

**State Trade Expansion Program Annual Report to Congress
Fiscal Year 2016, 2018 Report**

This report responds to the legislative directive per SBA 22 (l) (7) (B) ANNUAL REPORTS:

“(i) IN GENERAL.—The Associate Administrator shall publish on the website of the Administration an annual report regarding the program, which shall include—

- (I) The number and amount of grants made under the program during the preceding year;
- (II) A list of the States receiving a grant under the program during the preceding year, including the activities being performed with each grant;
- (III) The effect of each grant on the eligible small business concerns in the State receiving the grant;
- (IV) The total return on investment for each State; and
- (V) A description of best practices by States that showed high returns on investment and significant progress in helping more eligible small business concerns.”

(I) “The number and amount of grants made under the program during the preceding year”

The SBA awarded 44 grants for a total of \$18,850,000 during the preceding year. This was 100 percent of the FY 2016 appropriation.¹

¹ The data for this report were retrieved on March 23, 2018. The FY2016 program encouraged the states to continue reporting actual sales for up to 4 quarters following the close out of the grants.

(II) “A list of the States receiving a grant under the program during the preceding year, including the activities being performed with each grant”

During Fiscal Year 2016, each State Trade Expansion Program (STEP) awardee reported on the progress on their approved milestone goals and supporting export activities in quarterly Performance Progress Reports (PPR). Based upon these PPRs, the activities completed by each awardee are summarized below.

Alabama: The State of Alabama STEP program provided funding to 26 qualified eligible small businesses to offset expenses associated with exporting that included participation in international trade shows and trade missions. The companies were able to develop new overseas markets and partnerships that resulted in a return on investment in their facilities and created and sustained jobs in Alabama. Nine (9) new-to-export (NTE) and 17 market expansion (ME) companies represented a diverse swath of the state’s business landscape including life science/biotechnology, aerospace, software developers, shipbuilding and advanced manufacturing. The ESBCs pursued international markets in Germany, Thailand, Switzerland, Chile, Denmark, Canada, Australia, New Zealand and Ethiopia. Activities in these markets included trade shows ranging from Hamburg Aviation, VIV Asia, Offshore Technology, Explore Chile, PIAA 2017, to AMCOMET Africa Hydromet.

Alaska: The State of Alaska STEP Year 5 program provided funding to 4 ESBCs to offset expenses associated with the exporting that included participation in trade shows with international focus. This consisted of 2 NTEs and 2 MEs. The 4 businesses made connections with the Irish, Canada, and Asian markets. Although there was no ROI due to the slow start to the program, the impact that was made with the STEP funds will last a long time in the Alaskan markets.

Arizona. The State of Arizona invested STEP award funds to assist 178 small businesses (64 NTE and 114 ME) engage in export development activities; including, 49 ESBCs in domestic or international trade shows; 7 ESBCs in trade missions; 3 ESBCs received website translation and search engine optimization services for international markets; 119 ESBCs were engaged in one-on-one export counseling and training that resulted in companies identifying priority export markets and immediate go-to-market initiatives to undertake. Arizona STEP-supported ESBCs achieved the greatest success with expanding export markets to: Australia, Canada, China, Germany, Hong Kong, Italy, Mexico, Oman, South Korea, United Arab Emirates, and United Kingdom. AZSTEP ESBCs participated in and exhibited at key trade shows/missions in four particularly important Arizona industry sectors: aerospace, medical technology, mining, and optics/photonics.

California. The State of California invested STEP award funds to assist 225 small businesses (35 NTE and 190 ME) in foreign market sales trips, foreign trade missions, individual company export promotion services, inbound buyer missions, and trade shows targeting its leading export markets in Asia, North America, and Europe. These included: Cosmoprof and Singapore Air Show (Asia); CeBIT and Hannover Messe (Hannover, Germany), Cosmoprof Worldwide (Italy); China and South Korea Outbound Mission, China Medical Equipment Fair, Hong Kong Food Expo, and the Abu Dhabi Auto Show (United Arab Emirates). STEP funds helped stimulate the

state's leading export sectors including: information technologies, food and agricultural, transportation equipment, medical and scientific equipment.

Colorado. The State of Colorado invested STEP award funds to support 55 small businesses (24 NTE and 31 ME) in foreign market sales trips, Gold Key services, and export trade shows stimulating the state's industries; such as, food and agriculture, environmental technology, and clean energy. Examples include: i) ISPO Munich, the largest European Outdoor Recreation tradeshow, and ii) the ANTAD Expo, the largest retail food show in Guadalajara, Mexico. The STEP grant enabled Colorado small businesses to pursue international markets in Australia, Brazil, China, France, Germany, India, Japan, Mexico, Spain, and United Kingdom.

Connecticut. The State of Connecticut invested in STEP award funds to assist 53 eligible small business concerns (ESBCs) for participation in Hannover Messe 2017 for five companies in Germany and the Paris Air Show with 10 companies in Paris. Connecticut's Department of Economic Community Development, Office of International and Domestic Business Development assist with needed support in financial assistance awards for website translation and marketing media design. The 53 ESBCs include seven NTEs and 46 MEs represented the state in industries such as dental equipment and supplies, aerospace, oil and gas field machinery, scale and balance manufacturing, software publishing, aircraft engine parts, wood household furniture manufacturing, and many others.

