FOIA Number: 2017-0364-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Council of Economic Advisers

Series/Staff Member: Laura D'Andrea Tyson

Subseries:

OA/ID Number: 5062

FolderID:

Folder Title:
Trade Promotion Coordinating Committee (TPCC) [2]

Stack:	Row:	Section:	Shelf:	Position:
S	20	7	1	1

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. bio	re: J. Joseph Grandmaison; [Personally Identifiable Information] [Partial] (1 page)	00/00/0000	b(6)

COLLECTION:

Clinton Presidential Records
Council of Economic Advisers
Laura D'Andrea Tyson
OA/Box Number: 5062

FOLDER TITLE:

Trade Promotion Coordinating Committee (TPCC) [2]

2017-0364-F
jp3835

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. bio	re: J. Joseph Grandmaison; [Personally Identifiable Information] [Partial] (1 page)	00/00/0000	b(6)

COLLECTION:

Clinton Presidential Records
Council of Economic Advisers
Laura D'Andrea Tyson
OA/Box Number: 5062

FOLDER TITLE:

Trade Promotion Coordinating Committee (TPCC) [2]

2017-0364-F
jp3835

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

1627 OCEAN BOULEVARD
RYE, NEW HAMPSHIRE 03870

(b)(6)

Telephone: 603-431-1288

[001]

- Vice President of Weil & Howe, a management consulting and project development company specializing in energy and environmental matters with the principal office in Augusta, Maine.

- Have served as a consultant--specializing in community and government relations, politics and economic development--to both public and private sector organizations and individuals.

- From 1977 thru 1980, served as Federal Co-Chairman of The New England Regional Commission (Assistant Secretary level, U.S. Department of Commerce).

  As appointee of the President of the United States and the highest ranking Federal official in the Region, served as co-equal with the six New England Governors on the Commission, developing policies to improve the regional economy. The Commission conducted programs in the areas of transportation, energy, economic development, international trade, tourism promotion and hazardous waste management.

  Also served as Chairman of the Federal Regional Council of New England. The Council, comprised of the major Federal officials in the Region, was responsible for coordinating and streamlining the delivery of Federal programs in New England. As the President's representative to the Commission and the Council, acted to integrate state and Federal programs and policies.

EDUCATION	Harvard University, John F. Kennedy School of Government, Senior Management Program, Summer, 1980 Burdett College, Boston. School of Business Administration, 1963.
RELATED EXPERIENCE	Democratic nominee, Governor of New Hampshire, 1990 Chair, New Hampshire Democratic Party, 1987-February, 1990 Democratic nominee, U.S. House of Representatives, 2nd District of New Hampshire, 1976. Adjunct Professor, Boston University's College of Communications, 1987-June, 1990. Fellow, Harvard University, John F. Kennedy School of Government, Insitute of Politics, 1977. Host, New England Cable News' "Talk of New England" -- March, 1992 thru the present.
CIVIC ACTIVITIES	Elected Delegate to the New Hampshire Constitutional Convention, 1984 Board of Visitors, Department of Economics, Boston University, 1978 to 1982. Board of Directors, Robert F. Kennedy Action Corps, Boston (private child welfare agency, 1978 to 1988. Former member, Board of Aldermen, Nashua, New Hampshire, 1970-71. New Hampshire Army National Guard, 1963-1970.

OVERSEAS PRIVATE INVESTMENT CORPORATION
WASHINGTON, D.C. 20527, U.S.A.

OFFICE OF THE
PRESIDENT

BIOGRAPHY OF RUTH HARKIN

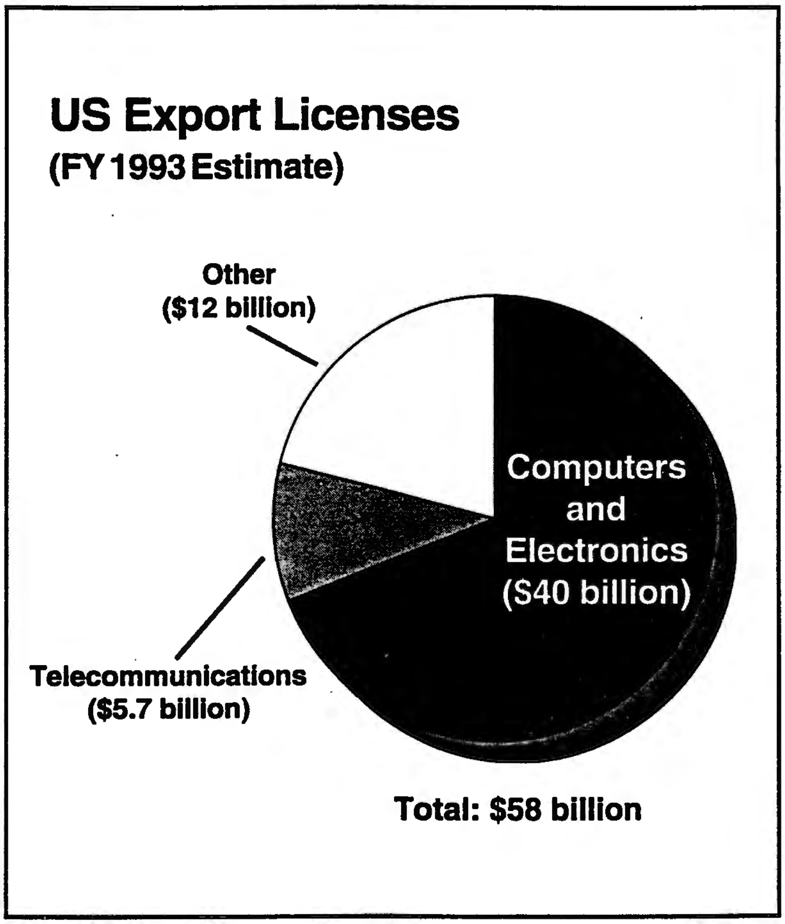
Ruth Harkin has been chosen by President Clinton to be the sixth President of the Overseas Private Investment Corporation.

Mrs. Harkin brings with her 20 years of public and private service. After graduating from Catholic University Law School in 1972, Mrs. Harkin was one of the first women elected county attorney of any of Iowa's 99 counties and was the first Democrat elected to that post in Story County. As the county's chief law enforcement officer, she was the primary prosecutor of all criminal cases, including murder, rape and other serious felonies. Mrs. Harkin also served as the county's corporate attorney, representing its various boards. She was re-elected in 1974. In recognition of her work, Mrs. Harkin was appointed in 1977 as special prosecutor for a first degree murder trial in Des Moines, Iowa (Polk County).

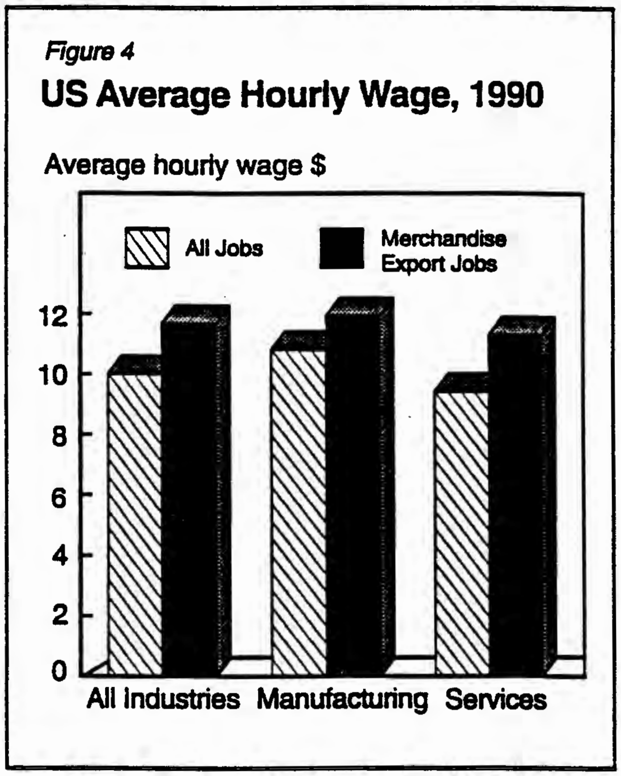
From 1979 to 1981, Ruth Harkin served as Deputy General Counsel at the U.S. Department of Agriculture. There, she worked with programs similar to those found at OPIC -- loan guarantee programs and foreign assistance.

For the past ten years, Mrs. Harkin has served as Of Counsel to the law firm of Akin, Gump, Strauss, Hauer & Feld, working with U.S. companies in developing business plans, resolving trade problems, and assisting in business expansion.

Computers, Electronics and Telecommunications Comprise 80 Percent Of U.S. Exports Now Requiring Licenses



Export-Related Jobs Pay Higher Average Wages Than Other Jobs In Each Category of Exports



The Governments Of Our Major Competitors Have More Focused And More Intensive Export Promotion Efforts

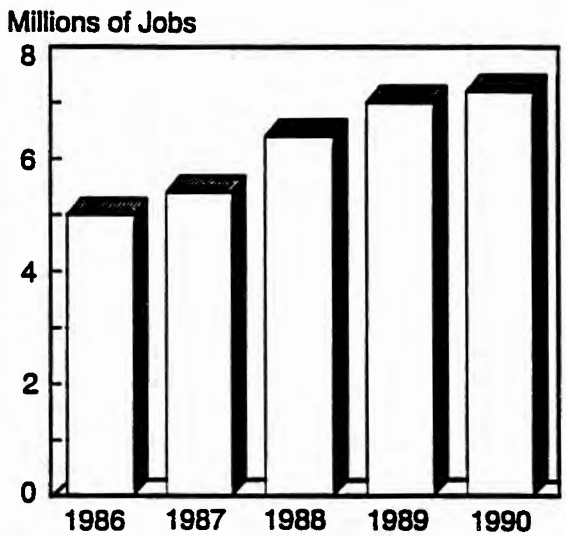
Figure 7

Export Promotion Staff, 1990

Over 7 Million Jobs Are Directly Related To Exports

Figure 2

American Jobs Supported by US Exports, 1986-90



THE WALL STREET JOURNAL.

Wednesday, September 29, 1993

Clinton Weighs Linking Exports To Foreign Aid

Aides Urge Policy Reversal In Effort to Boost Sales Of U.S. Goods Overseas

By MICHAEL K. FRISBY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—President Clinton will unveil a national export strategy that provides a boost to computer companies, and his top trade advisers are strongly recommending that he link some foreign aid to the purchases of American products.

The proposal to institute so-called tied aid would reverse longstanding U.S. policy and go against the wishes of the State Department, which wants to continue linking aid only to humanitarian purposes. Other parts of the strategy, to be announced today by the president and Commerce Secretary Ron Brown, will include a package of provisions aimed at helping American industries compete for sales overseas. According to the administration, the plan aims to increase total exports to $1 trillion annually by the year 2000 from $700 billion and create six million jobs for American workers.

Export Controls

A major element of the plan calls for removing export restrictions on many computers, which stems from a broad review of export controls from the Cold War era. Mr. Clinton will raise the control threshold to 194 million theoretical operations a second, or MTOPS, from the current 12.5 MTOPS for computer exports to most countries, while the threshold for supercomputers will jump to 2000 MTOPS from 195 MTOPS.

The changes will decontrol about 70% of all computers and supercomputers on the market, a move eliminating or reducing regulations on an estimated $35 billion of high-tech exports. Nearly all of the equipment falling below the new thresholds can be exported to most nations without requiring manufacturers to apply for export licenses, but nations promoting terrorism and those covered by multilateral agreements still will be restricted.

Outdated Old Limits

The old limits were clearly outdated, as the newest generation of computer chips is expected to handle 66 MTOPS, and the chips can be strung together to obtain faster speeds. The decision is likely to please large and small computer companies, which had been pushing for the 2000-MTOP limit and considered these controls to be the most important trade issue facing them. But some will be disappointed that the plan doesn't liberalize trade in computer-security devices, as a result of resistance from intelligence agencies.

At the last minute, the administration scrapped plans to raise the computer threshold to 500 MTOPS, causing the Commerce Department to add a clarification to its plan late yesterday. Officials said they must negotiate with allies before raising the threshold beyond 194 MTOPS, but they expect those talks to be completed next month and the threshold raised again.

"There is no question that with the stroke of a pen that we can have a major impact on exports in this area," said Secretary Brown. "Eighty percent of our export license applications are in the area of electronics, telecommunications, computers."

Mr. Brown also acknowledged that the change may help California, because 40% of all export license requests come from the state, which has a high concentration

Please Turn to Page A6, Column 1

The Washington Times

Wednesday, September 29, 1993

Clinton expected to scrap Cold War-era trade controls

By Dave Skidmore
ASSOCIATED PRESS

President Clinton is set to unveil a comprehensive new trade strategy that includes sweeping liberalization of Cold War-era controls restricting the sale of American computers and other high-technology products.

The National Export Strategy, to be presented to Mr. Clinton at a White House ceremony today, seeks to streamline the intricate licensing rules that were intended to stop the spread of technology to the former Soviet Union and other communist countries.

Mr. Clinton's export strategy, developed over the past six months by the multiagency Trade Promotion Coordinating Committee, also would force the 19 government offices now encouraging exports to work together.

"We have a system that dates from the Cold War and the Cold War is over," said an administration official, who described the initiative yesterday on the condition of anonymity.

And, starting with fiscal 1995, it would create a unified multiagency trade-promotion budget out of the $4.3 billion in separate programs scattered throughout the federal government.

Currently about 80 percent of export-promotion spending is devoted to agricultural products even though they represent only about 10 percent of the nation's export total.

The administration official, speaking on the condition of anonymity, said the unified budget would not necessarily redirect money from promoting agricultural sales to fostering the sale of manufactured goods.

But the administration plans to con-

see TRADE, page B12

sider the best way to target the government's trade-promotion programs.

The strategy also recommends the creation of "one-stop shops" around the country where employees of different agencies — for instance, the Commerce Department, the Export-Import Bank and the Small Business Administration — would work together to assist U.S. companies.

