	Advocates for U.S. businesses in global competition for overseas contracts; disseminates trade information; provides export counseling; offers matching funds for export-related activities to trade associations, states, chambers of commerce, world trade centers, and other entities; engages in industry-specific trade negotiations	60,403,000	407	The dollar amount includes \$2,387,000 in ITA administrative expenses. The remainder (\$58,016,000) was appropriated for the salaries, benefits, and expenses of those who conduct export promotion activities.
ITA Market Access and Compliance unit	Identifies barriers to market access and the means to overcome them; provides export counseling	26,292,000	178	The dollar amount includes \$722,000 in ITA administrative expenses. The remainder (\$25,570,000) was appropriated for the salaries, benefits, and expenses of those who conduct export promotion activities.
Economic Development Administration (EDA)	Supplies grants to local governments for facilities to support trade promotion activities	17,500,000	0	These figures represent 4.5% of EDA's grant appropriations; no one at EDA was devoted to such activities full-time.
National Institute of Standards and Technology (NIST)	Provides technical assistance (by assisting exporters in situations where foreign units of measure and other technical standards may pose barriers to trade)	7,500,000	60	These figures represent 1.1% of NIST's appropriated funds and 1.9% of its staff.
Bureau of Export Administration (BXA)	Provides technical assistance (in the form of information on export licensing)	1,700,000	26	These figures represent 3% of BXA's appropriated funds and 5.6% of its staff.

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**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

<b>Agency/program</b>	<b>Type of export promotion activity</b>	<b>Dollars devoted to export promotion<sup>a</sup></b>	<b>Full-time equivalent positions<sup>b</sup> filled</b>	<b>Notes</b>
National Telecommunications and Information Administration (NTIA)	Engages in industry-specific trade negotiations and trade conferences	1,000,000	8	The dollar figure is an estimate of the salaries and expenses for NTIA's International Affairs Staff, which represents 5% of its total staff.
National Marine Fisheries Service	Provides technical assistance (by advising exporters in seafood-related industries)	400,000	4	These figures represent less than 1% of appropriated funds and staff.
Minority Business Development Agency	Provides information on the export process to minority-owned businesses (dollar amount based on cost of one publication)	Less than 100,000	0	Negligible percentage of appropriated funds and staff spent on export-related activities in FY99; no grants or trips by the Secretary of Commerce in that year.
<b>Total – Commerce Department</b>		<b>\$298,590,000</b>	<b>1,967</b>	
<b>U.S. Trade and Development Agency</b>				
Programs and administrative expenses	These programs provide the following: grants for partial funding of feasibility studies; other activities that help U.S. exporters in connection with these studies (such as "orientation visits," in which potential foreign buyers or partners visit businesses in the United States); overseas trips to determine whether to fund proposed feasibility studies; legal assistance to foreign governments negotiating contracts with U.S. business; procurement assistance; and conferences	\$44,000,000	39	Administrative expenses include salaries and benefits of agency staff.
Transfer from funds appropriated to carry out the Support for East European Democracies (SEED) Act and the FREEDOM Support Act	These funds were for feasibility studies and related activities in the Balkans and the newly independent states of the former Soviet Union	15,000,000	N/A	
<b>Total – U.S. Trade and Development Agency</b>		<b>\$59,000,000</b>	<b>39</b>	

Continued from Previous Page

**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

<b>Agency/program</b>	<b>Type of export promotion activity</b>	<b>Dollars devoted to export promotion<sup>a</sup></b>	<b>Full-time equivalent positions<sup>b</sup> filled</b>	<b>Notes</b>
<b>State Department</b>				
Regional bureaus (includes overseas staff and some domestic staff)	Provides business services and supports trade missions and other U.S. government export promotion agencies and programs overseas	\$18,343,000	Not Available	
Bureau for Economic and Business Affairs	Provides "business services: export, investment, and tourism promotion activities in direct support of U.S. business and agriculture through advocacy of U.S. business interests to other governments; counseling, market analysis, trade directory..."	6,251,000	Not Available	
<b>Total – State Department</b>		<b>\$24,594,000</b>	<b>251</b>	<b>The 251 figure does not represent full-time equivalent positions filled, but positions budgeted in FY99, some of which may not be full-time and some of which may have gone unfilled. This is the best estimate of full-time equivalent positions filled in FY99 that the State Department could provide.</b>
<b>Transportation Department/Maritime Administration</b>				
Title XI loan guarantees – program funds	Provides loan guarantees for building ships	\$17,038,000	N/A	This dollar amount was set aside to pay for 3 export projects—loan guarantees for building 3 ships to be sold to foreign buyers—approved in FY99. Although there was an appropriation in FY99 for the Title XI program as a whole, there were no specific appropriations for these 3 projects.
Title XI loan guarantees – administrative expenses	Salaries and expenses of staff working on 3 export projects	250,000	2.5	The dollar and staff amounts were estimated by determining the percentage of administrative expenses related to the 3 approved export projects and multiplying this percentage by (1) the total administrative expenses for the Title XI program in FY99 and (2) the total full-time equivalent positions filled in the title XI program in FY99.