Delaware. The State of Delaware invested in STEP award funds to assist 7 NTE and 81 ME firms participating in export training workshops for four companies, five trade missions to Mexico, Germany, Canada, and Korea. The State of Delaware, Division of Corporate and International Development was able to competitively award financial assistance to 7 NTE and numerous MEs participating in activities representing the state in industries such as biotech, medical, laser and analytic devices, lab equipment, and solar systems. The grant endorsed STEP to take advantage of export opportunities in the above international markets and in France, Costa Rica, Ghana, China, United Kingdom, and UAE.

Hawaii. The State of Hawaii invested STEP award funds to support 434 small businesses (271 NTE and 163 ME) in tradeshow, trade missions, reverse buyer missions, and other export activities that targeted the following sectors: agricultural and food products, gift and souvenir products, fashion and sporting goods, and tourism consulting services. Seventy ESBCs were provided with one-on-one consultation to assess each company's export readiness level and referred to additional resources, as necessary. Twenty-five of those ESBCs were further mentored by HPEC. Ten training sessions were held to help companies with individual or specialized export development needs. The most notable small business participation in HI STEP supported events was the 82nd Tokyo International Gifts and Handcraft Trade Show attracting 66 small businesses (with \$156,065 in actual export sales); and 40 small businesses were drawn to the Hankyu Hawaii Fair.

Idaho. The State of Idaho invested STEP award funds to assist 48 small businesses (10 NTE and 38 ME) of which 15 were issued sub-awards and thirty-three exhibited at industry-specific trade shows in international markets that yielded so far \$9.8 million in export sales. These included: six companies' participation in the ISPO - Munich, Germany; six companies to the IWA Outdoor Classics - Nuremburg, Germany; five companies to CeBIT - Hannover, Germany; two

companies to Zoomark International – Bologna, Italy; four companies to TADTE Aerospace and Defense Technology – Taipei, Taiwan; and the Governor led Paris Air Show – Paris, France which attached ten companies.

Illinois. The State of Illinois invested STEP award funds to support 152 eligible small business concerns (68 NTE and 84 ME) in export activities that included: supporting 5 ESBCs to achieve compliance with product certifications required for exporting and offering Gold Key services; and 30 ESBCs in export training workshops. STEP funds enabled 57 ESBCs to engage in foreign market sales trips tailored to the specific sector and geographic needs of the state's emerging and developing markets (e.g., China, India, Asia Pacific, Canada, Africa, Middle East, Latin America and Europe) within various industries. A significant event was leading eight companies to the Arab Health show (the largest gathering of healthcare and trade professionals) in Dubai, UAE, with actual combined onsite sales of \$2.5 million.

Iowa: The State of Iowa invested in STEP award funds by assisting new-to-export (NTE) ESBCs, as well as growing market-expansion (ME) firms, exhibit at international trade shows specific to their individual industries of: Manufacturing; Professional/Scientific/Technical Services, as well as Wholesale Goods. A total of 37 grants were provided to Iowa EBSCs, of which 38% were to rural firms, to exhibit at international trade shows held in the U.S. These shows offer a cost-effective and efficient method, especially to NTEs (27%), to explore opportunities from around the globe. Target markets included countries such as Canada, Germany, United Kingdom, The Netherlands, Belgium, India, Colombia, Myanmar, and Hungary. Participating firms reported more than \$2 million in sales as a result of exhibiting with the assistance of STEP funds.

Kansas. The State of Kansas invested in STEP award funds to assist 64 eligible small business concerns (ESBCs) for participation in trade missions at Petfood Forum China and Paris Air Show in China, Paris and three others to Brazil, Mexico, and Russia. Eight companies attended trade shows including four International Buyers Programs (IBPs). Through Kansas' Department of Commerce, STEP conferred nine financial assistance awards given for training opportunities, 15 commerce subscription services and seven website translation, SEO, and localization efforts. The 46 ESBCs include 13 NTEs and 51 MEs represented the state in industries such as fuel ethanol, livestock equipment, construction machinery manufacturing, waste water treatment, animal health products, farm-grain production, agricultural equipment, electroplating, and other businesses and services.

Kentucky. The State of Kentucky invested in STEP award funds to assist 558 ESBCs participating in numerous activities including 5 training workshops, 7 international business development support events, and marketing media assistance. The 558 ESBCs consist of 192 NTEs and 366 MEs participating in several industries varying in wholesale trade, manufacturing businesses, professional, scientific, technical services and many more. The STEP grant assisted in supported ESBCs to complete international markets events in Germany, Turkey, Ecuador, Denmark, Japan, Barbados, United Kingdom, Netherlands, Mexico, Argentina, Hong Kong, Bolivia, Costa Rica, Saudi Arabia, Belarus, Kazakhstan, Singapore, Paraguay, Uruguay, Macau, Panama, and Bahrain.

Louisiana: The State of Louisiana STEP program had program activity. They provided assistance to 13 small businesses (5 NTE and 8 ME). The State of Louisiana invested in STEP award funds to identify, qualify, prepare and assist small businesses in enhancing their export readiness, in expanding existing exports and in expanding to new market exports.

Maine. The State of Maine invested in STEP award funds to assist 306 ESBCs participating in numerous activities including 5 training workshops, 7 international business development support events, and marketing media assistance. The 306 ESBCs consist of 132 NTEs and 174 MEs participating in several industries varying in engineering, pharmaceutical and medical manufacturing, cleaning products manufacturing, wood products, cutlery and hand tools, and ship and boat building. The STEP grant assisted in supporting ESBCs to complete international market events in Germany, Iceland, Belgium, Japan, Norway, Canada, China, United Kingdom, Hong Kong, Italy, Australia, Taiwan, Mexico, Singapore, Sweden, Columbia, Netherland, and UAE.