Commerce Secretary Ron Brown, previewing the strategy in a recent speech, promised "a concerted effort to end the absurd duplication of effort our current trade promotion effort involves."

In one of its most controversial suggestions, the new strategy calls for requiring countries that receive foreign aid to purchase American products and services, the administration official said.

The United States has long criticized Japan, France, Germany and other countries for tying their foreign aid to such commitments.

But by imposing such requirements, the United States would have a bargaining chip to seek the reduction or elimination of a competitor's program.

Another plank of the export strategy is to offer low-interest, long-term loans to U.S. exporters through the Ex-Im Bank, which currently concentrates on short-term loans.

In a speech to the World Economic Development Congress, Mr. Brown said one of the highlights of the strategy will be relaxation of Cold War export restrictions.

"While export controls are necessary for national security, the U.S. system is overly restrictive and inefficient," he said. "We expect to develop an export control discipline that ensures that national economic interests receive greater weight."

A study financed by the Institute for International Economics, a Washington-based research organization, estimated that various internal export deterrents cost the United States $25 billion to $40 billion in sales abroad, with about two-thirds to three-quarters of the loss coming from the Cold War licensing rules.

Houston Chronicle, September 28, 1993

New Clinton policy on exports to lift some high tech curbs

New York Times

C3

WASHINGTON – President Clinton is about to introduce an aggressive national export policy aimed at using 19 federal agencies to help manufacturers compete in foreign markets, administration officials said Monday.

The new policy calls for a quick lifting of controls on some high-technology exports, the opening of federal export assistance offices and more overseas lobbying by the president and Cabinet officials on behalf of American companies.

The policy calls for a redirection of federal export credits toward manufacturers, but not until the 1995 fiscal year.

Commerce Secretary Ron Brown said that the money for industry would not necessarily come from Agriculture Department export programs. But he acknowledged, "About 80 percent of our export promotion dollars have been spent on agricultural products, which represent 10 percent of our exports."

Shifting export finance money to manufacturing would require Congressional approval, something that has stymied past efforts by legislators from industrial states.

Large sums of export assistance money, mostly for American farm products, could be freed up if a world trade agreement is reached this year.

And if the White House gives its assent in the next two days, the export policy also will include the creation of a new lending program to help American exporters with low-interest, long-term loans.

President Clinton is scheduled to announce the plan, dubbed the National Export Strategy, at a White House ceremony on Wednesday.

The plan will especially benefit small-business owners and Californians, two groups in which the administration wants to rebuild political support.

Small businesses have led criticisms of the president's health plan, while Clinton's public approval ratings have plunged in California as the economy there remains more sluggish than that of the nation.

California companies account for 40 percent of all requests to the Commerce Department for permission to export computers and other high-technology products that may have military applications. They have been among the leaders in an corporate lobbying effort this summer for a relaxation of export controls.

To help small and medium-sized businesses, the administration also plans to set up at least four export assistance offices outside Washington, most likely in state capitals, and hopes to expand to as many as 60 offices within a year.

The Commerce Department, the Export-Import Bank of the United States and the Small Business Administration will provide information and process applications for export financing at the offices, which will be intended to help businesses without staffs in Washington.

The president alluded to one element of the plan in his speech at the United Nations on Monday, when he indicated that the United States would eliminate many controls on American high-technology exports to former Eastern bloc countries.

Tuesday, September 28, 1993

Business Day

The New York Times

Administration Plans New Export Initiative

By KEITH BRADSHER

Special to The New York Times

The policy would lift controls on high-tech trade.

WASHINGTON, Sept. 27 — President Clinton is about to introduce an aggressive national export policy aimed at using 19 Federal agencies to help manufacturers compete in foreign markets, Administration officials said today.

The new policy calls for a quick lifting of controls on some high-technology exports, the opening of Federal export assistance offices and more overseas lobbying by the President and Cabinet officials on behalf of American companies.

The policy calls for a redirection of Federal export credits toward manufacturers, but not until the 1995 fiscal year. Ronald H. Brown, Commerce Secretary, said that the money for industry would not necessarily come from Agriculture Department export programs. But he acknowledged, "About 80 percent of our export promotion dollars have been spent on agricultural products, which represent 10 percent of our exports."

Shifting export finance money to manufacturing would require Congressional approval, something that has stymied past efforts by legislators from industrial states. Large sums of export assistance money, mostly for American farm products, could be freed up if a world trade agreement is reached this year.

And if the White House gives its assent in the next two days, the export policy will also include the creation of a new lending program to help American exporters with low-interest, long-term loans.

President Clinton is scheduled to announce the plan, dubbed the National Export Strategy, at a White House ceremony on Wednesday.

The plan will especially benefit small-business owners and Californians, two groups in which the Administration wants to rebuild political support. Small businesses have led criticisms of the President's health plan, while Mr. Clinton's public

Continued on Page D2

Administration Creating New Initiatives for Export Policy

Continued From First Business Page

approval ratings have plunged in California as the economy there remains more sluggish than that of the nation.

California companies account for 40 percent of all requests to the Commerce Department for permission to export computers and other high-technology products that may have military applications. They have been among the leaders in an corporate lobbying effort this summer for a relaxation of export controls.

To help small and medium-sized businesses, the Administration also plans to set up at least four export assistance offices outside Washington, most likely in state capitals, and hopes to expand to as many as 60 offices within a year. The Commerce Department, the Export-Import Bank of the United States and the Small Business Administration will provide information and process applications for export financing at the offices, which will be intended to help businesses without staffs in Washington.

Large corporations currently account for two-thirds of American exports. With the export initiative, Mr. Brown said, "this Administration has demonstrated beyond any doubt that it will stand shoulder to shoulder with American business."

The President alluded to one element of the plan in his speech at the United Nations today, when he indicated that the United States would eliminate many controls on American high-technology exports to former Eastern bloc countries.

An interagency committee has recommended that as part of the National Export Strategy, the White House should create a new lending program at the Ex-Im Bank that would provide long-term, low-interest loans to American exporters, matching similar programs overseas. But the recommendation was not unanimous, and the White House has not yet made a decision, said Kenneth Brody, the president of the Ex-Im Bank, which is a Federal agency.

The lending program is a contentious issue because several Administrations have sought to limit similar programs abroad, contending that they amount to government subsidies that distort international markets. Mr. Brody said this afternoon that by creating such a program in the United States, the Clinton Administration would have more influence in seeking international limits on such lending.

The Bush Administration negotiated a 24-nation pact two years ago that set broad limits on subsidized export finance programs. Mr. Brody and Mr. Brown said that the new American program, if instituted, would comply with the pact.

Most loans by the Export-Import Bank are now made at market interest rates with short maturities.

With the exception of the possible

Federal emphasis might shift from agriculture toward manufacturing.

lending program, much of the initiative represents a continuation and expansion of Bush Administration efforts. For example, the number of export shipments subject to Commerce Department controls has already fallen by three-quarters in the last seven years, as a succession of Commerce Secretaries have decided that many exports no longer pose a national security risk with the end of the cold war.

But many American companies and trade experts have contended for years that the United States is less effective than its trading rivals in promoting exports, costing American jobs in the process. Mr. Brody said that the National Export Strategy was too broad to be considered a continuation of the Bush Administration's less coordinated efforts.

Why fear free trade? Let's just sell our wares

Commerce Secretary Ron Brown unveils plan Wednesday to promote U.S. products; goal is $1 trillion in exports by turn of the century.

Q: On Wednesday, you are releasing a report to promote U.S. exports. Why so much emphasis on exports?

A: The bottom line is U.S. exports equal U.S. jobs. If you look at our economic performance over the past several years, one of the only bright spots has been exports. We accept the premise that for every billion-dollar increase in exports, you create 20,000 new jobs for the American people. Therefore, we think that's pretty important to focus on.

Q: What is your goal?

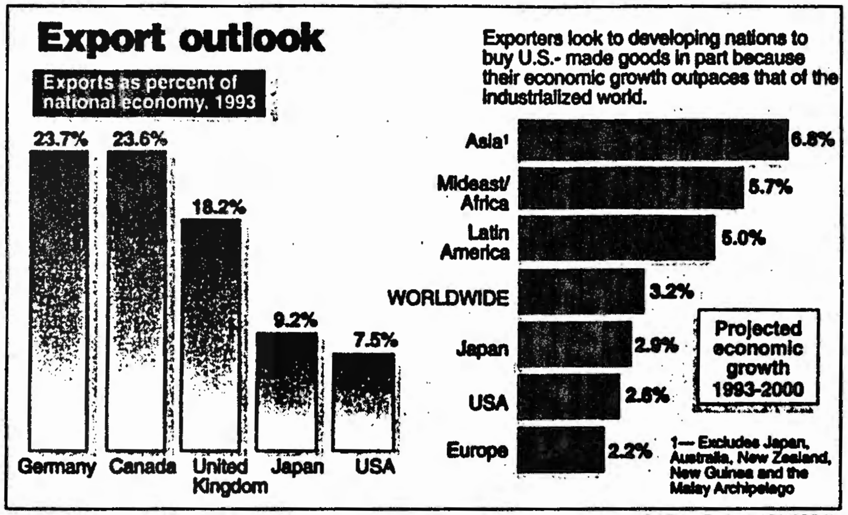
A: There are 60 specific recommendations in the report. We have set a goal of being at $1 trillion in exports by the turn of the century, which would mean the creation of about 6 million new American jobs.

Q: What are some of the ways to reach that goal?

A: One is this concept of one-stop shopping and bringing together all the agencies of the federal government involved in export promotion. We're putting together a commercial strategic plan for every country in which we're trying to promote exports. We identify opportunities for American exports and then find American producers for those products. Another is the area of advocacy. We have not done that in our country. We are doing that now. And we're working with financial institutions like the Export-Import Bank and OPEC. It's one thing to change the ground rules and the landscape, but if the financing isn't there, it's very hard to be competitive in these transactions.

USA TODAY

Ronald H. Brown is the secretary of Commerce. He is also chairman of the Trade Promotion Coordinating Committee, mandated by Congress and the Export Administration Act. His remarks on U.S. exports and trade were edited from an interview with USA TODAY's ***editorial board and news staff.***



Source: International Monetary Fund

By Suzy Parker, USA TODAY

Q: The heads of the world economic organizations said Monday if negotiations to renew the General Agreement on Tariffs and Trade — the rules that govern world trade — do not succeed, it could break the fragile economic recovery. Do you agree?

A: There's some real danger in not getting it done. There's no question that we are all inextricably bound together. One of the reasons why the economy of the United States has been in trouble is because the world economy has been in trouble. And if the economies in Europe are in bad shape, Europeans can't buy American products. It's really that simple. That is why it's so important for us to complete the Uruguay Round (latest round of world trade negotiations, now 8 years old).

Q: There's less than three months to the latest deadline on GATT. Are we going to postpone it again?

A: I sure hope not. Eight years is too long to negotiate anything. Our initial posture when we came into office was that we preferred a good agreement to a quick agreement. Our posture now is we want a good agreement and we want it quickly. There were some breakthroughs earlier this year on market-access issues when the French announced their change of mind on the oil seed issue.

Q: Doesn't France now want to modify that agreement — often referred to as the Blair House agreement?

A: There's some mixed signals from the European community now. I sat down with Sir Leon Brittan (chief trade negotiator for the European Community) in my office about a week ago and made it clear we thought the Blair House accords were etched in stone. He didn't seem to oppose my view of that. I heard last week there were some rumblings in the other direction in Europe.

Q: Would the defeat of the North American Free Trade Agreement have a negative impact on GATT?

A: It's unclear whether the two are connected or not. They're connected in some minds. You certainly can build momentum in favor of international accords if you succeed in the NAFTA ratification. We think both are important.

Q: And they share a common objective — free trade. Doesn't the fate of one inevitably affect the other?

A: Substantively, the two things are quite different. We need to successfully complete the Uruguay Round of GATT for both our short- and long-term economic interests. We are the ones who pay the biggest price for closed markets. The NAFTA problem is a matter of educating Congress and the American people.

Q: What happens if NAFTA doesn't pass?

A: It's a very bad signal, not only to Mexico but to our friends in the South and Latin America. It's probably a bad signal to the rest of the world about how we proceed after agreeing to a treaty. We're going to work very hard to get it. The president would not support NAFTA if he did not believe it creates jobs in America.

Q: It seems every Commerce secretary has said, "Exports are the most important thing." How is your approach going to be different?

A: We are formulating a national economic strategy that means a new relationship between business and government. It means a government that understands clearly that it is the private sector that creates economic growth and jobs. There are times and places where the government needs to get out of the way. There are times and places where we need to be better partners. There is a clear understanding in the business community that they need a different kind of relationship with government, and that's going to help make us successful in this effort.

The Journal of Commerce

Monday, September 27, 1993

US Export Plan To Stress New Trade, Advocacy

By MICHAEL S. LELYVELD
Journal of Commerce Staff

BOSTON — The Clinton administration's national export strategy, to be unveiled Wednesday, will stress trade with developing economies, high-level advocacy for U.S. sales and the opening of some 60 export-assistance offices around the country, said a top official.

The strategy, to be presented to Congress during hearings Wednesday and Thursday, is the result of months of inter-agency work headed by Commerce Secretary Ron Brown and President Clinton's National Economic Council in the push for U.S. export competitiveness.

"There is an economic war going on. The rest of the world has been conducting the war quite vigorously, and their governments have been aiding their private sectors," said Kenneth D. Brody, president and chairman of the Export-Import Bank of the United States.

Mr. Brody also announced that the heads of export credit agencies from the Group of 7 industrialized nations were beginning meetings in Washington in an effort to coordinate policies.

The opening of the precedent-setting meetings Friday recognized that "we all want to be fierce competitors and win," he said.

But, Mr. Brody said, if countries cooperate in setting up the rules, then perhaps subsidies can be lowered worldwide.

Keys points of President Clinton's national export strategy as outlined by Export-Import Bank President Kenneth Brody:

— New export drive aimed at developing countries. About 48% of the world's output now comes from developing nations, Mr. Brody said.