Continued from Previous Page

**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

Agency/program	Type of export promotion activity	Dollars devoted to export promotion <sup>a</sup>	Full-time equivalent positions <sup>b</sup> filled	Notes
<b>Total – Transportation Department</b>		<b>\$17,288,000</b>	<b>2.5</b>	<b>The guaranteed portion of the dollar value of the 3 ships being built for export is \$374 million.</b>
<b>Small Business Administration (SBA)</b>				
Small Business Development Centers (SBDC) involved in international trade	Provide counseling and training for small businesses on how to export	\$3,400,000	N/A	There were no specific appropriations for SBDC export promotion activities in FY99. The dollar amount was estimated based on the percentage of export-related counseling and training sessions provided by SBDC staff. The SBDCs are staffed by the employees of the university or educational institution in which they are located. These employees are paid by the institution and matching grants from SBDC funds.
Contribution to the U.S. Export Assistance Centers	Provides counseling for small businesses on trade finance and assists them in structuring their export transactions to apply for SBA's trade finance programs; trains lenders; educates small businesses on how to export, including offering a formal export training course	3,100,000	25	The dollar amount includes the salaries and benefits of SBA staff at the centers, as well as administrative and other expenses connected with their activities.
Export Working Capital Program (short-term financing) and International Trade Loan Program (long-term financing)	Provide loan guarantees for small businesses	2,700,000	N/A	Staff from SBA's Office of International Trade work on these programs. There is no specific appropriation for them. The dollar amount is an estimate based on the percentage of SBA's overall finance budget devoted to the two programs in FY99.
International Trade Data Network <sup>9</sup>	Makes this network available to 171 SBDCs around the country. The network gathers and disseminates market data, trade leads, and other information useful to small businesses seeking to export.	1,000,000	N/A	The International Trade Data Network was created and is maintained by the Rhode Island Export Assistance Center at Bryant College in Smithfield, RI.

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**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

<b>Agency/program</b>	<b>Type of export promotion activity</b>	<b>Dollars devoted to export promotion<sup>a</sup></b>	<b>Full-time equivalent positions<sup>b</sup> filled</b>	<b>Notes</b>
Office of International Trade	Provides policy and oversight of SBA's international trade programs; provides oversight of SBA activities at the U.S. Export Assistance Centers, including an "Export-Trade Assistance Partnership" course; conducts trade missions and other activities to help small businesses export	900,000	13	
Service Corps of Retired Executives (SCORE)	Provides counseling and training for small businesses on how to export	200,000	N/A	There were no specific appropriations for SCORE export promotion activities in FY99. The dollar amount was estimated based on the percentage of export-related counseling and training sessions provided by SCORE counselors. SCORE counselors are volunteers.
<b>Total – Small Business Administration</b>		<b>\$11,300,000</b>	<b>38</b>	
<b>Energy Department</b>				
Office of Fossil Energy – program funding	Promotes U.S. coal, oil, and gas technologies in China	\$2,538,000	N/A	There were no specific appropriations for these activities. The dollar amount represents the funds set aside in FY99 to pay for them.
Office of Fossil Energy - salaries		295,000	2.5	The dollar amount is an estimate of the salaries paid in FY99.
Office of Fossil Energy – travel expenses		42,000	N/A	The dollar amount is an estimate of the expenses incurred in FY99.
Committee on Renewable Energy, Commerce and Trade (COEECT) – program funding	Helps U.S. exporters of energy-efficient technologies by setting up seminars, trade missions, and contacts; and disseminates information on financing options	1,200,000	N/A	The dollar amount was appropriated for COEECT activities in FY99.
COEECT - salaries		38,857	0.5	The dollar amount is 50% of an estimate of one person's salary paid in FY99.
<b>Total – Energy Department</b>		<b>\$4,113,857</b>	<b>3</b>	

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**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

Agency/program	Type of export promotion activity	Dollars devoted to export promotion <sup>a</sup>	Full-time equivalent positions <sup>b</sup> filled	Notes
<b>U.S. Agency for International Development/ Global Technology Network (USAID/GTN)</b>				Other USAID activities are excluded because they do not fit the definition of export promotion for purposes of this review.
Domestic costs (contractor fees)	These costs are for disseminating trade leads and counseling U.S. companies and potential foreign buyers regarding specific leads	\$1,715,000	60	Includes 21 USAID staff and contractors who spent all their time on the GTN; 5 International Executive Service Corps (IESC) volunteers who spent 80% of their time on the GTN; 341 IESC volunteers who spent 10% on GTN; and 27 state government employees who spent 5% on GTN.
Overseas costs (contractor fees)	These costs are for gathering trade leads and counseling U.S. companies and potential foreign buyers regarding specific leads	1,077,700	44	Includes 33 USAID contractors and 4 Commerce Department officials who spent all their time on the GTN; one contractor and 11 Commerce officials who spent 50% on GTN; and 8 State Department officials who spent 10% on GTN.
Travel grants	These grants provide travel funds to U.S. companies or potential foreign buyers for pursuing trade leads generated by the GTN	15,000	N/A	There were no specific appropriations for these grants in FY99. The dollar amount represents the funds set aside in FY99 to pay for them.
<b>Total – USAID/GTN</b>		<b>\$2,807,700</b>	<b>104</b>	<b>The GTN filled 94 full-time equivalent positions in FY99 if one subtracts the 10.3 such positions attributed to Commerce and State Department officials. There was no specific appropriation for the GTN in FY99; the dollar amount is an estimate of the funds set aside that year to pay USAID contractors working on the GTN.</b>

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**Appendix II  
Federal Agencies' Export Promotion  
Programs and Activities in Fiscal Year 1999**

Agency/program	Type of export promotion activity	Dollars devoted to export promotion <sup>a</sup>	Full-time equivalent positions <sup>b</sup> filled	Notes
<b>Overseas Private Investment Corporation (OPIC)</b>				
FY99 budget authority for program funding and administrative expenses	OPIC's programs provide political risk insurance covering up to a 20-year period, and loans and loan guarantees for terms of 5-15 years; its administrative expenses include employee salaries and other expenses	\$82,500,000	190	These services are offered in connection with U.S. investment in developing countries and transitional economies that may lead to U.S. exports.
Net offsetting collections	These consist primarily of interest on Treasury securities and insurance premiums	(257,500,000)	N/A	According to an OPIC budget official, the agency has consistently operated on a "self-sustaining basis." It uses its earnings to pay its program and administrative expenses.
<b>Total – Overseas Private Investment Corporation</b>	<b>"Net negative budget authority"</b>	<b>(\$175,000,000)</b>	<b>190</b>	<b>According to OPIC officials, "net negative budget authority" is the amount by which the agency's sources of funds exceed its uses of funds.</b>

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Legend

FY = Fiscal year

N/A = Not applicable

<sup>a</sup>Amounts appropriated in fiscal year 1999, unless otherwise noted.