Maryland: The State of Maryland received a \$777,579 STEP grant in FY16. A total of 71 ESBCs participated in STEP funded activities, including 45 MEs and 26 NTEs. Maryland small businesses participate in numerous STEP funded international trade shows, including Medica in Germany (healthcare), Arab Health in UAE (healthcare), Paris Airshow in France (aerodef), Avalon in Australia (aerodef), MILIPOL Asia-Pacific in Singapore (defense/security).

Massachusetts. The State of Massachusetts invested in STEP award funds to assist 138 ESBCs participating in regulatory compliance testing/registration of products for target export market entry, 13 market media development, 13 subscription services, numerous trade shows/exhibits such as MEDICA, Skipper International, Paper Vietnam, China Fisheries and Seafood, WATEC, and Paris Airshow. The Massachusetts Office of International Trade and Investment (MOITI) supported 138 ESBCs consisting of 3 NTEs and 135 MEs participating in international markets in Turkey, Lebanon, China, Japan, Israel, United Kingdom, Germany, Italy, UAE, Singapore, Poland, Vietnam, Portugal, Slovenia, Slovakia, Switzerland, Mongolia, Russia, Czech Republic, Ireland, Iceland Greece, Latvia, and Thailand.

Michigan. The State of Michigan invested STEP award funds to connect 355 ESBCs (49 NTE and 306 ME) with the resources and opportunities to grow small business exports in their state to a total of 51 different international markets through participation in trade shows, trade missions, sales trips and international search engine optimization. The ten most frequent markets served were Canada, Mexico, China, Germany, United Kingdom, France, Australia, Brazil, United Arab Emirates and India. Ten of the Michigan STEP supported companies traveled to the International Paris Air Show to seek prospective partners, distributors and customers to increase export sales. At the trade show, one company successfully sold major products to a buyer totaling \$2.4 million in export sales.

Minnesota. Minnesota was offered a grant for \$155,736; however, they subsequently turned down the award.

Mississippi. The State of Mississippi invested in STEP award funds to assist 62 ESBCs exporting efforts for USA companies in four trade missions, two trade shows, attend the One “STEP” Shop Export Workshop, and provided other financial assistance awards to 18 additional

companies. The Mississippi Development Authority (MDA), Office of International Trade has assisted 29 NTE and 33 ME companies to export into industries such as manufacturing, interior design, distribution, and technical services. The STEP grant supported in the development of international markets and partnerships in Dubai, India, London, Jordan, Peru, Argentina, Chile, Abu Dhabi, Brazil, Canada, Mexico Israel, and Romania.

Missouri: The State of Missouri in 2016 STEP awarded 129 ESBCs; with funding to 4 NTE's and 125 ME's and export training to 55 NTE's. These companies participated in a myriad of activities geared to increase Missouri's exports. Missouri's 2016 STEP program included a unique focus on the Middle East region. Missouri companies participated in trade shows in the region, including Arab Health; the Middle East Electricity Show; and IDEX. The key industry sector focus was advanced manufacturing with a more specific focus on medical equipment and supplies machinery and electrical components; as well as aerospace defense. The Missouri ESBC participation in the aforementioned trade shows continues to reap rewards. Just last month, one of the ESBCs participating in the Middle East Electricity show shipped their first order to the UAE market for \$3350,000. Missouri's exports attributed to the 2016 STEP program totaled almost \$12 million.

Montana. The State of Montana invested STEP award funds to support export development for 296 ESBCs (142 NTE and 154 ME) in foreign trade missions, subscription to U.S. Department of Commerce services, design of marketing materials, participation in export training workshops, and exhibition at international trade shows in 24 countries. For example: The STEP award enabled a combined total of 14 ESBCs to participate in AIMEX - the most significant mining event in the Asian-Pacific region (Sydney, Australia) and Laser World of Photonics Trade Show for optical systems, applications and technologies (Munich, Germany). STEP funds also made it possible for the translation of marketing materials into 11 foreign languages (e.g. French, German, Spanish); customized U.S. Commercial Services in 22 foreign markets (e.g. Germany, Australia, Indonesia, Cambodia); and, participation in 2 trade missions and 55 foreign market sales trips in 24+ international markets, (e.g. Argentina, Brazil, China, Germany, and Mexico).

Nebraska. The State of Nebraska invested in STEP award funds to assist 123 ESBCs participating in two trade shows, subscription, translation services, website translations, SEO, and localizations. The STEP grant assisted 37 NTE and 86 ME ESBCs to develop new markets and partnerships. The STEP grant allowed the ESBCs to pursue international markets in Finland, Chile, India, Brazil, New Zealand, Austria, Mexico, Italy, Colombia, Ukraine, Liberia, Ecuador, Cayman Islands, Kuwait, Anguilla, Scotland, Dominican Republic, and countless additional locations. The 123 ESBCs participated in plastic pipe and fitting manufacturing, tire merchant and other motor vehicle parts, construction machinery, toilet preparation, farm machinery equipment, electrical apparatus, dental and hospital equipment, and several others that helped businesses in the U.S. to export.

Nevada. The State of Nevada invested STEP award funds to support 22 ESBCs (7 NTE and 15 ME) in export activities including, foreign market sales trips to target markets and through participation in state-led trade missions; facilitated funding for and access to Gold Key and other services provided by the U.S. Department of Commerce; and updated websites and media marketing through translations, localization and SEO optimization. Of significance, one Nevada

STEP supported company achieved \$909,675 in export sales as a result of a foreign market sales trip to the United Kingdom, France, and Germany.