— High-level advocacy for exports. Expect to see involvement of top officials, including President Clinton, on behalf of private business competing for foreign contracts.

— Greater role for government-backed export financing.

— Opening of some 60 export assistance offices nationally. The "one-stop shop" centers will be aimed at helping small and medium-sized companies.

— Reduction in unneeded Cold War export controls, said to be costing $10 billion to $15 billion annually and up to 300,000 U.S. jobs.

The subsidy reference is to the competitive practice of adding foreign aid "sweeteners" to government-backed export deals. The granting of such "tied aid" as an extra incentive to clinch foreign business has been generally condemned but widely used over the years by the G-7 nations, which include the United States, Canada, Britain, France, Germany, Japan and Italy.

Mr. Brody said later that President Clinton is expected to make a decision, perhaps as soon as Wednesday, on the use of Ex-Im Bank's "war chest" of funds for tied aid. A bank official said that some $50 million remains in the fund, established during the Reagan era to combat perceived trade foes.

The G-7 meetings, the new strategy and the war chest decision all suggest that the administration may be taking a carrot-and-stick approach with allies on issues of export competitiveness.

Business Week, October 4, 1993

HOW TO FIRE UP THE EXPORT MACHINE

On Sept. 29, Commerce Secretary Ronald H. Brown will submit to Congress a report on how the U.S. can streamline the maze of rules and regulations that passes for government export policy. Brown's interagency Trade Promotion Coordinating Committee will attempt to distill a coherent set of principles from an amalgam of cold war and post-cold war export controls that no longer make sense in terms of either economics or U.S. security.

Brown's timing couldn't be better. U.S. merchandise imports are growing twice as fast as exports, and the $132 billion trade deficit in goods is at a 5½-year high. Weak economies in Europe, Japan, and Mexico account for a good chunk, but not all, of that deficit. Washington's own policies are responsible for losses up to $40 billion in exports every year, according to *Sizing Up U.S. Export Disincentives*, a new book by J. David Richardson, published by the Institute for International Economics. Richardson argues that the U.S. currently enforces export controls on computers and telecommunications equipment even when they are freely available on the international market. Its controls are more sweeping than those of Europe or Japan. The result? The U.S. loses export sales without gaining a scintilla of extra security.

Even when the government tries to promote exports, it fails. There are 19 federal organizations charged with helping exporters, and they mostly protect their individual turf. Even the relatively clear task of export finance is twisted: Some 80% of federal export-finance aid goes to agriculture, which accounts for a mere 10% of the value of all exports.

What must be done? First, create one-stop shopping for export licensing at the Commerce Dept., and streamline the bureaucracy. Second, control only those technologies that are the most sensitive militarily, not "dual-use" technologies that are easily available in commercial markets. Third, direct government financial support to a wider array of exports, particularly those from small and midsize companies. A billion dollars in exports generates about 20,000 good-paying jobs, so $40 billion can create 800,000 very happy families. We're rooting for you, Ron.

The Economist, September 25 - October 1, 1993

Export policy

Let's help

NEW YORK

THE dollar is cheap, unit labour costs fell in 1992, productivity has been steaming ahead since the late 1980s. In competing with foreign rivals, what more could America's exporters want? Answer: more help and less hindrance from Washington. They may be about to get both. On September 29th Ron Brown, the commerce secretary, will present Congress with a report on the government's role in export-promotion. To many people's surprise, Mr Brown has used this apparently humdrum occasion to shape something like an export strategy.

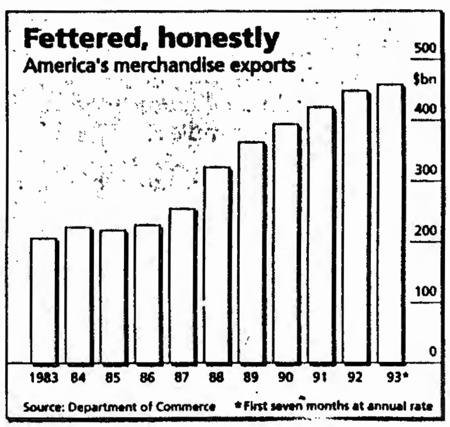
Until the mid-1980s merchandise exports accounted for about 5½% of America's GDP. They now account for around 7½% and are growing steadily; but that growth could be a lot better, say Commerce Department officials who deplore the present hotch-potch of rules and responsibilities.

Exporters have to deal with up to 19 agencies, all requiring separate paperwork. Licensing controls devised during the cold war still prohibit the export of scores of gadgets that can be found in your neighbourhood hi-fi store. The $4.5 billion or so a year the government spends on export-promotion involves more than 100 programmes; one bizarre consequence is that about 80% of the total resources are focused on agriculture, which accounts for only 10% of exports.

To sort this out, Mr Brown persuaded Ken Brody, a former investment banker with Goldman Sachs and the newly appointed boss of the Export-Import Bank, to chair the Trade Promotion Co-ordinating Committee, the body charged with writing the report. The outcome is a 150-page document with about 50 specific recommendations to Congress. If these are implemented:

- The Export Control Act will be rewritten, cancelling scores of silly restrictions. David Richardson, in a new book from the Institute for International Economics, says these block up to $40 billion-worth of exports a year. By contrast, Japan's tariff and non-tariff barriers curtail American exports by a mere $9 billion-18 billion annually.
- A unit will be set up in the Commerce Department to organise more official support for exports. Mr Brown feels passionately that other governments do far more of this than Washington does. He and Bill Clinton explained to Saudi Arabia's king last month the merits of Boeing's bid for a $6 billion contract from the Saudi national airline. Expect more of the same.
- The Small Business Administration will be given a wider brief, to help inexperienced exporters almost regardless of their size. The Foreign Commercial Service, which has people in embassies around the world, will get more cash.

A boost from Brown



- More controversially, some of America's aid budget may be made conditional on the dollars winging their way back to American exporters. Senior officials in favour of tied aid say this could deter other countries from using the technique so liberally. Others, understandably, say that is bunkum, and want America to go on opposing tied aid outright.

And Mr Brody's own shop is in for a remodelling. Instead of dealing directly with every exporter in need of help, ExIm will begin delegating more of its work to commercial banks: these will have authority to act, in effect, as ExIm's agents. This should cut red tape and give the banks more financial incentive to work with small exporters. ExIm will also start to look for the first time at project-financing for foreign borrowers. All this, says Mr Brody, is part of a root-and-branch reappraisal of how ExIm can help America sell more abroad.

Much of Mr Brown's handiwork will not need legislation, only resolute executive action. Mr Clinton could have made a start by lifting the ban on exports to one of Asia's fastest-growing markets; but the embargo on trade with Vietnam was renewed, with only minor fiddlings, on September 13th.

o **The one remaining issue left to be resolved in the Clinton Administration's new trade promotion policy is "tied foreign aid,"** according to an Administration source. This trade official told the Bulletin: "The heads of the various agencies serving on the Trade Promotion Coordinating Committee (TPCC), chaired by Secretary of Commerce Ron Brown, are meeting this morning to finalize the recommendations to the President for a new trade/export promotion policy announcement by the end of the month. The only contentious issue left is 'tied-aid.'" According to the official: "This refers to situations where a country offers foreign aid to another country tied to purchase of the first country's products and services, and whether or not the US should respond with the same type of linkage. Our trade competitors, particularly Japan, are excellent at this. It is hard for many to accept that this is still an issue when we are trying so hard to compete globally. But the State Department and some USIA people believe it is better to reduce this activity by our competitors than for us to join in the same practice. While it is mostly a philosophical debate, they can point to some success in reducing such practices around the world." As to the various advocates of greater tied aid, this source pointed out that "Ken Brody, president and chairman of the Export-Import Bank, is the most vocal advocate of a strong linkage between aid and exports, with [Commerce Secretary Ron] Brown also on the cutting edge. While Brody's force of personality will likely carry the day, unless they completely leave it for the President to decide, Brown has really been out front on trade promotion issues. He deserves high marks for putting his political chips on the line for the TPCC and this whole new policy."

Another part of the new trade policy, according to this source, "will be to consolidate most of the trade technical assistance into the Trace Development Agency (TDA), which is a small, free standing, executive agency able to respond virtually overnight to specific needs. You will probably see it touted as part of reinventing government, although parts of that agency would like to remain a successful and quiet secret so it does not get overloaded with too-high expectations and missions. And a lot of the competition between TDA and AID has been removed through personal relationships among the top officials."

LA TIMES
AUGUST 25, 1993

Report Due on Promotion of Key U.S. Exports

■ **Commerce: Clinton will reveal plan to boost American industries overseas and ease technology transfer controls.**

From Reuters

WASHINGTON—The Clinton Administration is plotting a two-pronged offensive on behalf of American business that would propel exports and peel back strict controls on technology transfers, officials say.

An interagency group led by the Commerce Department will wrap up a broad study on export promotion next month, laying out what went wrong in past U.S. efforts to boost key industries overseas and how money might better be spent.

"We already spend a decent amount of money on export promotion, but we don't have a conscious, coordinated policy," an Administration official said.

The report, prepared by the Trade Promotion Coordinating Committee, is due out at the end of September.

Exports have been a major part of the weak expansion in the U.S. economy, and the Administration says that every $1 billion in overseas sales translates into 19,000 jobs at home.

"So the stakes are simply too high not to make significant changes. Export expansion is one of the pillars of President Clinton's overall economic program," said a senior Commerce Department official, who spoke on condition of anonymity.

Just as the Clinton team insists on "measured success" when dealing with its trading partners, it will now set itself barometers to gauge the results of its export drive.

Now that the Cold War is over, U.S. high-tech companies are arguing for a relaxation in strict laws that have long prevented them from selling powerful equipment overseas.

The key, however, will be striking a balance between national security concerns and business opportunities.

U.S. TO WAGE EXPORT WAR ON TWO FRONTS

RTw 8/24/93 1:09 PM

By Lyndsay Griffiths

WASHINGTON, Aug 24 (Reuter) - The U.S. government is plotting a two-pronged offensive on behalf of U.S. business that would propel exports and peel back strict controls on technology transfers, officials say.

An interagency group led by the Commerce Department will wrap up a broad study on U.S. export promotion next month, laying out what went wrong in past U.S. efforts to boost key industries overseas and how money might be spent better.

"We already spend a decent amount of money on export promotion, but we don't have a conscious, coordinated policy," said an administration official on condition of anonymity.

"If you don't have good information and don't collect data, how can you develop analysis?" he said. "We already pick who we help -- I don't know if that's winners or losers -- but the desire now is to figure out a unified budget."

The report, prepared by the Trade Promotion Coordinating Committee, is due out at the end of September.

Exports have been driving weak U.S. economic growth in increasing measure, and the administration says that every $1 billion in overseas sales translates into 19,000 jobs at home.

"So the stakes are simply too high not to make significant changes. Export expansion is one of the pillars of President Clinton's overall economic programme," said a senior Commerce Department official.

Just as the Clinton team insists on "measured success" when dealing with its trading partners, it will now set itself barometers to gauge the results of its export drive.

"We want to come up with real solid performance measures to drive an overall coherent strategy," said the Commerce official, who also spoke on condition of anonymity. "You are what you measure."

Among the stated objectives of the overhaul:

-- to better support the private sector, using existing resources, by creating a more focused and effective strategy.

-- to leverage government resources by strengthening both private-public and city-state partnerships.

-- to remove or reduce government barriers to exports.

"There's a desire to be a bit more conscious, to see how much is spent in each area," said the administration official.

For instance, he said, how much is spent promoting low-tech "widgets" versus high-technology products and what returns are reaped on the two government investments?

"What kind of jobs is each creating? What proportion are we spending on each? Is that too much on the widgets?" said the official, outlining the sort of activist export policy that rattles U.S. trading partners.

According to the senior Commerce official: "We want to expand the realm of the possible -- to target the appropriate places in which government can help business export more."

"We're seeking the focus and activism that has been missing in the past," he said.

An official from a big U.S. trading partner said all nations use export promotion but that his country was concerned and would closely track the emerging U.S. strategy.

At the same time as energising efforts to promote the right sort of widgets, the Clinton administration also wants to let high-tech companies increase their foreign profits.

"The general charge is that the U.S. is overly restrictive, which disadvantages U.S. companies," said the administration official. "But we have important proliferation concerns, and that is where the the tradeoff usually comes."

REUTER

The Washington Post

Saturday, August 21, 1993

White House Readies High-Powered Campaign to Promote Exports

By Peter Behr
Washington Post Staff Writer

The Clinton administration is preparing an aggressive campaign to promote U.S. exports, modeled on President Clinton's high-level salesmanship in striking a $6 billion jetliner deal this week with Saudi Arabia, officials said.

The program, to be announced next month, will center on a new advocacy office that would help U.S. companies seize export opportunities and compete against foreign companies that have backing from their own governments, officials said. It was drafted by an interagency committee headed by Commerce Secretary Ronald H. Brown and Kenneth D. Brody, chairman of the Export-Import Bank.

The administration is also preparing a sweeping revision of national security controls on exports of computers, telecommunications equipment and other high-technology products. Although final decisions have not been made, the administration is sympathetic to complaints from U.S. manufacturers that they are losing billions of dollars annually in potential sales because of restrictions that no longer make sense in a post-Cold War era.

Clinton's phone call to Saudi King Fahd this week on behalf of Boeing Co. and McDonnell Douglas Corp. marked a new level of commercial intervention by this White House. Clinton was rewarded by Fahd's decision to purchase up to 60 U.S. airliners, according to industry officials, an order that was supposed to go to Europe's Airbus Industrie. No official announcement has been made.

"You're seeing this in spades [in the Saudi case], with the president and the secretaries of Treasury and Commerce involved," Brody said.

Stronger federal promotion of U.S. exports has long been called for by members of Congress. In a report to legislators last year, the General Accounting Office concluded that export promotion policy was fragmented and disorganized.

But the Clinton campaign is apt to alarm officials in Europe and Japan.

"If it's just high-level salesmanship that's one thing, but if it gets into a subsidy war or discriminatory practices, that's another," said Willard M. Berry, president of the European American Chamber of Commerce, which represents European firms in this country.