<sup>b</sup>One full-time equivalent position is equal to one person working full-time; two people working half-time; one person working half-time and two people working one-quarter time, etc.

<sup>c</sup>Numbers in parentheses are negative numbers.

<sup>d</sup>These and other estimated administrative expenses associated with specific export promotion programs are paid for from the FAS' annual appropriation for "salaries and expenses." FAS budget officials based these estimates on the full-time equivalent positions devoted to each program in FY99.

<sup>e</sup>These and other estimated expenses for which there are no specific appropriations are paid for from the FAS' annual appropriation for salaries and expenses.

<sup>f</sup>The Title I program provides financing at below market interest rates for U.S. exporters of agricultural commodities to developing countries and private entities. (See fn. 13 on p. 22 for an explanation of why we excluded this program.)

<sup>g</sup>The Rhode Island Export Assistance Center's International Trade Data Network is different from the Global Technology Network developed by USAID. The Rhode Island network contains a broad array of trade-related information, whereas the USAID network contains only specific sales leads in certain sectors from developing countries.

Source: GAO analysis of agency data.

# Federal Agencies' Export Promotion Activities Overseas: Fiscal Year 1999

## Estimated Expenses and Staffing by Country

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Albania	\$2,600	0	1				\$51,120	0.4	0.5			
Algeria	34,286	1	0	\$67,348	0	1	75,225	0.75	0			
Angola <sup>e</sup>					0	1	40,767	0.65	0			
Argentina	2,443,556	16	7	885,063	5	2	294,355	3.8	0	\$60,000		1
Armenia	49,135	0	2				59,839	1.25	0			
Australia	1,445,339	13	7	367,770	4	0	93,464	1.08	0			
Austria	1,023,873	6	2	820,444	4	4	103,210	1.2	0			
Azerbaijan	178,178	2	1				91,500	1	0			
Bahamas							93,120	1.5	0			
Bahrain							31,045	0.75	0			
Bangladesh				66,500	1	1	114,900	2.5	0.25			
Barbados	38,080	0	1				29,590	0.3	0			
Belarus	59,685	0	1				0	0	0			
Belgium	2,837,826	13	5	1,943,407	8	6	357,165	3.9	0.2			
Belize							36,310	1.2	0			
Benin							25,003	0.65	0			0.1
Bermuda							0	0	0			
Bolivia							238,802	3.65	1			
Bosnia & Herzegovina	80,949	0	1				81,619	0.98	0			1
Botswana							26,495	0.6	0	30,000		1
Brazil <sup>f</sup>	4,419,210	21	42	910,251	6	4	110,985	1.35	0.2	60,000		1
Brunei							45,250	1	0			
Bulgaria	339,276	4	4	320,356	3	0	19,099	0.21	0.01			1
Burkina Faso							19,515	0.55	0			
Burma				7,006	0	1	8,445	0.4	0			
Burundi												
Cambodia							20,841	0.4	0			
Cameroon							67,818	2.32	0			0.1
Canada	2,644,162	24	6	495,872	4	0	335,855	3.95	0.1			
Cape Verde							48,325	1.2	0			
Central African Rep.							9,815	0.15	0.1			

Continued

**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Chad							\$37,762	0.63	0.13			
Chile	\$1,179,440	11	3	\$438,565	3	1	58,695	0.65	0	\$40,000		1
China <sup>f</sup>	6,154,494	18	66	2,200,106	5	17	319,241	3.57	0.05			
Colombia	1,161,004	10	1	514,882	4	1	23,401	0.27	0	40,000		1
Congo (Dem. Rep. of)							30,194	0.8	0			
Congo (Rep. of)							2,056	0.02	0			
Costa Rica	492,108	4	2	452,996	3	1	36,120	0.4	0			
Croatia	411,457	2	2				5,015	0.05	0			1
Cuba							0	0	0			
Cyprus							119,520	1.7	0.6			
Czech Rep.	664,449	6	5	59,239	1	1	22,575	0.25	0			1
Denmark	690,910	6	0	234,233	1	0	24,780	0.26	0			
Djibouti							54,754	0.9	0	30,000		1
Dominican Rep.	677,813	5	7	499,201	2	2	46,150	0.5	0			
Ecuador	465,869	6	2	172,128	2	2	0	0	0			
Egypt	806,207	11	1	609,712	3	5	133,644	2.63	0	30,000		1
El Salvador				26,278	0	2	184,920	3.4	0			
Eritrea												0.1
Estonia	29,220	0	1				97,800	1.5	0			
Ethiopia							60,650	2.2	0			0.1
Fiji							111,973	2	0			
Finland	354,460	3	1				33,175	0.45	0.1			
France	3,433,490	21	9	1,056,658	6	2	44,435	0.5	0			
Gabon							65,130	1.3	0			
Gambia												
Georgia	42,653	0	1									
Germany <sup>f</sup>	5,739,720	24	11	1,770,351	7	1	261,382	3.16	0			
Ghana		0	1	16,197	0	1	52,950	2	0	28,800		1
Greece	950,133	10	1	331,728	2	3	83,710	1	0			
Grenada												
Guatemala	565,366	4	3	494,278	2	4	19,060	0.2	0			
Guinea							25,075	0.55	0			0.1