New Hampshire. The State of New Hampshire invested in STEP award funds to assist 46 ESBCs for participation in the Defense and Security Equipment International (DSEI) trade show in London, United Kingdom. The New Hampshire's Department of Business and Economic Development, Division of Economic Development maintained a steady flow of (29) clients that needed support in financial assistance awards for trade promotion activities and (12) in commercial subscription services for development. The 46 ESBCs include 18 NTE and 28 ME to represent the state in industries such as electronic component, consulting services, food product machinery, furnaces manufacturing, surgical appliance and supplies, soap and cleaning compound manufacturing, timber and others. The STEP grant allowed the ESBCs to contribute to international markets in UAE, India, Malaysia, Hong Kong, United Kingdom, Kuwait, Thailand, Germany, United Kingdom, China, Columbia, Kazakhstan, Vietnam, Finland, and others. New Hampshire Economic Development Office serviced many companies from considered veteran and rural disadvantage areas.

New Jersey: The State of New Jersey received \$750,000 and with more than \$43 million of actual sales reported by clients. STEP NJ increased the number of ESBC exporters; increased the value of ESBC exports; and grow jobs through export sales. They supported 1,382 ESBCs. They had a mix of activities Global Trade Seminars throughout the northern, central, and southern parts of the state such as Doing Business in Singapore/Vietnam in Teaneck; Global Business Conference: Navigating Trade in the New Environment in Atlantic City; and International Business Conference in Ewing; Subscriptions to U.S. Department of Commerce Services such as Business Facilitation Service, Gold Key Service, and Initial Market Check; Trade Shows such as Analitica Latin America in Brazil to European Coating Show in Germany to Promote 2017 Trade Show in Cameroon to VIV Asia 2017 in Thailand; and Translations of Websites and Product Literature into Languages such as Arabic, French, German, Japanese, and Spanish. Total number of MEs and NTEs: Of the previously referenced 1,382 ESBCs supported, 572 were MEs and 810 were NTEs. NJ STEP provided individual financial awards for Allowable Activities to 52 MEs and 15 NTEs. Further, another 146 MEs and 71 NTEs attended NJ STEP-sponsored Global Trade Seminars. The remaining balance of 1,098 MEs and NTEs participated in Seminars and Training Activities at which the NJ STEP team presented and discussed the program.

New Mexico. The State of New Mexico invested STEP award funds to support 57 ESBCs (39 NTE and 18 ME) participation in trade shows, subscription services, foreign market sales trips, and trade missions in a variety of sectors and expansion into international markets and also enabled the state to support 5 women-owned, 1 veteran-owned, 5 socially and economically disadvantaged, and 8 rural small businesses in their export activities this year. New Mexico's small businesses got first-hand knowledge of overseas markets directly from their customers and potential distributors as they increased their distribution network across different markets in Asia, Europe, the Americas, Africa and the Middle East. The top three industries supported were: biotechnology, cosmetics, and jewelry.

New York: The State of New York invested STEP award funds to support a total of 108 ESBCs consisting of 30 NTEs and 78 MEs. The mix of trade activities included programmed trade missions to: The Smart City Expo, Barcelona, Spain (November 2016); The Conference of Great

Lakes and St. Lawrence Governors and Premiers Trade Mission to Indonesia and Vietnam (February/March 2017); Africa Health 2017, Johannesburg, South Africa (June 2017); and The China International Optoelectronic Exposition, Shenzhen, China (September 2017). STEP supported a number of other trade activities designed to help New York State businesses grow and increase export sales. Those activities included participation in foreign market sales trips, subscription services to export promotion programs provided by the U.S. Department of Commerce, the addition of foreign language content on ESBCs' websites, and the design and implementation of international marketing campaigns, including translation work. The international markets reached by New York State companies participating in STEP FY 16 included: France, United Kingdom, Spain, Germany, and miscellaneous manufacturing and services.

North Carolina: The State of North Carolina STEP Program provided assistance 349 times to eligible North Carolina companies with exporting and/or increasing international sales touching over 30 markets. The total reported export sales in 2016-2017 exceeded \$9 million with projected 12-month sales nearing \$100 million. Of the 349 opportunities, 42 were with New to Export companies. These opportunities consisted of providing: Export Education seminars throughout the state over the course of the program year; Travel Assistance and Export Services to companies seeking to start/expand their international presence; Market Entry Assistance for companies interested in E-marketing within the EU; Market Entry Assistance for companies interested in the Latin American Market (less Mexico/Brazil); and Trade Show Assistance for companies attending specified Trade Shows with EDPNC.

North Dakota. The State of North Dakota invested STEP award funds to assist 149 ESBCs (33 NTE and 116 ME) in export-related activities including, international trade missions, trade shows, reverse trade missions, and market expansion trips to Norway, China, India, Brazil, and 28 other markets. Additionally, STEP funds were used to engage ESBCs in export training, market research, and marketing material translation. Some of the successes resulting from the use of STEP funds are the growth of the state's agribusiness exporters through participation in foreign market expansion sales trips.