The promotion policy includes a larger, more strategic role for the Export-Import Bank, the primary source of federal export financing support, according to Brody.

Last Thursday, the bank's board of directors agreed preliminarily to provide up to $6.2 billion in financing to support Boeing's bid to the Saudis, most of it in the form of federal loan guarantees. "If McDonnell Douglas gets a piece of this, we'd respond to their request too," a bank spokesman said.

The multiyear commitment is the largest ever by the bank, the spokesman said.

Brody said that if the deal occurs, the loan guarantee should not cost the U.S. government anything. The Export-Import Bank raised its customary loan fee, payable by the Saudis, from 2 percent of the loan to 4 percent, more than enough to cover costs, assuming repayment, Brody said.

"We want to do more with exporters and give a better break to taxpayers at the same time," he said.

The Export-Import Bank's budget request of $767 million would make possible $15.5 billion in loans, loan guarantees and other export financing support, bank officials said.

TRADE PROMOTION COORDINATING COMMITTEE

Toward a National Export Strategy

U.S. EXPORTS = U.S. JOBS

Report to the United States Congress / September 30, 1993

Ronald H. Brown, Chairman
Trade Promotion Coordinating Committee

A Message for Growth in a Global Economy: US Exports = US Jobs

America's future depends on our ability to compete successfully in the international marketplace. Our position as the world's undisputed economic leader, our national security and the livelihood of millions will turn on how well the businesses, workers, and government of the United States respond to this challenge. The Clinton Administration is committed to ensuring our success in this endeavor in every way possible: to lead when leadership is called for; to be an effective catalyst, as the business and labor communities demand and deserve; to act as energetic advocates of American interests; to level the playing field; and, wherever appropriate, to get out of the way and let the creativity, initiative, and industry of this country's people continue to set the standards for the global economy.

A key manifestation of this commitment is the first annual report to Congress of the Trade Promotion Coordinating Committee (TPCC), "Toward a National Export Strategy." The report, outlining more than 60 specific actions, establishes the framework for an unprecedented strengthening of this country's export promotion efforts.

The strategy is founded on the conviction that exports play a vital and ever-increasing role in creating the new jobs driving our nation's economic growth. Indeed, it is the Administration's expectation that, as a direct consequence of the innovations, efficiencies, and other actions of the National Export Strategy, US exports of goods and services can reach $1 trillion by the beginning of the next decade and can produce over 6 million new jobs. These achievements could mean that, in the year 2000, more than 13 million Americans will be earning their living as a direct consequence of exports. What is more, they will be paid better wages because, on average, export-related jobs pay almost one-fifth more than other American jobs.

For this reason, the Clinton Administration is launching initiatives that will affect every one of the 19 federal agencies involved in the export promotion process. US business leaders have watched their companies compete for, and lose, international contracts to foreign companies, which have benefited from the direct high-level advocacy of their governments. For these US companies, the National Export Strategy also signals a change. Beginning immediately, the Administration will create an "Advocacy Network," which will develop coordinated action plans to assist US firms competing for major government contracts throughout the world.

Business people can now call one telephone number and reach a Commerce Department-based information clearinghouse offering the vast informational resources of the US government on potential export markets. Special reports will be available through this office that combine into a single comprehensive country report the many disparate documents now available on each country.

For exporters—especially small and mid-sized companies—daunted by the byzantine organizational charts and acronym soup of US government agencies created to serve them, there will be relief. The National Export Strategy will create a series of user-friendly one-stop shops located in major export centers. These facilities will bring together, under a single coordinated management team, the resources of a wide variety of local, state, and federal government agencies and a network of private sector export service providers. It seems like a simple idea. It is. But it is also a revolution in government.

The revolution does not stop here. All 19 agencies which promote exports will be changed. All will be more efficient. All will work better with one another. All will be dedicated to serving the needs of government's customers: tax-paying businesses and workers everywhere. The resources for all the agencies will be evaluated together. They will be viewed, as they should be, as the nation's aggregate export promotion resources, to be allocated based on tomorrow's opportunities, not the entrenched interests of yesterday's bureaucracies.

Finally, the export control licensing system will be streamlined, and US barriers to the export of some of our most attractive products for tomorrow's markets—computers and telecommunications—will be dramatically reduced, consistent with US national security and foreign policy interests. Most of these actions will become effective immediately, while others will be implemented over the next few months. The result will eliminate or significantly reduce regulation of technology exports on an estimated $35 billion. The impact of this one step alone affects as many as 600,000 jobs in the high-tech industries that will lead our future growth. These industries are likely employers of many of the high-tech specialists who were once part of the defense sector.

The actions described in this report are far-ranging. There are more than 60 of them. Individually they will significantly help US companies create US jobs, and collectively, they constitute the beginnings of a coordinated, focused, and aggressive national export strategy which will enhance the ability of US companies to compete more effectively in global markets and create many more high-quality jobs for American workers.

Ronald H. Brown

RONALD H. BROWN
Secretary of Commerce
Chairman, Trade Promotion
Coordinating Committee

Executive Summary

The United States has entered a new era in trading relations around the world. It is an age when old assumptions and conventional wisdom no longer hold. Millions of Americans are now employed in manufacturing and service businesses that depend on exports, and that have become the fastest growing sectors of the US economy.

Western Europe, Canada, Japan, and Latin America long have been the major markets for US exporters of goods and services. Now the Pacific Rim countries are growing rapidly. Central and Eastern Europe, the newly independent states of the former Soviet Union, China, African nations, and India—which together are home to more than 3 billion people—will become large new markets for American goods and services as well.

To compete more effectively in this increasingly complex and vastly larger world market, our companies and the US government must adjust our attitudes and improve the methods we use to promote exports.

First, we must export to grow. We can no longer rely on domestic demand as our only source of economic growth, job creation, and a higher standard of living for our people.

Second, government must play an important and more focused role in helping the private sector sell more goods and services overseas. We must "reinvent government" in the trade promotion area, making sure that every dollar is spent wisely and serves the public in the best way possible.

Third, we must have a strategic approach that coordinates governmental and private efforts, meets the challenge of international competition, and helps our manufacturing and service industries get ahead and stay ahead. We no longer can afford to have historical accident and interagency "turf" concerns shape the

"The work that exporters . . . do to expand jobs and growth is fundamentally important, because every time we sell $1 billion of American products and services overseas, we create about 20,000 jobs. In all, more than seven million Americans clearly owe their jobs to exports. And because those workers in export-related jobs make about 17 percent more than the average worker, we need more of these jobs. Our vehicle to a coherent promotion plan will be the Trade Promotion Coordinating Committee, an interagency group created by Congress . . ."

President Bill Clinton
May 6, 1993

organization of government export promotion services.

It is in response to the urgent need for a national export promotion strategy, as recognized by the statutory mandate creating the Trade Promotion Coordinating Committee (TPCC), that this report is offered.

"One in five of our jobs today is tied directly or indirectly to global trade. We can't put a wall around America. If we did, it would just slow the world's economic growth further and hurt us even more. What we've got to do is have a new partnership . . . to help people who are committed to being productive workers compete and win in the global economy.

. . . we've got to launch a national export campaign to benefit small and medium-sized producers.

We ought to strengthen the export sections of our foreign embassies and help American manufacturers sell abroad, just like all of our competitors do.

We ought to strip away unnecessary export controls and reduce the incredible bureaucratic mess that surrounds a lot of them.

We've got to get rid of regulations that don't make sense. And we've got to permit our companies to join together and do common research and development in global competition . . ."

Candidate Bill Clinton
September 8, 1992

The report is the product of a process that—in its intensity and cooperative spirit—is unusual in government policymaking. Its recommendations have six underlying themes, all consistent with reinventing government:

- **Combine Functions:** Carefully define the client groups and their needs for export promotion services, focusing specific agencies on meeting particular customer requirements, eliminate overlap and duplication, and consolidate program services.

- **Allocate Resources Strategically:** Develop a unified export promotion budget that will permit the US to set clearer priorities and serve US commercial interests more efficiently.

- **Involve the Private Sector:** Combine resources of the private sector and state/local governments with those of the federal government wherever possible to expand and improve service and financing. The federal government must become a wholesaler, not a retailer, of trade promotion services.

- **Advocate Aggressively:** Greatly expand official, high-level government advocacy for US firms seeking contracts from other governments, and create mechanisms to level the playing field by effectively countering the advocacy practices of other governments.

- **Measure Performance:** Develop and implement performance measures to guide decisions and improve strategic focus.

Highlights

The United States is the world's largest exporter. And exports equal jobs. Today, US merchandise exports support approximately 7.2 million jobs, and exports of services create several million more jobs for US workers.

Exports are a key to national economic growth and job creation. Accordingly, as we approach the 21st century, we must significantly enhance our national capacity to produce high quality, competitively priced goods and services which can be sold around the world.

This report identifies specific actions designed to assure that US businesses will have the information, technical assistance, financial resources, and government support necessary to achieve dynamic export growth. The Clinton Administration is committed to developing a coordinated, targeted, and aggressive strategy to significantly increase exports of US goods and services and to strengthen our leadership in the years to come.

Actions which will have significant impact and which will be implemented immediately, include:

- Create one-stop shops in four major cities, consolidating all federal export promotion services in each location. Additional cities will be added each year until a national network of one-stop shops has been created. Each shop will replace the maze of offices that exporters must now contact.

- Produce a commercial strategic plan for each country that is a key US export market. These plans will consolidate and improve upon information currently provided by numerous federal agencies.

- Provide high-level US government advocacy on behalf of US companies pursuing major foreign government procurement opportunities. Create an interagency "Advocacy Network" to coordinate these efforts.

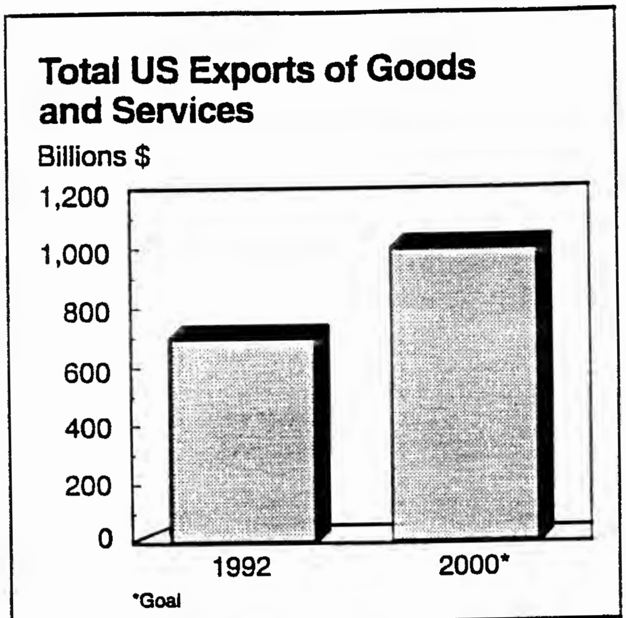
- Increase OPIC's project limit from $50 million to as much as $200 million; combat tied aid practices of competitors; and combine into one agency the over $80 million spent annually on feasibility studies for infrastructure projects.

- Propose an increase in the control threshold to 500 MTOPS for computer exports to most destinations (immediately increase the control threshold to 194 MTOPS for computer exports to most destinations); propose an increase in the supercomputer definition to 2000 MTOPS; and propose reduced controls on key telecommunication technologies for civilian end uses. These reforms eliminate or significantly reduce regulations on an estimated $35 billion worth of high-technology US exports, while still protecting America's important national security interests.

- Produce an annual "unified budget" for all US government export promotion activities through a new process coordinated by the National Economic Council, the Office of Management and Budget and the Trade Promotion Coordinating Committee.

The development of a national export strategy can result in $1 trillion of annual exports and the creation of 6 million new jobs by the beginning of the next century. Perhaps of equal importance, the National Export Strategy does not require new money now, but it will begin generating dividends immediately.

Finally, our strategy will make government more responsive to its "customers"—businesses and individuals who export goods and services throughout the world—and it assures the creation of dynamic new export-oriented strategic alliances among business, labor, and government.



By the turn of the century, we can reach $1 trillion in total exports, with 13 million jobs from merchandise exports.

- **Reduce Export Controls:** Reduce export controls and other government-imposed obstacles to exports, consistent with US national security, foreign policy, and health and safety interests.

Recognizing the importance of exports to domestic economic growth and the importance of a coherent, coordinated approach to export promotion, the US Congress created the TPCC and mandated an annual report to Congress on its efforts to create a strategic plan.

"Toward a National Export Strategy" is the first TPCC report to Congress. It is the product of an intensive, cooperative, and inclusive 6-month process to review US government export promotion policies and current programs; to discuss and debate creative approaches and relationships; and to formulate new ideas and recommendations.

The TPCC report recognizes the extensive export promotion programs that the US government has in place. They include a domestic network of field offices, which serve as contact points for potential exporters. There is an overseas network of embassies and consular posts which collects and disseminates much useful data in creative ways, and provides important services to US firms operating in foreign countries. There are a number of export financing programs, and advocacy efforts have had some success.

But we, as a government, must do better. Serious deficiencies, duplications, and outmoded approaches clearly are undermining our ability to promote exports and maximize our global opportunities. The summary of key recommendations that follows, drawn from a much longer list of recommendations contained in the report, highlights improvements that will lead to a more coherent, aggressive, national export promotion strategy.

We must succeed in this effort. The stakes are high. The US currently exports about $700 billion of goods and services. If, through a dramatically revamped government effort, we can improve performance by 15 percent, it would create $100 billion of additional exports and 2 million new American jobs.

Our goal is to reach one trillion dollars in exports by the turn of the century. We as a people and a government can achieve this. And we must.

SUMMARY OF KEY RECOMMENDATIONS

Resource Allocation

There is wide recognition that governmental resources devoted to export promotion have not been allocated according to a coherent strategic vision.

1. *Create a unified export promotion budget that allocates resources consistent with geographic and sectorial priorities.* This will be achieved through an interagency resource allocation process, with key roles for the National Economic Council (NEC), Office of Management and Budget (OMB), and the TPCC.