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**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Guinea-Bissau												
Guyana							\$35,855	1	0			
Haiti	\$503,187	1	3				135,360	1.8	0			
Honduras	128,627	1	3	\$13,058	0	2	122,650	1.6	0			
Hong Kong SAR <sup>f</sup>	2,570,294	14	9	1,210,667	4	3	151,330	1.6	0			0.5
Hungary	996,665	8	2	9,180	1	0	114,245	1.3	0			1
Iceland							103,911	1.4	0			
India	2,628,837	24	37	509,637	7	2	263,845	4.9	0			0.5
Indonesia <sup>f</sup>	1,263,267	10	19	750,034	4	7	115,661	1.84	0			0.5
Ireland	526,177	4	2	208,544	1	2	0	0	0			
Israel	1,097,903	8	8	190,299	1	1	234,465	2.7	0			
Italy <sup>f</sup>	2,858,892	21	5	1,746,061	8	1	170,683	2	0			
Ivory Coast <sup>g</sup>	1,029,708	6	5	405,742	3	1	100,870	1.2	0	\$30,000		1
Jamaica	92,307	1	1	34,086	0	2	76,825	0.9	0			
Japan <sup>f</sup>	7,585,136	46	6	4,614,017	20	5	655,238	7.65	0			
Jordan				8,277	0	1	185,834	3.6	0			
Kazakhstan	618,679	5	8	15,438	1	0	82,010	1.05	0			1
Kenya	629,041	4	6	409,630	1	2	46,150	0.5	0	30,000		1
Korea <sup>f</sup>	2,225,183	21	6	1,964,702	9	7	27,987	0.33	0			0.5
Kuwait	683,267	5	4				227,541	2.65	0.5			
Kyrgyz Republic							9,030	0.1	0			
Laos							37,105	1.05	0			
Latvia	18,018	0	1	9,008	1	0	41,552	0.4	0			
Lebanon							183,699	3.72	0			
Lesotho							6,215	0.15	0			
Liberia							22,575	0.25	0			
Lithuania	10,849	0	1				55,665	0.85	0			
Luxembourg							23,521	0.07	0.25			
Macedonia	18,828	0	1				28,968	0.5	0	30,000		1
Madagascar							29,130	0.6	0	30,000		1
Malawi							22,657	0.39	0			
Malaysia	931,101	9	6	326,872	3	3	0	0	0			0.5
Mali							113,805	2	0	30,000		1

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**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Malta	6,100						102,966	1.7	0.5			
Marshall Islands							\$14,830	0.3	0			
Mauritania							36,929	0.95	0			0.1
Mauritius							200,251	3.6	0			0.1
Mexico <sup>f</sup>	\$3,697,513	35	35	\$2,964,608	12	6	29,290	0.34	0	\$60,000		1
Micronesia							1,806	0.02	0			
Moldova		0	1				27,090	0.4	0			
Mongolia							133,510	1.8	1	100,000		2
Morocco	522,948	4	2	373,795	2	2	71,310	0.75	0	40,000		1
Mozambique							107,700	1	1	30,000		1
Namibia							95,864	1.85	0	30,000		1
Nepal							23,162	0.7	0			
Netherlands	1,324,600	8	3	911,635	6	2	180,600	2	0			
Netherlands Antilles							0	0	0			
New Zealand	351,293	6	0	250,525	2	1	36,120	0.4	0			
Nicaragua				21,656	0	1	196,085	3.05	0			
Niger							34,223	1.1	0			
Nigeria	676,090	4	5	722,896	2	4	58,180	0.6	0	30,000		1
Norway	540,325	4	2	14,010	1	0	16,545	0.2	0			
Oman							120,223	2.6	0			
Pakistan	475,231	6	4	349,420	3	2	14,336	0.3	0			
Palau							6,215	0.15		0		
Panama	523,185	5	1	38,581	0	2	88,045	1.05	0			0.5
Papua New Guinea												
Paraguay							84,910	1.9	0			
Peru	597,908	3	5	445,621	3	2	165,390	2.3	0	40,000		1
Philippines <sup>h</sup>	1,880,225	12	15	606,451	4	2	182,085	2.7	0			0.5
Poland	1,208,984	9	9	568,683	4	3	46,903	0.75	0			1
Portugal	643,763	7	3	220,772	1	2	9,830	0.1	0			
Qatar							162,716	2.75	0			
Romania	365,206	3	4	48,433	1	0	41,030	0.6	0.9			1
Russia	3,292,439	21	25	1,495,117	9	11	98,509	1.15	0			