Ohio: The State of Ohio, through the Ohio Development Services Agency (ODSA), invested STEP award funds to implement the International Market Access Grant for Exporters (IMAGE) program which offers financial assistance to small businesses to promote their products and services in international markets. The funds supported 172 companies, 144 market expansion exporters and 28 new-to-export, through eligible domestic trade show exhibits, foreign trade shows, trade missions, individual market visits supported by ODSA, ODSA approved partners and the U.S. Department of Commerce, international advertising, translation of marketing materials, website development and export training programs. Assistance was extended to the following industries: food/agriculture, bio health, chemicals, wood, manufacturing, and aerospace. The international markets accessed through the grant funding included: Australia, South America (Brazil, Peru), Canada, Central America (Dominican Republic) China, Dubai, Egypt, Europe (France, Germany, Portugal, United Kingdom, Russia) India, Israel, Japan, Kenya, Korea, Malaysia, Mexico, and Singapore.

Oklahoma. The State of Oklahoma invested in STEP award funds to assist 33 eligible small business concerns (ESBCs) participating in international marketing media assisting with design

for eight companies, four trade shows to Mexico Petroleum Congress, Paris Air Show, and Aerospace and Defense Exposition in Australia and others. The State of Oklahoma was able to assist 17 new-to-export (NTE) and 16 market expansion (ME) companies participating in activities representing the state in industries such as oil and gas, aerospace, general manufacturing, and biotechnology. The grant endorsed STEP making export opportunities in the above international markets and in Canada, Ecuador, Peru, Chile, Japan Venezuela, South Korea, France, Malaysia, Belgium, and Israel.

Oregon. The State of Oregon invested STEP award funds to support 109 small businesses (44 NTE and 65 ME) in trade shows, trade missions, website translation, localization, search engine optimization, Gold Key services, and other collaborative export promotion activities. Approximately 66 ESBCs were recruited to take part in five outbound trade missions including, Mexico, Germany, Australia, Japan, and China. STEP funds enabled a woman-owned, rural company to grow from a new exporter that started shipping its products in Switzerland to continue growing new customers in Central and South America; as well as other European markets.

Rhode Island. The State of Rhode Island invested in STEP award funds to assist 268 ESBCs attendance at 13 trade shows in Japan, Germany, Mexico, Canada, England, Paris, Dubai, and France. STEP awardee, Bryant University, Chafee Center for International Business organized a trade mission to Ireland for 6 ESBCs, 75 company trainings, 18 ESBCs marketing media design assistance, 58 other financial assistance awards, other commerce subscription services, website translation, and compliance services. STEP Bryant University supported 268 ESBCs consisting of 53 NTEs and 215 MEs participating in various industries opportunities in the manufacturing business, belting and industrial merchant, computer systems, leather goods, sporting goods, jewelry, metals, chemical wholesaler and others. The ESBCs represented the state's industries to export into international markets in Ireland, EU, Myanmar, France, Canada, Monaco, United Kingdom, Dubai, Italy, China, Vietnam, Australia, Germany, Japan, Israel, and Korea.

South Carolina: The State of South Carolina invested in STEP award funds to assist 67 ESBCs of which 37 were new-to-export and 30 were market expansion. ESBCs participated in a number of activities including exhibiting at the Paris International Airshow, Laser World of Photonics, Bauma ConExpo India, and U.S. Commercial Service International Buyer Program supported shows Outdoor Retailer Summer Market, Summer Fancy Food Show, and ASIS International. ESBCs also joined State of South Carolina-led trade missions to Canada, Mexico, and South Korea. Companies taking part in a trade activity were also eligible for export training as well as translation into a foreign language of their marketing materials. Participating ESBCs represented a diverse number of industry sectors including: Aerospace, Automotive, Chemicals, Construction, Consumer Products, Marine, Medical Devices, Mining, Security, Technology, and Textiles. Thirty (30) markets were entered including Australia, Canada, China, Colombia, France, Germany, India, Israel, Japan, Mexico, South Korea, Taiwan, and U.K.

South Dakota. The State of South Dakota invested in STEP award funds to assist 24 ESBCs participating in the SHOT show in Las Vegas, Nevada and Fancy Food show. The 24 ESBCs [5 new-to-export (NTE) and 19 market expansion (ME)] participated in the above events representing the state's industries such as farm machinery and equipment manufacturing, advance and technical ceramic products, agriculture machinery, motor vehicle body

manufacturing. The grant assisted in the development new markets and partnerships in Peru, Indonesia, Zambia, Brazil, Oman, Saudi Arabia, Kenya, Italy, Mexico, Poland and China. The South Dakota Governor's Office, Office of Economic Development will continue to increase their STEP performance until September 2018 with being granted a no-cost extension to enhance their program.

Texas. Texas received a STEP award of \$800,000. However, they received an extension of their performance period, which meant they missed the date for this report. However, to date, they have supported a total of 113 ESBCs, which consists of 43 NTEs and 70 MEs.

Utah. The State of Utah invested STEP award funds to provide financial assistance to 324 ESBCs (193 NTE and 131 ME) using a pipeline approach for increasing the knowledge and capacity of small businesses that involved guiding them from a novice to advanced exporter. This was achieved by offering six training workshops (on topics such as, Doing Business in Australia: Korea: and Singapore) that attracted 120 ESBCs throughout the state's urban and rural areas. Twenty-one ESBCs got the opportunity to obtain foreign market analysis and mentoring through foreign market sales trips; 11 ESBCs participated in international trade shows to increase exports in international markets; and 7 ESBCs participated in Governor-led grade mission to Singapore-Vietnam. Of the more than 20 export markets supported, the most frequent were: Australia, France, Germany, South Korea, Taiwan, United Kingdom, and Vietnam.