Domestic Field Network

Potential exporters seeking export assistance express frustration and difficulty in locating appropriate sources of help, given the number of field offices of federal agencies and other local export service providers.

2. *Create one-stop shops within identified regions, so exporters can receive all needed assistance from one location.* These centers (export resource and assistance centers) will provide all federal export promotion and trade finance programs. They will also integrate federal services with other local, state, and private sector providers.

Overseas Network

The Departments of Commerce, State, and Agriculture carry on active trade promotion programs around the world, but improved coordination is needed.

3. *Develop a single, comprehensive commercial strategic plan for each country with significant market potential* that is cleared by the Country Team and approved by the Ambassador.

Advocacy

Experience has shown that when the US government advocates aggressively in specific business deals, it can significantly improve US companies' chances of success. USG advocacy, particularly by high-level officials, must be better organized and coordinated, with greater high-level participation.

4. *Create a TPCC Advocacy Coordinating Network* to identify systematically major procurement and project opportunities overseas; inform US firms of these business opportunities; determine what advocacy is appropriate and where USG efforts are likely to have the greatest impact; respond to the advocacy efforts of competitors; and evaluate the impact of US advocacy efforts.

Export Financing

Export financing is an important competitive tool. Weaknesses in this area cost US exporters overseas sales and prevent many would-be exporters from entering export markets.

5. *Increase understanding of export financing among potential exporters, involve more banks in this field, broaden access to governmental export financing institutions, and level the playing field by addressing competitors' tied aid practices.* The TPCC will encourage private banks to

" . . . The Department of Commerce will lead the creation and implementation of a dynamic export promotion strategy. As part of the new relationship between government and business, we are adopting a customer service focus. One of our initiatives will be to shorten the regulatory process. For many small and medium-sized businesses, overcoming American export obstructions—getting through bureaucracy—may be as great a hurdle as foreign market barriers. Other goals include streamlining overseas promotion efforts, pooling information, and increasing our advocacy efforts on behalf of US firms. . ."

Ronald H. Brown
Secretary of Commerce
March 26, 1993

return to the export finance market, filling a critical shortage for smaller exporters. Further, the TPCC will recommend consolidation of our feasibility study grant system to compete more effectively worldwide.

Export Controls

American businesses argue that export controls have not kept pace with either changes in technology or changing political realities and are the single most important impediment to exports, costing them billions of dollars each year.

6. *Streamline the export licensing process and liberalize export controls on computers and telecommunications products, consistent with US national security and foreign policy interests.*

REPORT STRUCTURE

The structure of this report reflects the issues driving the need for reform in the export promotion area. Chapter 1, the overview, sets export promotion in the framework of overall trade and economic policy issues. Trade is increasingly important to American business and the American people, and the promotion of exports—for many reasons—is vital to the nation's economic well-being.

Chapter 2 discusses the important issue of resource allocation. The American people want the government to use their money more productively. This chapter, therefore, outlines ways in which the TPCC will work with the NEC and OMB to ensure that money devoted to export promotion is allocated according to strategic criteria and in a coordinated and well-thought-out manner.

Chapter 3 discusses the export services now offered by the federal government. The chapter covers the domestic service network, services based in Washington, the overseas network, advocacy efforts, and the tie-in to state and private sector services. It proposes specific reforms in all these areas to ensure that resources are invested as productively as possible.

Chapter 4 covers the issues of export finance. Export finance is an important "service" that deserves special attention. Improvements in this area will encourage new exporters and will make veteran exporters more competitive.

Chapter 5 addresses export controls and product standards, two important obstacles to exports. Immediate steps are being taken to reform export controls, and more will be taken. Over the longer term, more attention to the standards which shape the overseas marketplace also will make our exporters more competitive.

Chapter 6, on the future of the national export strategy, stresses that reforming export promotion is a continuous activity. This report is the first step in a process of continuing renewal. Many actions are being taken immediately. Others will be taken shortly, and some will take years to implement.

Chapters 2 through 5 contain the background on the problem or issue, TPCC goals, and recommendations or actions. In addition, the appendix includes a review of the competitive practices of our major trading partners.

COMPREHENSIVE LIST OF RECOMMENDATIONS/ACTIONS

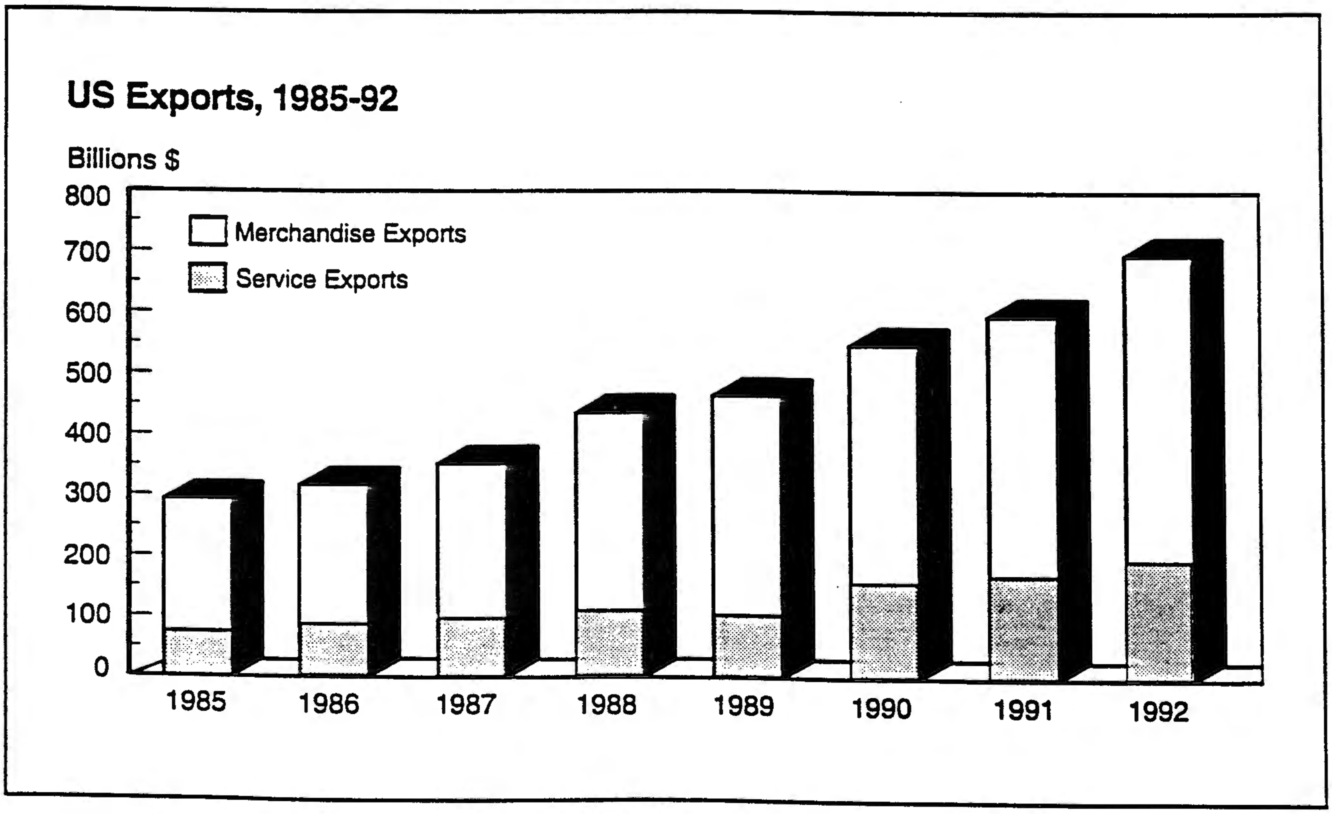
The following are more than 60 specific actions and recommendations that are included in the National Export Strategy. Each individually will have a significant impact and will produce real, near-term benefits for American workers and the US economy. Taken together, they represent a breakthrough that will serve America's global interests well into the next century.

RESOURCE ALLOCATION

1. Create a unified budget for export promotion in FY 1995.

2. Complete by December 31, 1993, an analysis of the current prioritization of US export promotion efforts by geographic and industrial sectors.

3. OMB will chair a TPCC performance measurement coordinating network.



Total US exports have grown to almost $700 billion.

Export Promotion Services

Domestic Field Network

4. Establish one-stop shops to provide local export communities a single point of contact for all federal export promotion and finance programs.

5. Assist the export-ready firms in all areas of export promotion and trade finance.

6. Expand joint collaboration between USDA and the many state agricultural agencies, and focus on new-to-market and small and medium-sized exporters; and improve USDA trade data to include better state and regional trade information.

"It is time for a new aggressiveness if America is to compete and win again in the global marketplace. For too long, American business and the United States Government have let our competitors gain the advantage in the battle for new markets around the world. We must move to level the playing field against our competitors and work hand-in-glove with American exporters to insure their access to markets around the world. If America can't finance its exports, workers can't benefit with new opportunities and better paying jobs."

Ken Brody
Chairman
Export-Import Bank

7. Establish a pilot program of private sector networks of export counselors, to be known as trade assistance centers, that would help small businesses overcome obstacles to completing export transactions.

Washington-Based Services

8. Replace more than one dozen country-specific reports currently produced by TPCC agencies with one comprehensive country-specific commercial guide for each country.

9. Initiate a rational system for tasking overseas posts for country commercial information.

10. Streamline the collection and dissemination of commercial information contained in the National Trade Data Bank.

11. Expand distribution of trade leads through outlets such as NTIS, Dialog, Compuserve, and trade associations. Explore ways to link private sector intermediaries and end users directly with trade leads information from overseas posts.

12. Designate the Trade Information Center (1-800-USA-TRADE), situated in Commerce, as the single TPCC-wide information office that will coordinate specialized nonagricultural export information offices.

13. Raise awareness of the Trade Information Center within the US business community.

14. Conduct periodic reviews of regional information centers and the business demand for their services. Phase out centers when demand subsides.

Trade Events and Seminars

15. Reduce the number of trade events organized by the federal government by eliminating duplicative events and encouraging greater participation in the planning of events by states and the private sector.

16. Establish a centralized trade event process to ensure that all proposed events, including those from states and the private sector, are considered at one time for a given year.

17. Place responsibility for managing all federal trade events, approved by the TPCC working group, in one unit in Commerce (or Agriculture, as appropriate).

18. Use an informational "navigation system" to guide the planning of programs and events.

19. As a pilot project, announce the TPCC event program in the Federal Register and invite qualified private sector organizers to bid for those events they desire to handle.

20. Focus limited federal government resources on targeted trade events for truly export-ready firms, rather than on general, motivational conferences.

State Export Promotion Activities

21. Co-locate state offices with federal district offices when appropriate, including in the one-stop shop pilot program.

22. Create or expand formal lines of communication between state and federal export promotion entities.

23. Reach cooperative agreements between federal agency field offices and state trade offices that delineate specific joint activities, expected accomplishments, strategic directions, and the responsibilities of the partners.

24. Expand and improve Eximbank's City/State Program.

25. Create risk co-financing agreements between federal financing agencies (Eximbank and SBA) and qualified state and local finance entities.

26. Improve the accuracy, acquisition, and dissemination of trade-related information.

Overseas Network

27. Create a commercial strategic plan for each country with significant market potential that is cleared by the Country Team and approved by the Ambassador and that links the overall Mission Program Plan and the former Country Marketing Plan.

28. Enhance the role of the Country Team in commercial activities.

29. Promote the United States as a country that produces quality products.

30. Improve the collection and dissemination of market research and country-specific information.

31. Enhance the role and responsibilities of Foreign Service Nationals in countries where there are no US&FCS officers.

32. Develop a comprehensive and consistent training program for export promotion personnel at each stage of personnel development.

33. Expand contacts and develop training programs with private sector organizations and associations to improve the exchange of information between federal trade promotion personnel and US exporters overseas.

34. Develop and implement a regular mechanism for evaluating performance measures.

35. Upgrade the mission's awareness and knowledge of USG agencies and private sector financial needs and requirements, and improve the mission's ability to report and make useful recommendations to Washington.

36. Encourage more visits by mission officials to the United States for consultations with the business community, and brief/update TPCC representatives on mission activities.

37. Coordinate mission trade promotion activities with state development offices located overseas.

Advocacy

38. Establish the TPCC Advocacy Coordinating Network, chaired by the Secretary of Commerce or his delegate, to develop an effective system of aggressive advocacy in close coordination with the private sector and within the context of overall US foreign policy.

Environmental Technologies Exports

A set of detailed policy and implementation recommendations will be outlined in the mid-October report of the interagency group established by the President's Earth Day speech.

EXPORT FINANCING

Combatting Tied Aid

39. Develop and implement strategies to further reduce the use of tied aid worldwide.

Working Capital

40. Streamline the pre-export working capital guarantee programs of Eximbank and SBA to make the programs more customer-focused and to take advantage of the agencies' comparative strengths.

Private Sector Participation

41. Establish an intensive educational program, illustrating the benefits of USG export financing programs (e.g., reduced risk), that is targeted at private financial institutions, especially smaller and less internationally experienced banks.

42. Make clear that lenders will get positive consideration for small business export loans under the Community Reinvestment Act (CRA), which encourages lenders to help meet the credit needs of their communities.

43. Help stimulate the private sector's creation of a secondary market for short-term export loans.

Feasibility Studies

44. Consolidate all feasibility studies for major projects primarily designed to support US exports, including concept design and financial planning, into the TDA.

State/Local Financial Entities

45. Encourage qualified state/local export finance entities to enter into co-financing arrangements whereby risk is assumed on a shared basis.

46. SBA will offer preliminary commitments to exporters whose loans are "packaged" by qualified state/local entities.

OPIC Project Financing

47. Raise the OPIC per-project limit from $50 million to as much as $200 million.

Role of Multilateral Development Banks

48. Create a single, aggressive MDB promotion and business outreach office in the Department of Commerce.

49. Increase liaison support for the US Executive Directors to the MDBs.

50. Integrate the role of the MDBs into broad USG export finance program agendas (e.g., of Eximbank, OPIC, TDA, SBA, DOE, and USAID).