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**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Rwanda							26,534	0.75	0			
Samoa												
Saudi Arabia <sup>f</sup>	\$2,787,709	23	15	\$638,073	2	1	0	0	0			
Senegal <sup>e</sup>					0	1	\$125,445	3.1	0	\$31,900		1
Serbia-Montenegro <sup>i</sup>				55,993								
Sierra Leone							4,715	0.1	0			
Singapore <sup>f</sup>	1,684,198	8	11	920,006	3	2	50,682	0.8	0			0.5
Slovakia	144,125	1	3	776			48,147	0.6	0			
Slovenia	29,138	0	1				52,605	0.75	0			
South Africa	1,661,323	15	9	721,107	6	1	73,628	0.33	0	40,000		1
Spain	1,974,455	16	1	910,600	6	1						
Sri Lanka <sup>e</sup>					0	1	77,210	2.3	0			0.5
Sudan							0	0	0			
Suriname							47,049	0.83	0.5			
Swaziland							18,185	0.25	0			
Sweden	606,993	8	2	427,266	4	1	8,885	0.3	0			
Switzerland	947,138	4	4	1,038,982	4	0	15,099	0.16	0			
Syria				61,603	1	0	205,567	3.25	0			
Taiwan <sup>j</sup>	688,000		33	406,817		6	1,689,330	25.85	3			0.5
Tajikistan							1,033	0.03	0			
Tanzania							165,414	3.58	0	30,000		1
Thailand	1,274,023	11	11	629,341	5	2	106,165	1.7	0			0.5
Togo							53,220	0.7	0			0.1
Trinidad & Tobago	33,731	0	1									
Tunisia				112,086	2	0	111,312	2	0.1	40,000		1
Turkey	1,271,212	13	2	595,835	4	1	216,337	2.95	0			
Turkmenistan	61,929	0	1				18,060	0.2	0			
Uganda							21,060	0.4	0	37,000		1
Ukraine	1,007,227	6	10	247,464	1	2	43,995	1.05	0			
United Arab Emirates <sup>f</sup>	971,541	8	1	467,218	4	0	138,515	1.3	0			
United Kingdom <sup>k</sup>	2,946,631	17	12	1,063,625	5	3	113,275	1.35	0			
United States <sup>fl</sup>		4	0	251,321	3	0						

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**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

Country	Commerce <sup>a</sup>			Agriculture <sup>b</sup>			State <sup>c</sup>			USAID (GTN only) <sup>d</sup>		
	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff	Estimated expenses	Direct hires	Other staff
Uruguay	113,277	0	2				212,800	3.05	0.35	40,000		1
Uzbekistan	\$493,779	4	6	\$17,363	0	1						
Venezuela	1,322,951	10	8	758,988	5	2	\$93,300	1.1	0			
Vietnam	1,971,078	4	17	447,943	1	6	59,580	1	0			0.5
West Bank												
Yemen				5,741	0	1	90,056	1.5	0.7			
Zambia							68,200	1.7	0	\$30,000		1
Zimbabwe <sup>e</sup>					0	1	51,660	0.2	0.9	30,000		1
<b>Subtotal</b>	<b>\$103,927,182</b>	<b>708</b>	<b>594</b>	<b>\$45,996,172</b>	<b>246</b>	<b>175</b>	<b>\$14,301,742</b>	<b>216.97</b>	<b>12.94</b>	<b>\$1,077,700</b>	<b>0</b>	<b>43.8</b>
Non-location-Specific costs	5,792,012			1,712,224								
<b>Total</b>	<b>\$109,719,194</b>	<b>708</b>	<b>594</b>	<b>\$47,708,396</b>	<b>246</b>	<b>175</b>	<b>\$14,301,742</b>	<b>216.97</b>	<b>12.94</b>	<b>\$1,077,700</b>	<b>0</b>	<b>43.8</b>

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Legend

USAID = U.S. Agency for International Development  
GTN = Global Technology Network

**Note 1: Direct hires** include U.S. government officers (U.S. & Foreign Commercial Service officers, agricultural attachés and counselors, agricultural trade officers, State Dept. Foreign Service officers, etc.) and foreign service nationals (local international trade professionals and administrative staff). The numbers are "full time equivalents" (FTE) representing staff time devoted to export promotion. The numbers for Commerce represent full-time U.S. officers and foreign service nationals as of November 1, 1999; those for Agriculture represent full-time U.S. officers and foreign service nationals as of October 28, 1999; those from State represent FTE data collected from overseas posts from November 1999 through February 2000.

**Note 2: Other staff** includes contractors (translators, drivers, professionals, etc.) identified as individuals but excludes contractors identified as companies. The numbers for Commerce and Agriculture represent actual people; those for State and USAID represent FTEs.

**Note 3: Three other agencies** – the Export-Import Bank (Eximbank), the Overseas Private Investment Corporation (OPIC), and the U.S. Trade and Development Agency (TDA) – also have a limited overseas presence related to export/investment promotion. In fiscal year 1999, Eximbank, OPIC, and TDA each had one U.S. employee in a Caspian Trade and Investment Center in Turkey. The cost, including salaries, for TDA was \$196,568; Eximbank, \$151,530; and OPIC, \$388,111. The OPIC budget includes funding for the operation of the center. TDA and Eximbank also share some of these expenses. Because the center was established in fiscal year 1999, the three individuals did not arrive there until well into the fiscal year. TDA also has a U.S. employee stationed in the Philippines, at a cost of \$156,335, including salary.

**Note 4: Non-location-specific costs** are costs associated with maintaining an overseas presence that are not allocated to specific posts. These include the salary and benefits of Washington, D.C.-based staff responsible for administering an agency's overseas presence, military postage, and other costs.

<sup>a</sup>The estimated expenses for Commerce include operating and administrative costs: International Cooperative Administrative Support Services costs; U.S. officer and foreign service national salaries and expenses; and contractor costs.

<sup>b</sup>The estimated expenses for Agriculture include the same type of costs as those for Commerce.

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**Appendix III  
Federal Agencies' Export Promotion  
Activities Overseas: Fiscal Year 1999  
Estimated Expenses and Staffing by Country**

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<sup>c</sup>Of 230 posts, 196 (85 percent) reporting; includes all embassy posts in capital cities. The estimated expenses for State include U.S. officer and foreign service national salaries and expenses, and contractor costs. State officials did not include the Department's operating and administrative expenses because export promotion is only one of many functions performed by the Department at its overseas posts. Posts in some countries, such as Spain, did not report any resources devoted to export promotion; State officials at these posts said most of this work is done by Commerce and Agriculture officials.

