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- For the record, I am Tim McCabe, the director of the Oregon Business Development Department or Business Oregon.
- First of all, I want to extend a warm welcome to Portland. Thank you Madam Chair Aranoff and distinguished Commissioners for listening to our testimony here today. We are indeed very pleased that you chosen to have one of your hearings here in Portland concerning international trade issues and the challenges facing small- and medium-sized businesses.
- I am happy to appear today with some of our international marketing partners - Katy Coba, the director of the Oregon Department of Agriculture, and Greg Borossay, the Port of Portland's Marine Marketing Development Manager. You will hear from them shortly.
- First, I want to emphasize the critical importance of international trade and exports to Oregon's economy. While our exports dropped last year in this tough economic environment, they continue to represent a significant portion of our economic activity and thanks to companies such as Intel; they have already begun to increase this year.
- Oregon had \$14.9 billion in exports in 2009 this represents 8.8% of the state's Gross Domestic Product.
 - 40% of the state's agricultural production is sold internationally;
 - Tourism brings in \$8.3 billion annually to Oregon.
 - One out of five Oregon manufacturing jobs is linked to exports.
- Oregon competes well around the globe especially in our targeted key industries of Clean Technology, Advanced Manufacturing, High Technology, Outdoor Gear and Activewear and Wood and Forest Products. Agriculture, as Katy Coba will cover, is also a crucial sector for our state. In fact, I just returned from the annual FoodEx Trade Show in Tokyo where once again, Oregon was the only state to have its own exhibit at the show.

- I applaud President Barack Obama's National Export Initiative and his desire to have the Export-Import Bank increase export financing for small- and mid-sized businesses and his proposal that the amount of credit available be increased to \$6 billion in the next year.
- This plan to increase such credit by \$2 billion, and to double exports over the next five years, is exactly the kind of effort and vision we like to see from our partners in Washington, D.C.
- I also applaud the plan to give this challenge cabinet-level attention under the leadership of Commerce Secretary Gary Locke and through the newly formed Export Promotion Cabinet.
- We also agree with Secretary Locke's recent comments on the importance of improving protections for the intellectual property of U.S. companies especially in developing markets.
- I want to emphasize several key components that I believe need to be addressed in order to help improve the prospects of small- and medium-sized firms to succeed in international trade.
- First, we need to all work together to create grants for exporters of manufactured goods and services for use in marketing their products/services. These grant allocations should be made to states to be administered with a limited percentage to be used in administering the funds.
- U.S. producers of manufactured goods and professional services should have similar opportunities for grants and financial assistance from the federal government as those available to other U.S. producers.
- In our experience helping Oregon companies market themselves at trade shows, we have found that marketing-related grants and funding need to match up with the individual needs of each company whether it is translation of materials, upgrades to websites, marketing trips or trade show participation. Use of this funding should not be restricted to government-led trade promotion programs. These grants could be administrated through state trade promotion agencies.

- I also want to express my support for the proposed Small Business International Trade Enhancements Act of 2009 (S. 2862). Passage of this legislation will go a long way to addressing many of the critical issues facing small and medium-sized exporters.
- We have enjoyed a great deal of success in Oregon doing some of the same things the President's initiative proposes to emphasize. We have connected many Oregon businesses with the programs of the Export-Import Bank. We know first-hand, through our Oregon Trade Promotion Program (OTPP), the multiplier impact of small grants to businesses seeking to overcome financial barriers to participation in international trade shows.
- I also want to express my support for improved federal-state collaboration in trade promotion programs as well as consistency with this collaboration throughout the U.S. This includes implementation of joint performance measures, client sharing, better coordination of event planning, administration of grants, success sharing, and sharing of information.
- Trade promotion is a collaborative discipline and companies benefit when federal, state, and local organizations work together for the common good of U.S. exporters and potential exporters. Some states have strong export promotion partnerships while other states operate under a more competitive approach.
- We have had great success here in Oregon through our successful collaborative work with our International Marketing Partners as well as our collaboration with the Export-Import Bank and the Small Business Administration.
- We also need priority funding for the Foreign Commercial Service so it may reopen previously closed international offices and to ensure that these and other international CS offices have adequate staffing as well as the capacity that they need to service clients within 45 days of requests.
- States like ours work closely with the U.S. Department of Commerce's U.S. Commercial Service (USCS) as part of their international trade development efforts. The most valuable program offered by USCS is their network of offices in foreign countries. States depend on them to assist with organizing trade missions and many other overseas marketing activities.

- However, due to budget cuts the deployment of USCS has been dramatically reduced around the world. This sharp reduction in support for U.S. exporters and state programs will have a significant impact on the ability of U.S. companies to sell their products abroad.
- Finally, you will receive written testimony from Travel Oregon officials concerning “visa challenges,” but I just want to highlight a few of them:
 - A recent survey of international travel professionals showed that 77% believed that the United States was more difficult to visit than other destinations.
 - Entrance procedures to the U.S. have consistently registered as the top barrier for travel. These barriers included the following factors:
 - Misinformation for consumers on entry and exit requirements to the USA.
 - Actual entrance procedures to visit the USA. Long wait times in customs can result in the perception that travelers are “not welcome” and potentially reduce international visitation.
 - Visa processing time. A specific example of this is the long waits required to obtain a visa interview in China, India and Brazil.
- Once again I want to thank you Madame Chair and Commissioners for taking the time to come here to Portland to listen to our testimony today.
- We are very excited about the administration’s renewed efforts to increase U.S. exports. In our global economy, every state and nearly every business must be able to seize the opportunities for growth presented by increased international trade.