51. Initiate a public information campaign to encourage US firms to seek MDB financing. This would increase the leverage of USG resources.

Regulatory Obstacles to Exports

Export Controls

52. Propose an increase in the threshold for exports of computers to most destinations from 12.5 MTOPS to a level of 500 MTOPS (immediately increase the control threshold to 194 MTOPS for computer exports to most destinations).

53. Propose an increase in the definition of a supercomputer from 195 MTOPS to 2,000 MTOPS.

54. Expand the availability of distribution licenses for computer exports.

55. Remove prior licensing requirements for telecommunications exports (except information security) for use in public-switched networks to most countries not proscribed by COCOM. In addition, the United States will propose and work with our allies to change the control regime on telecommunication technologies for civilian end-users, including reduced control levels for fiber optic, radio relay, and cellular communications systems, and more advanced switching techniques related to these types of communications.

56. Harmonize US domestic dual-use controls with multilateral controls to the greatest extent possible, consistent with US national security and foreign policy interests.

"Congress, in establishing the TPCC, took an important step in bringing cohesion into what was too often a disjointed and fragmented export promotion effort. In the excitement of an international marketplace with the potential to create . . . millions of jobs, it seems everyone has tried to pitch in, and not always effectively. But now it is time to rationalize, streamline and effectively join forces in an approach to exporting that has teeth and impact."

Ronald H. Brown
Secretary of Commerce
March 26, 1993

57. Reduce by 25 percent the maximum time for reviewing dual-use, individual validated license applications before they must be escalated to the senior interagency level.

Product Standards and Certification

58. Increase federal government participation in standards activities.

59. Support private sector standards activities.

60. Promote US standards in foreign countries.

61. Promote the acceptance of US certification and accreditation.

62. Enhance information sources for exporters.

63. Assist industries regarding ISO 9000 Standards Registration.

64. Take steps to convert the United States to the metric system.

65. Review regulatory programs to identify outdated or unnecessary restrictions to exports and implement appropriate modifications.

Tel

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 26, 1993

MEMORANDUM FOR DESIGNATED AGENCY HEADS
(SEE ATTACHED DISTRIBUTION LIST)

FROM: Robert G. Damus RGD
Acting General Counsel

SUBJECT: Proposed Executive Order Entitled "Trade Promotion Coordinating Committee"

Attached is a proposed Executive order entitled "Trade Promotion Coordinating Committee."

It was prepared by the Department of Commerce, in accordance with the provisions of Executive Order No. 11030, as amended.

On behalf of the Director of the Office of Management and Budget, I would appreciate receiving any comments you may have concerning this proposal. If you have any comments or objections, they should be received no later than close of business Tuesday, August 31, 1993. Please be advised that agencies that do not respond by the August 31, 1993 deadline will be recorded as not objecting to the proposal.

Comments or inquiries may be submitted by telephone to Mr. Mac Reed of this office (Phone: 395-3563; Fax: 395-7294).

Thank you.

Attachments - Distribution List
Proposed Executive Or(

Mark, I've looked at this and cannot see any obvious problems. Can you? Pass on to Joe for comments when you're done

[illegible] - called - no objection - voice mail

cc: Alice Rivlin
Chris Edley
Gordon Adams
John Angell
Martha Foley
T.J. Glauthier
Joe Minarik
Isabelle Sawhill
Nancy-Ann Min
Al Burman
Barry Toiv
Jim Murr

DISTRIBUTION LIST

Honorable Warren Christopher
Secretary
Department of State

Honorable Lloyd Bentsen
Secretary
Department of the Treasury

Honorable Les Aspin
Secretary
Department of Defense

Honorable Mike Espy
Secretary
Department of Agriculture

Honorable Janet Reno
United States Attorney General

Honorable Ron Brown
Secretary
Department of Commerce

Honorable Federico Pena
Secretary
Department of Transportation

Honorable Robert Reich
Secretary
Department of Labor

Honorable Carol M. Browner
Administrator
Environmental Protection Agency

Honorable J. Brian Atwood
Administrator
Agency for International Development

Honorable Erskine Bowles
Administrator
Small Business Administrator

Honorable Ruth Harkin
President & Chief Executive Officer
Overseas Private Investment Corporation

Honorable Joseph D. Duffey
Director
United States Information Agency

Honorable Michael Kantor
United States Trade Representative

Honorable Laura D. Tyson
Chair
Counsel on Economic Advisers

Honorable Anthony Lake
Assistant to the President
for National Security Affairs

Honorable Bernard W. Nussbaum
Counsel to the President

Honorable John Podesta
Assistant to the President
and Staff Secretary

Honorable Jack Quinn
Chief of Staff to the Vice President

EXECUTIVE ORDER

TRADE PROMOTION COORDINATING COMMITTEE

By virtue of the authority vested in me as President by the Constitution and laws of the United States of America, including the Export Enhancement Act of 1992, Public Law 102-429, codified as section 4727 of Title 15, United States Code, it is hereby ordered as follows:

Section 1. *Establishment*. There is established the "Trade Promotion Coordinating Committee" ("TPCC"). The Committee shall consist of representatives of each of the following:

(a) the Department of Commerce;
(b) the Department of State;
(c) the Department of the Treasury;
(d) the Department of Agriculture;
(e) the Department of Energy;
(f) the Department of Transportation;
(g) the Department of Defense;
(h) the Department of Labor;
(i) the Agency for International Development;
(j) the Trade and Development Agency;
(k) the Environmental Protection Agency;
(l) the United States Information Agency;
(m) the Small Business Administration;
(n) the Overseas Private Investment Corporation;
(o) the Export-Import Bank of the United States;
(p) the Office of the United States Trade Representative;
(q) the Council of Economic Advisers;
(r) the Office of Management and Budget;
(s) the National Economic Council;
(t) the National Security Council; and
(u) at the discretion of the President, such other departments or agencies as may be necessary.

Members of the TPCC shall be appointed by the heads of their respective departments or agencies. Such members, as well as their designated alternates, shall be individuals who exercise significant decision-making authority in their respective departments or agencies.

Section 2. *Chairperson*. The Secretary of Commerce shall be the chairperson of the TPCC.

Section 3. *Purpose*. The purpose of the TPCC shall be to provide a unifying framework to coordinate the export promotion and export financing activities of the United States Government and to develop a governmentwide strategic plan for carrying out such programs.

Section 4. *Duties*. The TPCC shall:

(a) coordinate the development of the trade promotion policies and programs of the United States Government;
(b) provide a central source of information for the business community on Federal export promotion and export financing programs;
(c) coordinate official trade promotion efforts to ensure better delivery of services to United States businesses, including:
  (1) information and counseling on United States export promotion and export financing programs and opportunities in foreign markets;
  (2) representation of United States business interests abroad; and
  (3) assistance with foreign business contacts and projects;
(d) prevent unnecessary duplication in Federal export promotion and export financing activities;
(e) assess the appropriate levels and allocation of resources among agencies in support of export promotion and export financing and provide recommendations to the President based on its assessment; and
(f) carry out such other duties as are deemed to be appropriate, consistent with the purpose of the TPCC.

Section 5. *Strategic Plan*. To carry out Section 4 the TPCC shall develop and implement a governmentwide strategic plan for Federal trade promotion efforts. Such plan shall:

(a) establish a set of priorities for Federal activities in support of United States exports and explain the rationale for the priorities;
(b) review current Federal programs designed to promote the sale of United States exports in light of the priorities established under paragraph (a) and develop a plan to bring such activities into line with those priorities and to improve coordination of such activities;
(c) identify areas of overlap and duplication among Federal export promotion activities and propose means of eliminating them;
(d) propose to the President an annual unified Federal trade promotion budget that supports the plan for priority activities and improved coordination established under paragraph (b) and eliminates funding for the areas of overlap and duplication identified under paragraph (c); and
(e) review efforts by the States to promote United States exports and propose means of developing cooperation between State and Federal efforts, including co-location, cost-sharing between Federal and State export

promotion programs, and sharing of market research data.

Section 6. *Report to the Congress.* The chairperson of the TPCC shall prepare and submit to the Committee on Banking, Housing and Urban Affairs of the Senate, and the Committee on ~~Foreign Affairs~~ of the House of Representatives, not later than September 30, 1993, and annually thereafter, a report describing ~~the strategic~~ plan developed by the TPCC pursuant to Section 5, the implementation of such a plan, and any revisions thereto.

NB

William J. Clinton

MEMORANDUM

COUNCIL OF ECONOMIC ADVISERS

June 24, 1993

TO: LAURA TYSON
ALAN BLINDER
JOSEPH STIGLITZ

FROM: BRET DICKEY BMD

SUBJECT: Trade Promotion Coordinating Committee-- Update

The three TPCC Working Groups (Information/ Marketing/ Counseling/ Advocacy, Trade Finance, and Obstacles to Export) met again on June 22nd and June 23rd to discuss their draft reports with Ken Brody and Paul Rosenberg. I am a member of the Obstacles to Export Working Group; CEA has not been represented in the other two Groups.

Also at this meeting, the goals of the TPCC were presented in writing for the first time. I have attached an amended version of these to this memo.

By Monday, June 28th, the TPCC hopes to have final drafts of all three options papers together. On Tuesday, June 29th, the Working Groups will meet to discuss the reports with Secretary Brown. <u>The TPCC is planning to schedule separate meetings for the week of July 5 to discuss the report with the Deputies and with the NEC</u>.

Attachments

File
TPCC

cc: TOD, MN

<u>TPCC GOALS DISCUSSION OUTLINE</u>

Ken Brody presented the following, which was developed after significant discussions with both Fred Bergsten and Barry Bosworth.

<u>What is the mission of the TPCC?</u>

- The mission of the TPCC is to create a more consistent, coherent, efficient, and effective government-wide export promotion strategy.

<u>Why care about exports?</u>

- The U.S. standard of living is increased where there is an increased market for U.S. products.

- The increased competitiveness of U.S. business and increased competition in the international marketplace lead to greater efficiency and productivity for U.S. business.

<u>What should be the role of the U.S. Government in export promotion?</u>

- The U.S. Government (USG) should assist the private sector increase exports of high value added goods and services.

- The USG should level the playing field by matching competitors efforts in finance and advocacy and removing unnecessary constraints on business.

- The USG should try to create an "export mentality" in the country.

- The USG should help business diversify its output by assisting in opening new geographical markets.

- The USG should develop appropriate city/state and public/private partnerships.

MEMORANDUM

COUNCIL OF ECONOMIC ADVISERS

August 18, 1993

TO: LAURA TYSON

FROM: JEREMY RUDD JR

SUBJECT: Current status of TPCC / PRD-20 activities

Trade Promotion Coordinating Committee (TPCC):

- Overall, the process is drawing to a close, with the next major hurdle being the resolution by the TPCC principals of still-outstanding issues. The principals' meeting is tentatively scheduled for September 9th; CEA will receive an agenda and a list of the issues to be discussed three or four days before the meeting.

- Besides Dr. Blinder's attendance at the various TPCC deputies meetings, CEA has been directly involved with two issues: 1) tied aid (covered by Dr. Stiglitz and me), and 2) targeting and allocation of export promotion resources (covered by Marcus Noland, Sherman Robinson, and me). At this point, we have fulfilled our responsibilities regarding the tied aid working group. Export targeting is still open; the coordinator of the targeting working group, Paul London (Commerce), will be meeting with Dr. Stiglitz on Friday (August 20). In addition, it is likely that our comments on working papers dealing with performance evaluation of export promotion measures and resource allocation will be solicited (these papers have not yet been circulated).

- By law, TPCC must submit a report to Congress by September 30th. A draft of this report will be circulated for comments at the end of the month; CEA's deputy-designate (Alan Blinder) will receive the draft.

Should be reviewed by Stiglitz / Tyson instead

PRD-20:

- PRD-20 is a policy-review directive headed by NSC/NEC that is designed to reassess U.S. foreign assistance policies. CEA involvement with PRD-20 began with Steve Kamin; our role has been unofficial, with Helen Walsh (NSC/NEC) submitting drafts of working papers to (and receiving memoranda on several topics from) Dr. Kamin. CEA has had no involvement in the PRD since Dr. Kamin's departure.

- According to a discussion I had with Dr. Kamin (and my attendance at the most recent PRD-20 meeting), the approach taken by PRD-20 has been poor and the process is floundering. A working paper was drafted several months ago but found to be inadequate; subsequent attempts have been made to rework the draft (with OMB submitting what amounts to a completely new paper). Since completion of the PRD within three to four weeks is desired, NSC will be convening a special rump redrafting group to meet on August 19th and 20th.

c.c.: JES, TPOD, MN, BC

Deep Background
862-0343

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE OF THE SECRETARY

For Immediate Release
September 29, 1993

Jim Desler
Maria Cardona
(202) 482-4883

U.S. Commerce Secretary Ronald H. Brown Unveils to Congress a New National Export Strategy; Major Announcement at White House on Export Controls

Washington D.C. -- U.S. Commerce Secretary Ronald H. Brown today presents to the Senate Banking, Housing and Urban Affairs Committee and the House of Representatives Foreign Affairs Subcommittee on Economic Policy, Trade and Environment, a 65-point ground-breaking plan for a more streamlined, "job-creation" and results-oriented U.S. export strategy. President Clinton and Secretary Brown announce the plan to an assembled group of CEOs at the White House this afternoon.

The 19-Agency Trade Promotion Coordinating Committee (TPCC)'s recommendations presented to Congress, as mandated by the Export Enhancement Act of 1992, "seek to assist U.S. business, and especially small- to medium-size firms, compete more effectively abroad, supporting an increase in U.S. export-related jobs," according to Secretary Brown. "A more effective export strategy can easily result in over one trillion dollars in exports and six million additional jobs by the year 2000," he added. The report, "Toward a National Export Strategy" contains 65 specific recommendations for revamping U.S. export promotion initiatives, including major changes in export finance, overseas networks, and domestic field offices of U.S. agencies.