<sup>d</sup>The GTN is a computerized data base that automatically matches U.S. companies with leads from potential foreign buyers in developing countries. Figures of less than one staff in the "Other staff" column reflect estimates of the percentage of time these people spend on USAID/GTN trade lead activities. This column includes USAID contractors and Commerce officials who spend all of their time on USAID/GTN activities, Commerce officials who spend about 50 percent of their time on these activities, and State officials who spend about 10 percent of their time on these activities. The Commerce and State officials are included under the "Direct hires" columns for those agencies; they are listed again here to show how many government FTEs are involved in the GTN and to indicate all the countries in which trade leads are gathered. The estimated expenses represent the cost of the contractors paid by USAID.

<sup>e</sup>Estimated expenses for these countries are included in the estimated expenses of other, larger, nearby countries, to which officials stationed in the smaller countries report. For example, officials in Angola report to South Africa.

<sup>f</sup>One or more Agricultural Trade Offices are located in these countries.

<sup>g</sup>Staff figures include Commerce officials assigned to the African Development Bank.

<sup>h</sup>Staff figures include Commerce officials assigned to the Asian Development Bank.

<sup>i</sup>Agriculture had an office in Serbia in fiscal year 1999 that has been closed.

<sup>j</sup>The United States has no official presence in Taiwan. Trade and other activities are carried out by the American Institute in Taiwan, which receives funding from Commerce, Agriculture, State, and other U.S. agencies.

<sup>k</sup>Staff figures include Commerce officials assigned to the European Bank for Reconstruction and Development.

<sup>l</sup>Staff figures include (1) Commerce officials assigned to the World Bank and the Inter-American Development Bank in Washington, D.C.; and (2) Agriculture officials covering the Caribbean region from Miami, Florida. The salaries, travel, and other expenses for the Commerce officials are included in the "non-location-specific costs" for Commerce, since they are connected with Washington, D.C., and not a specific overseas post.

Source: GAO analysis of agency data.

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# Objectives, Scope, and Methodology

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In order to identify the federal agencies involved in export promotion and the export promotion-related functions they perform, we met with officials from the Trade Promotion Coordinating Committee and representatives from the committee's member agencies. We also conducted separate interviews with officials from the Departments of Agriculture, Commerce, Defense, Energy, the Interior, State, Transportation, and the Treasury; the Environmental Protection Agency; the Export-Import Bank; the Office of Management and Budget; the Overseas Private Investment Corporation; the Small Business Administration; the U.S. Agency for International Development; the U.S. Trade and Development Agency; and the U.S. Trade Representative.

In order to (1) obtain the most recent budget and staffing data pertaining to each agency's total export promotion activities and (2) isolate each agency's current resources spent on export promotion activities overseas, we reviewed websites and budget, staffing, and other documents from the Departments of Agriculture, Commerce, Energy, State, Transportation, and the Treasury; the Export-Import Bank; the Overseas Private Investment Corporation; the Small Business Administration; the U.S. Agency for International Development; and the U.S. Trade and Development Agency. We also conducted extensive interviews with officials from these agencies and from the Office of Management and Budget. In addition, we examined the President's 2001 budget request, which contains each agency's appropriations for fiscal year 1999 and full-time equivalent positions filled during this period. Since fiscal year 1999 was the most recently completed period, we used data for that year.

To quantify the financial resources devoted to export promotion activities in fiscal year 1999, we used the amounts appropriated for these activities during this period. In those instances in which there were no specific appropriations for export promotion activities, we used obligated funds or amounts estimated by agency officials.<sup>1</sup> To quantify the human resources devoted to export promotion activities during this period, we used the full-time equivalent positions actually filled at each agency by people engaged in these activities.

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<sup>1</sup>In this report, we use the term "appropriated funds" to refer to amounts specifically provided in annual appropriations acts or other legislation. The term "obligated funds" is used to refer to amounts that an agency has set aside or committed in a given fiscal year to pay for a certain purpose.

With regard to overseas staffing data, we included all of the officials in the Commerce Department's U.S. and Foreign Commercial Service and the Agriculture Department's Foreign Agricultural Service stationed overseas in fiscal year 1999.<sup>2</sup> We included all these officials because they work full time on export promotion. Specifically, promoting U.S. exports is the stated mission of the U.S. and Foreign Commercial Service. With regard to the Foreign Agricultural Service, Agriculture Department officials told us that agricultural trade officers and agricultural attachés and counselors stationed overseas help U.S. exporters by providing information, counseling, and other export assistance services. They said that agricultural attachés and counselors also spend time on "market intelligence" and "market access" activities.<sup>3</sup> They defined market intelligence as gathering information on market conditions (for example, weather affecting crop production) and trade policies. They said market access activities often involve calling local government officials to get them to admit legally imported U.S. commodities waiting on the docks or in dockside warehouses (while the U.S. exporter pays warehouse fees). We have included agricultural attachés' and counselors' time spent on market intelligence and market access activities for two reasons: (1) these activities are related to export promotion and (2) the Department's listing of overseas resources does not specify how much time officials at each post spend on export promotion vs. market intelligence or other activities.<sup>4</sup>

State Department foreign service officers are involved in a wide range of activities (for example, diplomacy, national security, cultural exchanges, etc.) in addition to export promotion. Since these activities are less likely to be related to export promotion than the market intelligence and market access activities engaged in by agricultural attachés and counselors, we asked the State Department to ascertain the percentage of officers' time (in terms of full-time equivalent positions) spent on export promotion activities at each post in fiscal year 1999. In order to comply with our request, the State Department spent several months polling each of its

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<sup>2</sup>The Agriculture and Commerce Departments provided us with a listing by post of overseas staff "on board" as of October 28, 1999, and November 1, 1999, respectively.