Vermont. The State of Vermont invested in STEP award funds to assist 70 ESBCs participating in a trade mission to Canada, multiple training and financial assistance awards. The 70 ESBCs [(26) new-to-export (NTE) and 44 market expansion (ME)] participated in the above events representing the state's industries such as surgical/medical instruments, apparel, lighting equipment, paint, coating and adhesive manufacturing, wood container and pallet, metal kitchen cookware, saw blade and hand tool manufacturing businesses. STEP grant allowed the ESBCs to grow international markets in Europe, Latam, Canada, China, Germany, England, Australia, Korea, Russia, EU, and United Kingdom. Vermont's Department of Economic Development has serviced many companies from considered in rural disadvantage areas.

Virginia: The Commonwealth of Virginia, through the Virginia Economic Development Partnership, invested its efforts and funds for STEP FY16 to assist 49 Virginia-based ESBCs to participate in 65 activities. The activities included ESBC representatives' participation in: Virginia Conference on World Trade training (Norfolk, VA), Arab Health 2017 trade show (Dubai, UAE), Expo Seguridad trade show (Mexico City), Paris Air Show trade show (Paris, France), Hannover Messe trade show (Hannover, Germany), ITEC trade show (Rotterdam, Netherlands), Exponor trade show (Chile), India trade mission, Mexico trade mission, UAE trade mission, United Kingdom trade mission, and, Czech/Poland trade mission. Twenty-four ESBCs were participating in market expansions, while 25 ESBCs where new-to-exporting. Participating ESBCs represented a broad cross-section of industries including: technology, medical/healthcare, industrial equipment, consulting, cloud services, distilled spirits, cybersecurity, aerospace, aviation, and lab services.

Washington. The State of Washington invested STEP award funds to support export development and expansion of 184 ESBCs (47 NTE and 137 ME) in three core program areas: i) the Export Voucher Program that reimbursed small businesses for overseas tradeshow, trade

missions, foreign market sales trips, international marketing campaigns, translation of marketing materials, international product certification testing; ii) the Industry Tradeshow Accelerator program that focused on an industry cluster strategy; and iii) the Export Training Accelerator initiative that supported rural and small businesses to assist them build and expand their export sales and markets. Twenty one of Washington's ESBCs participated in training seminars on the financial aspects of exporting to Canada, Europe and Japan; and 168 ESBCs participated in STEP supported trade shows.

West Virginia: The State of West Virginia invested \$120,082.01 in STEP award funds to assist 34 ESBCs. Activities performed during STEP Year 5 included: 7 independent business development trips, 4 trade events organized by the State of West Virginia or the U.S. Commercial Service, and exhibition in 10 trade shows. Additionally, 5 website development and/or marketing activities were completed. The 34 ESBCs were included 12 NTE and 22 ME companies. These businesses sell to a variety of industries, but key sectors included mining, building products, safety and industrial equipment, automotive parts, and beverages. Activities occurred in countries throughout the world, but included mature markets such as the United Kingdom, Canada, Australia, Japan, UAE, and South Korea, as well as developing and emerging markets like China, Russia, India, Brazil, Egypt, Nicaragua, Guatemala, and Mexico.

Wisconsin: The State of Wisconsin invested in STEP award funds to assist: 65 total number of ESBCs supported. Funded Activities Included: Market Assessments - ExporTech graduates received a market assessment in one of their identified top foreign markets. Grants - ExporTech graduates could apply for assistance to implement their export strategy. Trade Trips – Trade Missions and Trade Ventures with Wisconsin Economic Development Corporation and the Department of Agriculture, Trade, and Consumer Protection were subsidized. This grant assisted 31 NTEs and 34 MEs. Their industries included: manufacturing, wholesale trade, retail trade, and information. Their markets included: Argentina, Australia, Belgium, Benelux, Brazil, Canada, China, Columbia, France, Germany, India, Indonesia, Italy, Japan, Malaysia, Mexico, Middle East, Netherlands, New Zealand, Norway, Pakistan, Qata, Russia, Scandinavia, Singapore, South Korea, Spain, Switzerland, Thailand, United Arab Emirates, and United Kingdom.

Wyoming. The State of Wyoming invested in STEP award funds to assist 110 eligible small business concerns (ESBCs) participating in 95 export training opportunities, four trade missions to Mexico, Canada, Pacific Rim, and Germany for the International Weapons Exhibition. The ESBCs (95 NTEs and 15 MEs) participated in the above events representing the state's industries such as optical instrument and lens manufacturing, sporting and recreational goods distilleries, postharvest crop activities and other grocery and related products. STEP grant allowed the ESBCs to pursue international markets in Canada and Europe.

- (III) **“The effect of each grant on the eligible small business concerns in the State receiving the grant”** We define that as the self-reported sales by ESBCs in the state receiving the grant. See Table 1 below.