TPCC's major proposals include significant liberalization of the export controls on U.S. high-technology exports. "American businesses argue that controls have not kept pace with either changes in technology or changing political realities and are the single most important impediment to exports..." the report states. With "[an] aim to balance economic growth with equally important U.S. national security and foreign policy interests, the Administration is proposing sweeping export control reforms," stated Secretary Brown. "These changes will allow us to boost U.S. exports by billions of dollars, creating thousands of new American jobs without costing the taxpayer a penny."

Specifically, the Administration is proposing to increase the threshold for exports of computers to many destinations from 12.5 MTOPs (millions of theoretical operations per second -- the processing speed of the computer) to the level of 500 MTOPS (and immediately raising this threshold to 194 MTOPS). This will free approximately $30 billion worth of computer exports from the requirement of obtaining licensing authorization. The report also proposes a dramatic increase in the definition of supercomputer, moving from 195 to 2000

(more)

MTOPS; expanding the availability of distribution licenses for computer exports and removing prior export licensing requirements for most telecommunications exports.

Other National Export Strategy proposals address the needs of the small to medium size exporter, who, Secretary Brown confirmed, "consider getting help from the bureaucracy as great a hurdle as foreign market barriers." TPCC's "one-stop shops" proposal will consolidate government resources and co-locate Commerce, Small Business Administration and Export-Import Bank representatives to support a more coordinated, simplified approach to export assistance. "One-stop shops will provide the U.S. exporting community a single point of contact for all federal export promotion and finance programs," Secretary Brown said. "For the first time, government is bringing together under a single coordinated management team, the resources of a wide variety of U.S. agencies. This is a revolutionary way of assisting our client -- the U.S. exporter. No longer will firms be forced to roam from agency to agency in a search for help and answers."

In this regard, TPCC's actions and recommendations also include the creation of an International Advocacy Coordinating Network to strongly support American commercial interests overseas. "Advocacy of American commercial interests seeking major overseas contracts by the government generally, and especially by high-level officials, has been infrequent and haphazard," states Secretary Brown. The report also recommends greater export financing participation by the private financial community and more customer-focused programs to aid U.S. companies lacking adequate working capital to finance exports. A program to "level the playing field" by combatting foreign tied aid practices is expected to be announced later today by the Administration in conjunction with the TPCC report.

In the spirit of the Administration's reinventing government initiative, TPCC streamlining will create more "user-friendly" export promotion programs. "Toward a National Export Strategy" recommends streamlining existing multiple federal pre-export working capital programs, creating country strategic plans, and consolidating feasibility studies now spread among at least four agencies to more effectively benefit the U.S. exporter. The report supports an intensive evaluation process to review allocation of financial resources, staff time and energy, opportunities for export growth, and governmental efforts by function, geographic area, and industry sector.

"Toward a National Export Strategy" is the first TPCC annual report. It is the product of an intensive, cooperative, and inclusive six-month review of U.S. government export promotion policies and current programs, to discuss and debate creative approaches and relationships, and to formulate a new national export direction. More than 2000 representatives from small, medium and large businesses, trade associations, academia, private sector export service providers, labor unions, and state and local governments provided recommendations. TPCC member agencies include the Departments of State, Treasury, Defense, Interior, Agriculture, Commerce, Labor, Transportation, Energy, Offices of Management and Budget, U.S. Trade Representative, Council of Economic Advisors, Environment Protection Agency, Small Business Administration, Agency for International Development, Export-Import Bank of the United States, Overseas Private Investment Corporation, U.S. Trade and Development Agency and U.S. Information Agency (with the National Security Council and the National Economic Council participating in deliberations).

-# # #-

TRADE PROMOTION COORDINATING COMMITTEE

TPCC

FACT SHEET

- Presidential Candidate Bill Clinton called for the "...launch of a national export promotion campaign..." in September of 1992 confirming, "[the U.S. lacked] a national policy, or strategy, or commitment to help... manufacturers adjust to global change." The President also recognized, "One in five jobs today is tied directly or indirectly to global trade." Under his Administration, President Clinton has designated the congressionally mandated Trade Promotion Coordinating Committee (TPCC) as "[the] vehicle to a coherent export promotion plan..."

- The Trade Promotion Coordinating Committee's National Export Strategy to increase exports is an immediate "job creation" program. Increased U.S. exports mean increased employment opportunities in this country. Exports of goods and services comprised $627.9 billion in 1992, accounting for over 7 million U.S. jobs. Since 1988, exports have accounted for 58.4 percent of U.S. GDP growth. Clearly, our full economic recovery is closely linked to export growth.

- An effective National Export Strategy will lead the way toward sustained U.S. growth, economic security and job creation under President Clinton's leadership. TPCC represents an important opportunity to recast our nation's export promotion priorities to support U.S. global leadership in the trade arena into and throughout the next century. It will level the playing field enabling the U.S. to be fully competitive in new and emerging markets.

- The TPCC is one of the first concrete examples of the Administration's commitment to reinvent government responsively and effectively. The TPCC report (due to Congress on September 30) outlining a streamlined export promotion policy, reflects the National Performance Review's basic tenets: TPCC recommendations will seek to span the divides between different federal Departments, coordinate the efforts of federal and state agencies, and forge a new-found alliance between the public and private sectors.

- Created by Executive Order in 1990, the Trade Promotion Coordinating Committee was established to foster information sharing among all government agencies involved in trade promotion. Two years later, recognizing that a broader and stronger mandate was needed, the United States Congress passed the Export Enhancement Act of 1992, creating in statute the Trade Promotion Coordinating Committee.

- Chaired by Commerce Secretary Ronald H. Brown, the TPCC is tasked with developing a unified framework to coordinate all export promotion and export financing activities of the United States Government.

- TPCC comprises 19 federal agencies: the Departments of Commerce, State, the Treasury, Defense, Interior, Agriculture, Labor, Transportation, Energy, the Office of Management and Budget, the Office of the U.S. Trade Representative, the Council of Economic Advisors, the Environmental Protection Agency, the Small Business Administration, the Agency for International Development, the Export-Import Bank, the Overseas Private Investment Corporation, the U.S. Trade and Development Agency, and the U.S. Information Agency. The newly created White House National Economic Council (NEC) under President Clinton and the National Security Council (NSC) also have been active participants in all deliberations.

- Given the extraordinary potential as well as challenges in the export field, TPCC has a broad mandate. By September 30, 1993, Secretary Brown will prepare and submit to the Senate Committee on Banking, Housing, and Urban Affairs, and the House of Representatives Foreign Affairs Committee a report detailing a strategic plan for U.S. exports and trade, a National Export Strategy.

- The report will outline ways to streamline existing export programs, and propose a process for allocating resources more effectively to create more efficient, customer-focused, and user-friendly export promotion and export financing programs.

- Secretary Brown convened the first Cabinet-level meeting of the TPCC on March 31, 1993. Representatives from all 19 government member agencies (and the NEC and NSC) have worked intensively over the last six months in crafting the report. An essential element in the Clinton Administration's commitment to a new and effective public-private sector partnership, the TPCC has consulted with and sought in-put from the business community and interested individuals and groups, as well as Members of Congress and state and local officials.

- TPCC's recommendations focus on six areas: (1) streamlining programs; (2) leveraging resources; (3) allocating resources rationally; (4) reducing obstacles to exporting; (5) increasing advocacy on behalf of U.S. exporters and (6) measuring performance.

- Streamlining proposals such as TPCC's "one-stop shop" plan (which will consolidate and rationalize all U.S. domestic field export promotion/trade finance services and co-locate representatives from Commerce, the Small Business Administration, the Export-Import Bank and other appropriate agencies in key U.S. locations) seek more efficient use of taxpayer dollars while better serving the U.S. exporter.

TRADE PROMOTION COORDINATING COMMITTEE

TPCC

COMMENTARY

"One in five of our jobs today is tied directly or indirectly to global trade. We can't put a wall around America. If we did, it would just slow the world's economic growth further and hurt us even more. What we've got to do is have a new partnership...to help people who are committed to being productive workers compete and win in the global economy.

***

...we've got to launch a national export campaign to benefit small and medium-sized producers.

***

We ought to strengthen the export sections of our foreign embassies, and help American manufacturers sell abroad, just like all of our competitors do.

We ought to strip away unnecessary export controls and reduce the incredible bureaucratic mess that surrounds a lot of them.

***

We've got to get rid of regulations that don't make sense. And we've got to permit our companies to join together and do common research and development in global competition...."

Democratic Presidential
Candidate Bill Clinton
Remarks to Employee Owners of
Standard Knapp, Inc.
September 8, 1992

"The work that exporters ... do to expand jobs and growth is fundamentally important, because every time we sell $1 billion of American products and services overseas, we create about 20,000 jobs. In all, more than seven million Americans clearly owe their jobs to exports. And because those workers in export-related jobs make about 17 percent more than the average worker, we need more of these jobs.

***

Our vehicle to a coherent export promotion plan will be the Trade Promotion Coordinating Committee, an interagency group created by Congress...."

President Bill Clinton
Remarks to the Export-Import Bank
Conference
May 6, 1993

"...the Department of Commerce will lead the creation and implementation of a dynamic export promotion strategy. As part of the new relationship between government and business, we are adopting a customer service focus.

***

As Secretary of Commerce, I chair the Trade Promotion Coordinating Committee, an organization of 19 government agencies that will undertake a dramatic streamlining of our export services. One of our initiatives will be to shorten the regulatory process. For many small and medium sized businesses, overcoming American export obstructions--getting through bureaucracy--may be as great a hurdle as foreign market barriers. Other goals include streamlining overseas promotion efforts, pooling information [and] increasing our advocacy efforts on behalf of U.S. firms...."

Ronald H. Brown
Secretary
U.S. Department of Commerce
Speech before the California Council for
International Trade
March 26, 1993

"President Clinton is about to introduce an aggressive national export policy aimed at using 19 Federal agencies to help manufacturers compete in foreign markets..."

"The plan will especially benefit small-business owners and Californians..."

"The new policy calls for a quick lifting of controls on some high-technology exports...and more overseas lobbying by the President and Cabinet officials on behalf of American companies."

"...the National Export Strategy [is] too broad to be considered a continuation of the Bush Administration's less coordinated efforts."

The New York Times
September 28, 1993

"In competing with foreign rivals, what more could America's exporters want? Answer: more help and less hindrance from Washington. They may be about to get both. [In presenting this export promotion report to Congress] to many people's surprise, Mr. Brown has used this apparently humdrum occasion to shape something like an export strategy."

The Economist
September 25-October 14, 1993

"On September 29, Commerce Secretary Ronald H. Brown will submit to Congress a report on how the U.S. can streamline the maze of rules and regulations that passes for government export policy. Brown's interagency Trade Promotion Coordinating Committee will attempt to distill a coherent set of principles from an amalgam of cold war and post-cold war export controls that no longer make sense in terms of either economics or U.S. security. Brown's timing couldn't be better....A billion dollars in exports generates about 20,000 good-paying jobs, so $40 billion can create 800,000 very happy families."

Business Week
October 4, 1993

"The bottom line is U.S. exports equal U.S. jobs."

"We are formulating a national economic strategy that means a new relationship between business and government. It means a government that understands clearly that it is the private sector that creates economic growth and jobs. There are times and places where the government needs to get out of the way. There are times and places where we need to be better partners. There is a clear understanding in the business community that they need a different kind of relationship with government, and that's going to help make us successful in this effort."

USA Today
September 28, 1993

"The Clinton administration's national export strategy, to be unveiled Wednesday, will stress trade with developing economies, high-level advocacy for U.S. sales and the opening of some 60 export-assistance offices around the country..."

"There is an economic war going on. The rest of the world has been conducting the war quite vigorously and their governments have been aiding their private sectors." (Ken Brody, Chairman, Export-Import Bank, describing "key points of President Clinton's national export strategy")

The Journal of Commerce
September 27, 1993

"That process begins tomorrow, when the White House announces its new export promotion initiative, following an eight month, 19 agency review by the trade promotion coordinating committee (TPCC), which Brown chairs. Notes an Administration source: 'The beauty of this is we can create a lot of jobs, spend no taxpayer money to do it, just by having the executive branch get its act together on export promotion. Right now there are a lot of good people and some good programs for this but they've never been coordinated and put together in a strategic plan.' This source credits Brown with helping to catalyze the initiative : 'When Brown came in, the TPCC had never even met. Brown has grabbed this thing and really made it go...literally going agency to agency to gain agreements. With the recommendations in this report, and a more focused role by the government, its realistic to expect U.S. exports to reach a trillion dollars by the end of the century. In some ways it's one of the first concrete examples of applying reinventing government to a specific area of government cutting across all agencies."

The White House Bulletin
September 28, 1993

"Commerce Secretary Ron Brown says his department's two top priorities are promoting U.S. technological advances and export promotion.

He plans to make the inter-agency Trade Promotion Coordinating Committee, which he chairs, a more active force. The committee, created during the Bush administration, met only once [during his Administration]. Its aim is an "integrated" administration export promotion strategy."

<u>The Journal of Commerce</u>
February 22, 1993

"...Brown has really been out front on trade promotion issues. He deserves high marks for putting his political chips on the line for the TPCC and this whole new policy."

<u>White House Bulletin</u>
September 9, 1993

"The success of the 19-Agency Trade Promotion Coordinating Committee is a test of this Administration's will and talent. It is a test of our ability to reinvent government in a responsive and efficient way; to span the divides between different federal agencies; and to coordinate efforts between the federal and state agencies. And it is a test of our ability to form the strategic alliance between the public and private sectors which the international economy now demands. As Chairman of this effort, I intend to drive this process.

***

Congress, in establishing the TPCC, took an important step in bringing cohesion into what was too often a disjointed and fragmented export promotion effort. In the excitement of an international marketplace with the potential to create -- or eliminate -- millions of jobs, it seems everyone has tried to pitch in, and not always effectively. But now it is time to rationalize, streamline and effectively join forces in an approach to exporting that has teeth and impact."