<sup>3</sup>In their comments, Commerce Department officials noted that the U.S. and Foreign Commercial Service also engages in market access and market intelligence activities.

<sup>4</sup>The Agriculture Department did not include market intelligence or market access activities in its estimate of resources devoted to export promotion that it prepared for the Trade Promotion Coordinating Committee's annual report.

230 overseas posts and compiling data from 196 cables (an 85-percent response rate that included all major U.S. embassies).

The U.S. Agency for International Development provided us with a list of contractors and officials from the Departments of Commerce and State who gathered trade leads overseas for its Global Technology Network in fiscal year 1999.<sup>5</sup> The list includes the percentage of time these people spent gathering the leads, the countries in which they worked, and any U.S. Agency for International Development funds obligated to pay them during this period. In order to avoid double counting, we subtracted the full-time equivalent positions attributed to the Commerce and State Departments from the U.S. Agency for International Development staffing data in tables 2 and 3. We did not subtract this information from the U.S. Agency for International Development data in appendix III because doing so would result in not indicating the countries in which these officials gathered trade leads for the network.

In order to ascertain which agencies participate in the U.S. Agency for International Development's Global Technology Network and describe the nature of their participation, we interviewed officials from the Departments of Agriculture, Commerce, Energy, and State; the Export-Import Bank; the Overseas Private Investment Corporation; the Small Business Administration; the U.S. Agency for International Development; and the U.S. Trade and Development Agency. We then cross-checked the information obtained from each of these agencies against that obtained from the others.

We provided a draft of this report to the agencies discussed in the report and to the Office of Management and Budget. The following agency officials submitted comments:

- Department of Agriculture
  - Deputy Director, Strategic Planning, Office of the Administrator, Foreign Agricultural Service
  - Agricultural Marketing Specialist, Commodity and Marketing Programs, Foreign Agricultural Service

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<sup>5</sup>With the exception of this network, the overseas staffing data includes only those positions filled by people hired directly by each agency—U.S. officers and “foreign service nationals” (local international trade professionals and administrative staff)—and not by contractors. Contractor information is shown in appendix III in the “other staff” column for each agency.

- Department of Commerce
  - Deputy Under Secretary for International Trade
- Department of Energy
  - Senior Advisor to the Assistant Secretary for Fossil Energy
  - Acting Director, Office of Energy Outreach, Energy Efficiency and Renewable Energy
- Department of Transportation
  - Director, Office of Shipbuilding Financing, Maritime Administration
- Department of the Treasury
  - International Economist, Multilateral Development Bank Office
  - Program Analyst, Office of Trade Finance
- Export-Import Bank
  - Director, Policy Oversight and Review, Office of Policy and Planning
- Office of Management and Budget
  - Examiner, International Affairs Division
- Overseas Private Investment Corporation
  - Director, Financial Management
- Small Business Administration
  - Deputy Assistant Administrator, Office of International Trade
- State Department<sup>6</sup>
  - Deputy Coordinator for Business Affairs
- U.S. Agency for International Development
  - Deputy Assistant Administrator, Center for Economic Growth and Agricultural Development, Bureau for Global Programs, Field Support and Research
- U.S. Trade and Development Agency
  - Legislative Liaison

We conducted our work between August 1999 and March 2000 in accordance with generally accepted government auditing standards.

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<sup>6</sup>The State Department reviewed a draft of the report but had no comments.

# Comments From the Department of Commerce



**UNITED STATES DEPARTMENT OF COMMERCE**  
**The Deputy Under Secretary for**  
**International Trade**  
Washington, D.C. 20230

MAR 20 2000

Ms. Susan S. Westin  
Associate Director  
International Relations and Trade Issues  
United States General Accounting Office  
Washington, D.C. 20548

Dear Ms. Westin:

Thank you for the draft GAO report "Export Promotion: Federal Agencies' Activities and Resources in Fiscal Year 1999" and the opportunity to comment. Based on your particular definition of export promotion, the data in the report is a useful basis for analysis of how the federal government allocates spending and staffing resources domestically and overseas.

We are concerned, however, that in some specific instances noted below the accompanying text of the report does not reflect the relative importance of the activities of the core export promotion agencies (especially the Commerce and Agriculture Departments) over agencies that provide valuable, but more secondary benefits to exporters (e.g. Energy, Transportation, USAID, etc.). Our concern is that by lumping together the discussion of the services provided by the "core" export promotion agencies with those of "secondary" export promotion agencies, the relative emphasis each agency places on these services is lost, along with their significance to exporters. In addition, Commerce's coordinative role in the provision of these services is overlooked, which could lead to incorrect assumptions about duplication and overlap.

We, therefore, provide the following detailed comments:

- Training (p.13): First, the Commerce example for counseling exporters should include the network of over 100 Export Assistance Centers as providing more advanced counseling than available in the TIC or the Small Business Development Centers. Second, the Commerce Department works with the Small Business Administration in developing their E-TAP training courses (SBA's training is not "independently developed"). Third, it should be noted that Commerce's Market Entry Program (MEP) is distinct from SBA's E-TAP, in that the MEP is geared to minority-owned companies under the Global Diversity Program.
- Financial assistance (middle p.15): In addition to the discussion of EDA grants, ITA's Market Development Cooperator Program (MDCP) should be mentioned as a small source of grant export assistance available to trade associations, states, chambers of commerce, world trade centers, and other nonprofit export multipliers who agree to provide matching funds.