Table 1. Sales by State	
State	Sales
AK	\$0
AL	\$12,414,025
AZ	\$15,255,251
CA	\$25,034,209
CO	\$4,230,500
CT	\$617,697
DE	\$21,531,702
HI	\$779,491
IA	\$2,105,644
ID	\$9,820,627
IL	\$11,822,947
KS	\$5,719,697
KY	\$13,274,466
LA	\$26,000
MA	\$20,906,150
MD	\$7,021,965
ME	\$25,634,500
MI	\$132,881,046
MO	\$4,699,000
MS	\$12,194,701
MT	\$667,359
NC	\$8,859,396
ND	\$30,377,575
NE	\$20,671,441
NH	\$9,988,982
NJ	\$43,152,541
NM	\$7,255,000
NV	\$1,767,907
NY	\$3,689,523
OH	\$16,309,477
OK	\$399,700
OR	\$11,721,373
RI	\$7,549,216
SC	\$53,765,129
SD	\$943,119
TX	\$2,888,549
UT	\$4,546,600
VA	\$577,740
VT	\$1,155,000
WA	\$26,704,870
WI	\$7,448,593
WV	\$822,482
WY	\$2,000
Total	\$587,233,190

(IV) **“The total return on investment for each State.”** The first measure of performance is return on investment (ROI). The average ROI is 31.41 to 1, meaning that for every \$1.00 of grant money, STEP reported \$31.41 in sales. Export sales is an extended process; therefore, many sales made as a consequence of STEP were completed after the reporting period and are not included in these tables. See Table 2 below.

Table 2. ROI by State			
State	Award	Sales	ROI ²
AK	\$194,000	\$0	0.00
AL	\$125,987	\$12,414,025	98.53
AZ	\$299,903	\$15,255,251	50.87
CA	\$844,214	\$25,034,209	29.65
CO	\$186,140	\$4,230,500	22.73
CT	\$244,000	\$617,697	2.53
DE	\$282,636	\$21,531,702	76.18
HI	\$700,000	\$779,491	1.11
IA	\$130,000	\$2,105,644	16.20
ID	\$388,500	\$9,820,627	25.28
IL	\$850,000	\$11,822,947	13.91
KS	\$383,000	\$5,719,697	14.93
KY	\$467,000	\$13,274,466	28.42
LA	\$160,000	\$26,000	0.16
MA	\$504,478	\$20,906,150	41.44
MD	\$777,579	\$7,021,965	9.03
ME	\$145,000	\$25,634,500	176.79
MI	\$820,000	\$132,881,046	162.05
MO	\$634,134	\$4,699,000	7.41
MS	\$509,760	\$12,194,701	23.92
MT	\$364,969	\$667,359	1.83
NC	\$850,000	\$8,859,396	10.42
ND	\$231,045	\$30,377,575	131.48
NE	\$261,340	\$20,671,441	79.10
NH	\$213,000	\$9,988,982	46.90
NJ	\$750,000	\$43,152,541	57.54
NM	\$200,000	\$7,255,000	36.28
NV	\$283,000	\$1,767,907	6.25
NY	\$602,115	\$3,689,523	6.13
OH	\$750,000	\$16,309,477	21.75
OK	\$464,900	\$399,700	0.86
OR	\$562,500	\$11,721,373	20.84
RI	\$427,950	\$7,549,216	17.64
SC	\$333,364	\$53,765,129	161.28
SD	\$116,250	\$943,119	8.11
TX	\$800,000	\$2,888,549	3.61
UT	\$365,700	\$4,546,600	12.43
VA	\$359,461	\$577,740	1.61
VT	\$286,439	\$1,155,000	4.03
WA	\$850,000	\$26,704,870	31.42
WI	\$631,000	\$7,448,593	11.80
WV	\$186,500	\$822,482	4.41
WY	\$158,400	\$2,000	0.01

A second measure of performance is the Average Funds per ESBC.³ This is the state's Award Expended Amount divided by the number of ESBCs that received STEP funds. See Table 3 below.

² ROI is calculated by dividing reported export sales by total program funds awards.

Table 3. Average Funds Per ESBC				
State	Award Amount	Funds Expended	Number of ESBCs	Average Funds Per ESBC
AK	\$194,000	\$10,354	4	\$2,589
AL	\$125,987	\$122,793	26	\$4,723
AZ	\$299,903	\$264,893	178	\$1,488
CA	\$844,214	\$671,928	225	\$2,986
CO	\$186,140	\$185,953	55	\$3,381
CT	\$244,000	\$240,461	53	\$4,537
DE	\$282,636	\$236,737	88	\$2,690
HI	\$700,000	\$678,145	434	\$1,563
IA	\$130,000	\$130,000	37	\$3,514
ID	\$388,500	\$357,234	48	\$7,442
IL	\$850,000	\$753,947	152	\$4,960
KS	\$383,000	\$152,884	64	\$2,389
KY	\$467,000	\$323,331	558	\$579
LA	\$160,000	\$21,636	13	\$1,664
MA	\$504,478	\$410,824	138	\$2,977
MD	\$777,579	\$571,495	71	\$8,049
ME	\$145,000	\$125,107	306	\$409
MI	\$820,000	\$819,977	355	\$2,310
MO	\$634,134	\$354,862	129	\$2,751
MS	\$509,760	\$391,573	62	\$6,316
MT	\$364,969	\$364,969	296	\$1,233
NC	\$850,000	\$693,311	349	\$1,987
ND	\$231,045	\$231,045	149	\$1,551
NE	\$261,340	\$245,414	123	\$1,995
NH	\$213,000	\$190,901	46	\$4,150
NJ	\$750,000	\$750,000	1,382	\$543
NM	\$200,000	\$200,000	57	\$3,509
NV	\$283,000	\$77,731	22	\$3,533
NY	\$602,115	\$502,225	108	\$4,650
OH	\$750,000	\$722,276	172	\$4,199
OK	\$464,900	\$207,318	33	\$6,282
OR	\$562,500	\$562,500	109	\$5,161
RI	\$427,950	\$364,258	268	\$1,359
SC	\$333,364	\$319,487	67	\$4,768
SD	\$116,250	\$32,374	24	\$1,349
TX	\$800,000	\$294,374	113	\$2,605
UT	\$365,700	\$363,349	324	\$1,121
VA	\$359,461	\$322,497	49	\$6,582
VT	\$286,439	\$273,686	70	\$3,910
WA	\$850,000	\$850,000	184	\$4,620
WI	\$631,000	\$331,091	65	\$5,094
WV	\$186,500	\$120,082	34	\$3,532
WY	\$158,400	\$78,817	110	\$717
Total	\$18,694,264	\$14,921,839	7,150	\$2,087 (average)

³ This measure of performance was included as a result of Office of Inspector General Audit Report 18-11, dated January 29, 2018.