Ronald H. Brown
Secretary
U.S. Department of Commerce
Speech before the "Trading Up"
Conference
July 12, 1993

"The administration is also preparing a sweeping revision of national security controls on exports of computers, telecommunications equipment and other high-technology products. Although final decisions have not been made, the administration is sympathetic to complaints from U.S. manufacturers that they are losing billions of dollars annually in potential sales because of restrictions that no longer make sense in a post-Cold war era."

The Washington Post
August 21, 1993

"We want to do more with exporters and give a better break to taxpayers at the same time."

Ken Brody, Chairman
Export-Import Bank
The Washington Post
August 21, 1993

"The Clinton Administration is plotting a two-pronged offensive on behalf of American business that would propel exports and peel back strict controls on technology transfers, officials say.

An interagency group led by the Commerce Department will wrap up a broad study on export promotion next month, laying out what went wrong in past U.S. efforts to boost key industries overseas and how money might better be spent."

Reuters
August 25, 1993

"...a key administration priority this fall is the report of the Trade Promotion Coordinating Committee -- which I chair. On September 30, the TPCC will report to Congress how best to streamline and rationalize the federal trade promotion process.

***

Our first goal is to streamline our approach. We will roll export promotion and trade finance specialists into "one-stop shops," whose staffs will provide counseling on the export promotion and finance programs of <u>all</u> federal agencies and multilateral development banks. No longer will clients be forced to roam from agency to agency in search for help and answers."

Ronald H. Brown
Secretary
U.S. Department of Commerce
Speech before the Inland Empire
International Trade Conference
August 26, 1993

TRADE PROMOTION COORDINATING COMMITTEE

TPCC

CHRONOLOGY

May 23, 1990	The Trade Promotion Coordinating Committee is created by Executive Order.
September 8, 1992	In a speech to Employee Owners of Standard Knapp, Inc., Presidential Candidate Bill Clinton states "...our future economic security and national security rests on our ability to compete in a global marketplace." Confirming the need to "innovate" and "...support...not just big companies, but small and medium sized companies, in exporting," Clinton continued, "One in five of our jobs today is tied directly or indirectly to global trade" and called for "...[the] launch [of] a national export campaign..."
October 21, 1992	Congress passes the Export Enhancement Act of 1992 creating in statute the Trade Promotion Coordinating Committee chaired by the Secretary of Commerce. The Act tasks TPCC with developing a unified framework to coordinate the export promotion and export financing activities of the United States Government. The Act also requires the Chairman to prepare and submit to Congress by September 30, 1993 a report "describing the strategic plan developed by the TPCC..."
March 31, 1993	TPCC Chairman, Commerce Secretary Ronald H. Brown, convenes the first Cabinet-level meeting of the TPCC to discuss the export promotion strategy and the Chairman's report to Congress.
April, 1993	Secretary Ron Brown selects Ken Brody, Export-Import Bank Chairman, as Chair of the TPCC Deputies' Group.

April - August, 1993	Representatives from all 19 TPCC agencies* meet every day in three working groups: (1)Information/Counseling/Marketing/Advocacy; (2) Trade Finance; and (3) Obstacles to Exports, April 26-May 14, 1993, to review the relevant TPCC issues and draft preliminary recommendations. On-going working group meetings continue throughout the late spring and summer. (* DOC, DOA, OMB, Dept. of Treasury, USTR, DOI, TDA, CEA, DOS, DOT, DOE, DOD, SBA, EPA, AID, ExIm, OPIC, DOL, USIA)
April 29, 1993	TPCC surveys nearly 100 private sector representatives for input and direction. Business leaders all emphasize removing obstacles and improving U.S. government assistance programs as critical factors to U.S. export success. (Over 150 companies, trade associations and labor unions are consulted throughout the six-month process.)
May 6, 1993	At an Export-Import Bank Conference President Clinton confirms "Our vehicle to a coherent export promotion plan will be the Trade Promotion Coordinating Committee..." He notes the importance of export promotion as a cornerstone of national economic policy confirming, "...every time we sell $1 billion of American products and services overseas, we create about 20,000 jobs. In all, more than seven million Americans clearly owe their jobs to exports."
July 21, 1993	Chairman Ron Brown chairs the first of three interagency Deputies meetings to discuss working group recommendations.
August 2, 1993	The second Deputies meeting is held at the Department of Commerce.
August 3, 1993	The first in a series of private sector meetings is held for trade association leaders in Washington, D.C. to solicit and discuss ideas regarding a National Export Strategy. These meetings are scheduled in several U.S. cities over the next two months with key business leaders.
August 17, 1993	The TPCC Chairman hosts the third and final Deputies meeting to finalize outstanding issues.

August 25, 1993	TPCC business outreach program continues with a high-level CEO meeting in Los Angeles hosted by TPCC Chairman Ron Brown focused on the Administration's export control initiatives.
August 30- Sept. 10, 1993	Meetings are held throughout the country on TPCC's "one-stop shop" proposal (streamlining existing federal agencies' domestic field export promotion/trade finance offices and co-locating representatives from Commerce, Small Business Administration, Export-Import Bank and other appropriate agencies in strategic U.S. locations to facilitate and expedite assistance to U.S. exporters).
September 8, 1993	A briefing for Labor leaders is convened to discuss the TPCC National Export Strategy and its impact for job creation and future economic growth.
September 8- October 1, 1993	Meetings with the private sector continue in New York (trade financing), Washington, D.C. and elsewhere across the U.S. on TPCC's major proposals.
September 9, 1993	Secretary Brown chairs the second Cabinet level meeting at the Department of Commerce to discuss final recommendations.
September, 1993	The Chairman and other Principals conduct on-going briefings with key members of Congress discussing TPCC progress and findings.
September 30, 1993	The Trade Promotion Coordinating Committee report on a National Export Strategy is formally due to the Senate Committee on Banking, Housing and Urban Affairs and the House of Representatives Committee on Foreign Affairs. (Exact timing of Congressional hearings and announcement to be scheduled.)

TRADE PROMOTION COORDINATING COMMITTEE

TPCC

Trade Promotion Coordinating Committee (TPCC)
Possible Questions & Answers

1.) What makes this a National Export Strategy...or is it?

Congress has tasked TPCC with submitting a report "describing a strategic [export] plan..." and the September 29 report to Congress is the first of its kind. It makes over 60 specific recommendations outlining ways to improve the way in which the federal government assists the private sector increase exports and create jobs. It is the product of extensive review by the 19 Agencies involved in exporting and consultation with over 2,000 labor, business and state and local leaders.

2.) What are the major areas of disagreement; have they been resolved; what about "tied aid"?

In a project of this size and scope, with 19 agencies involved and hundreds of issues to confront, we have reached a remarkable degree of consensus. The few areas of serious disagreement have now been resolved. Tied aid is a good example. We all agree that our objective is to reduce the use of tied aid worldwide, to level the playing field for U.S. firms versus our foreign competitors. The only question is: what is the best mechanism for the U.S. government to encourage our trading partners to further reduce their use of this practice.

3.) What do you consider to be the key action recommendations and why?

The key actions are:

--creating one-stop shops
--creating a unified budget
--creating a high-level advocacy network
--combatting tied-aid
--reforming export finance programs
--streamlining and reducing export controls

We, as a government, will dramatically boost the assistance we give to American exporters with a focused, strategic approach.

We now provide the help that they need, in the way that they need it, and we will step aside wherever appropriate and let the creativity, initiative, and industry of our people continue to set the standards for the world economy.

4.) What happens next and what is Commerce's role and the Administration's role?

We embark on an intensive program of implementation to translate the strategy's recommendations into action.

We are committed to real change. And we don't underestimate the difficulty of reforming the federal bureaucracy.

Some of TPCC's recommendations are occurring immediately: one-stop shops in four pilot cities are currently being established; the advocacy network has already begun; changes in export controls are happening now; and, we have begun to consolidate feasibility studies into one agency. Many more changes will take place over the coming months.

5.) What makes this Report different than all the preceding activity related to export promotion?

Previously we had no plan, no focus, no comprehensive strategy. A number of agencies set up programs to promote exports, good programs, but no concerted effort. We never sat down, looked at everything we are doing, and said: "what are our goals as a nation, and how can government best marshall its limited resources to achieve those goals?" That is exactly what we are doing now.

6.) What was Ronald H. Brown's role in the TPCC and what will his continuing role be?

TPCC as a structure was inherited. However, it was not pro-active. The TPCC had never met at the principals' level in the two years of its existence. As TPCC Chair, my first action was to call together fellow Cabinet members, working closely with Ken Brody, Chair, Export-Import Bank to discuss formulating a strategy. I chaired subsequent Principal and Deputy meetings and personally hosted private sector briefings and one-on-one meetings with leaders of the business and labor community to solicit recommendations. As we move into the implementation process, I will continue to drive the process forward.

7.) What does this really mean concretely for the business community now?

This means exporters large and small, experienced and inexperienced, will finally begin to get the kind of help they need to compete overseas.

Small exporters, for example, will get better service from a better trained staff more easily through our one-stop shops and improved overseas network.

There will be greater access to financing, much of it provided by private banks who will begin to return to the export finance market. And if you are a small high tech exporter, much of your products will be freed from the nightmarish burden of our current export licensing system.

Large exporters will also get increased and focused advocacy assistance in competing for large international contracts, a level playing field against the tied-aid practices of our competitors, expanded OPIC project limits, and consolidated feasibility study funding to land contracts abroad.

8.) Do the action recommendations require legislation or further executive action?

Most don't. This is about the executive branch getting its act together. Any minor legislative issues will be identified in the implementation plan to be developed immediately. We welcome, of course, the support of members of Congress for these reforms, and in my many meetings with members on these issues, I sense a strong level of support for these recommendations.

9.) What does this mean for communities (e.g. one-stop shops, job creation, state and local government, etc.) ?

The report details how the federal government can work together far more effectively with the states and local government export promotion efforts.

States now spend about $200 million on export promotion--about as much as the entire Commerce Department budget in this vital area. If we can work together more closely, there will be tremendous benefits. Every state I have talked to wants to export more--to fuel economic growth and create jobs for their citizens.

10.) How do we intend to measure results: what criteria, how often, by whom, how reported?

Measuring results is not easy--but we are determined to do it. I believe in the old adage: "you are what you measure". In other words, we need to use performance measures to turn the ocean liner, and get everyone going in the same direction.

11.) What does this mean for NAFTA specifically?

The message of TPCC: U.S. exports = U.S. jobs, fits very well with NAFTA. NAFTA is about lowering barriers to a huge market so that the U.S. can sell more goods, creating more U.S. jobs. The TPCC is about improving U.S. export promotion services so that, when a trade barrier falls, as it does with NAFTA, America can take advantage of it.

12.) Which export industries are most helped by the Report's recommendations?

Any industry which exports will be helped by this report. The point is that the government can do a much better job of providing information, counseling advocacy, finance and other services to all U.S. industries. Every single one will benefit from the improvement of these services.

13.) What is the cost of implementing these action recommendations--now and in the long-term?

Part of the beauty of this issue is that we do not need any net additional government resources at this time to have a major impact, and to boost jobs. We will be looking at allocation issues, as we have discussed, but the size of the pie does not have to increase in order to have a substantial positive effect on the economy.

14.) How involved was the White House in the Report process as well as other agencies?

President Clinton has made clear from the beginning his deep commitment to the idea that exports are a critical source of economic growth, and that we must compete, not retreat, in the international marketplace.

With this level of interest and commitment from the President, the White House and other agencies participated extensively in the process with a level of cooperation and shared determination that might seem surprising, given all of the interagency "turf" concerns that could have intruded upon the process. Ken Brody of the Eximbank, and the NEC and NSC, played critical roles in driving the process and bringing us to resolution on some of the tougher issues.

15.) What was the role of business (and labor) in the Report process?

We consulted with over 2000 exporters, labor unions, companies, and trade associations. They gave us their ideas, their criticisms, and their encouragement. This is a truly collaborative effort that begins to demonstrate the type of new partnership between the public and private sectors which we are building in this Administration.

16.) What was the role of Congress and what do you expect it to be in terms of Report action recommendations?

Congress has had a major role. First, Senators Paul Sarbanes and Don Riegle, and Congressman Sam Gejdenson were the driving forces behind the creation of a statutory mandate for this effort.

Second, Congress's General Accounting Office played an important role, as a longtime advocate of some of the key reforms which we have begun to achieve with this report. Third, we had numerous consultations with members of Congress and their staffs in the preparation of this report.

17.) What is the role of the United States Government abroad to energize/implement the relevant recommendations?

Like other areas of the government, there are many good and talented people overseas who do their best to promote the U.S. economy. But again, these operations have lacked strategic focus and coordination. Our proposal to create strategic country marketing plans will unite these agencies and give them a common goal--to increase U.S. exports. There are a number of detailed elements to this proposal, but the net result will be a more coordinated, more focused, and more effective overall overseas effort.

18.) What are the implications of this Report for ongoing trade negotiations if any?

This report has purposely not focused on trade policy negotiations, but has maintained the focus on export promotion. However, the level of commitment and seriousness of this report should be a clear and positive signal to our trading partners that we intend to compete fairly and purposefully. It underscores our commitment to the principles of free trade, and to our desire as a nation to benefit from it.

19.) Is this Report meant to be another signal to Japan and some other export-intensive countries with whom we trade, that the U.S. expects markets to be opened and the playing field to be leveled?

Yes. TPCC recommendations, and specifically ["tied aid" initiatives], will address these issues.

20.) (For the total cynic) isn't trade promotion just a matter of selling a product more aggressively than the other guy...why was a Report needed..isn't this just more government not less?

Not at all. By streamlining functions, creating new mechanisms to leverage private sector resources, narrowing agencies' focus to particular client groups, and reducing regulatory obstacles to exporters, we will have less government, not more.

More importantly, the government involvement that we do have will produce much greater results--more economic growth, and more high wage high quality jobs for American workers. It was not a simple matter to create this report--it took eight months of intensive effort by hundreds of people.