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**Appendix V**  
**Comments From the Department of**  
**Commerce**

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- Contacts for Future Business Opportunities (bottom p.15):

Under this heading, the report suggests trade missions are the principal means by which federal agencies provide contacts which may lead to future sales. In fact, trade missions are only one of many tools that are employed for this purpose. For example, ITA delivers industry analyses and develops market entry strategies for U.S. exporters, develops statistical data and analyses useful in export development, sponsors trade fairs and marketing seminars, and provides extensive export counseling both in overseas posts and through its network of domestic offices. We think the report could provide further detail on these types of export functions which exporters consider to be the core export promotion programs available to them.

- Trade Missions (bottom p. 15, top p. 16):

This paragraph gives several examples of trade missions led by Transportation, SBA, and Energy, but mentions Commerce only in its support role for these other agencies. In fact, the reality is the reverse. Most federally supported trade missions are undertaken by the Commerce and Agriculture Departments, with support from other agencies. In order to put the trade mission discussion into perspective, this section should begin with a discussion of coordination efforts and of Commerce and Agriculture Department missions.

To encourage coordination of overseas trade events, TPCC agency heads have been including officials of other agencies in their missions. For example, Secretary Daley led an interagency delegation to the Commercial Opportunities and Partnerships Conference in Southeast Europe last November, accompanied by OPIC President and CEO Munoz, TDA Director Grandmaison, and Ex-Im Bank Vice President Miller. Secretary Daley's February 2000 mission to Latin America included Deputy U.S. Trade Representative (USTR) Fisher, OPIC Executive Vice President Robertson, Ex-Im Bank Member of the Board of Directors Weaver and TDA Latin America/Caribbean Regional Director Angulo. In the aftermath of the Asia financial crisis, several TPCC agencies closely coordinated travel to the region to ensure a consistent and coherent U.S. government message on the need for structural reform.

For Commerce's part, the International Trade Administration each year supports a large number of trade missions on behalf of American business, missions which generally focus on new-to-market or new-to-export small and medium-sized firms. These range from Secretarial-led missions or those led by other Department officials, to those led by state governors under the Certified Trade Mission Program and those with business components only – such as the Commercial Service's Matchmaker missions or Trade Development's sector-specific missions. For FY 1999 and FY 2000 to date (as of 1/1/2000), 75 such missions were supported by Commerce. With the advent of the



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**Appendix V  
Comments From the Department of  
Commerce**

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Internet and electronic commerce, both here and abroad, ITA is in the process of adding "virtual" variations to traditional trade missions.

- Trade leads (bottom p.16): The statement that "State Department officials focus on background analyses of foreign markets and industry sectors" should be changed or qualified to indicate that these are primarily Commerce functions unless the Commercial Service is not present in a country.
- Advocacy (top, p. 18): This discussion leads off with a Transportation Department example. However, the federal government's main coordinating body for advocacy, the "TPCC Advocacy Network" is not mentioned, nor is the Network's linkage to the Commerce Department's "Advocacy Center." We suggest a shift in emphasis to note that the Advocacy Center takes the lead within the federal government for providing companies with coordinated federal advocacy assistance (including with Transportation, as well as Commerce, Ex-Im Bank, OPIC, Energy, etc.).

**Concluding Comments**

Again, thank you for your work on this report. It will be a useful tool which will help the TPCC leverage government resources. Our staff is available to provide any additional assistance you need in bringing it to completion.

Sincerely,



Timothy J. Hauser

Attachments: Other minor comments

# Comments From the U.S. Agency for International Development



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

March 23, 2000

Ms. Susan S. Westin  
Associate Director  
International Relations  
and Trade Issues  
United States General  
Accounting Office  
Washington, DC 20548

Dear Ms. Westin:

The U.S. Agency for International Development (USAID) found no problems with the draft report on federal resources devoted to export promotion activities in fiscal year 1999 (GAO code 711434). We would like to provide the following comments for additional clarification.

The Global Technology Network's (GTN) primary purpose is facilitating the transfer of U.S. technology and services to address development needs in the areas of agribusiness, energy/environment, health, and information technology. USAID, through GTN, matches U.S. private sector expertise and technologies with overseas demand for this direct developmental impact. USAID does have other programs that benefit U.S. exports by effecting policy and regulatory change in developing countries and emerging markets. These programs, however, do not have U.S. export promotion as their stated purpose nor do they involve direct contact with U.S. exporters.

In addition to providing electronic trade lead matching/dissemination, the Global Technology Network (GTN) provides technical assistance counseling to U.S. and indigenous firms relating to the specific lead, and international trade. Utilizing a large pool of mostly volunteer services, GTN is able to provide individual counseling to small- and medium-sized firms many of who have limited exporting experience. Experience with the GTN program and feedback from beneficiaries has demonstrated that these "follow up" efforts add significant value to the GTN trade lead program, complementing the supporting electronic systems that provide the matching/dissemination.

1300 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20523

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**Appendix VI**  
**Comments From the U.S. Agency for**  
**International Development**

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GTN also provides travel grants to support firms pursuing GTN trade leads. Grants are available for both U.S. and importing country entrepreneurs. In FY 1999, GTN provided \$15,000 in travel grants.

Please contact me should you have additional questions.

Sincerely,



Emmy B. Simmons  
Deputy Assistant Administrator  
Center for Economic Growth and  
Agricultural Development  
Bureau for Global Programs, Field  
Support and Research

# GAO Contact and Staff Acknowledgments

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**GAO Contact**

Virginia C. Hughes, (202) 512-5481

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**Acknowledgments**

In addition to Ms. Hughes, David Artadi, Carlos Evora, Kay Halpern, Ernie Jackson, and Rona Mendelsohn made key contributions to this report.

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