A third measure of performance is the increase in the number of eligible small business concerns exploring significant new trade opportunities. We define this as the total number of ESBCs that received STEP services. This is the number of new-to-export firms plus the number of market expansion firms. See Table 4.

Table 4. Number of ESBCs Exploring Significant New Trade Opportunities			
State	New-To-Export Firms	Market Expansion Firms	Number of ESBCs Exploring Significant New Trade Opportunities
AK	2	2	4
AL	9	17	26
AZ	64	114	178
CA	35	190	225
CO	24	31	55
CT	7	46	53
DE	7	81	88
HI	271	163	434
IA	10	27	37
ID	10	38	48
IL	68	84	152
KS	13	51	64
KY	192	366	558
LA	5	8	13
MA	3	135	138
MD	26	45	71
ME	132	174	306
MI	49	306	355
MO	4	125	129
MS	29	33	62
MT	142	154	296
NC	42	307	349
ND	33	116	149
NE	37	86	123
NH	18	28	46
NJ	810	572	1,382
NM	39	18	57
NV	7	15	22
NY	30	78	108
OH	28	144	172
OK	17	16	33
OR	44	65	109
RI	53	215	268
SC	37	30	67
SD	5	19	24
TX	43	70	113
UT	193	131	324
VA	25	24	49
VT	26	44	70
WA	47	137	184
WI	31	34	65
WV	12	22	34
WY	95	15	110

V. “A description of best practices by States that showed high returns on investment and significant progress in helping more eligible small business concerns.” We divide this into two parts. The first part is best practices by states “that showed high returns on investment”, and the second part is best practices by states that made “significant progress in helping more eligible small business concerns.”

1. High ROI. We define this as the ROI for each of the top 5 states. The top states are Maine, Michigan, South Carolina, North Dakota, and Alabama, which are **bolded** in Table 5. We detail three examples per state as best practices that showed high returns on investment. See Table 6.
2. Helping More Eligible Small Business Concerns. Similar to the High ROI, the top 5 states made significant progress helping more eligible small business concerns. The top five states are New Jersey, Kentucky, Michigan, North Carolina, and Utah, which are **bolded** in Table 7. We detail three examples per state as best practices that helped more eligible small business concerns. See Table 8.

Table 5. States Categorized by ROI

State	Award Amount	Sales	ROI
ME	\$145,000	\$25,634,500	176.79
MI	\$820,000	\$132,881,046	162.05
SC	\$333,364	\$53,765,129	161.28
ND	\$231,045	\$30,377,575	131.48
AL	\$125,987	\$12,414,025	98.53
NE	\$261,340	\$20,671,441	79.10
DE	\$282,636	\$21,531,702	76.18
NJ	\$750,000	\$43,152,541	57.54
AZ	\$299,903	\$15,255,251	50.87
NH	\$213,000	\$9,988,982	46.90
MA	\$504,478	\$20,906,150	41.44
NM	\$200,000	\$7,255,000	36.28
WA	\$850,000	\$26,704,870	31.42
CA	\$844,214	\$25,034,209	29.65
KY	\$467,000	\$13,274,466	28.42
ID	\$388,500	\$9,820,627	25.28
MS	\$509,760	\$12,194,701	23.92
CO	\$186,140	\$4,230,500	22.73
OH	\$750,000	\$16,309,477	21.75
OR	\$562,500	\$11,721,373	20.84
RI	\$427,950	\$7,549,216	17.64
IA	\$130,000	\$2,105,644	16.20
KS	\$383,000	\$5,719,697	14.93
IL	\$850,000	\$11,822,947	13.91
UT	\$365,700	\$4,546,600	12.43
WI	\$631,000	\$7,448,593	11.80
NC	\$850,000	\$8,859,396	10.42
MD	\$777,579	\$7,021,965	9.03
SD	\$116,250	\$943,119	8.11
MO	\$634,134	\$4,699,000	7.41
NV	\$283,000	\$1,767,907	6.25
NY	\$602,115	\$3,689,523	6.13
WV	\$186,500	\$822,482	4.41
VT	\$286,439	\$1,155,000	4.03
TX	\$800,000	\$2,888,549	3.61
CT	\$244,000	\$617,697	2.53
MT	\$364,969	\$667,359	1.83
VA	\$359,461	\$577,740	1.61
HI	\$700,000	\$779,491	1.11
OK	\$464,900	\$399,700	0.86
LA	\$160,000	\$26,000	0.16
WY	\$158,400	\$2,000	0.01
AK	\$194,000	\$0	0.00

Table 6. Most Effective Practices by States That Contributed to Their High ROI		
State	Activity Type	Most Effective Practice
ME	International marketing media design	Provided 1 ESBC with consultants to enhance their traditional media presence.
ME	Other export initiative, matchmaking	Provides 10 ESBCs will access international business development support to western Europe and China
ME	Other export initiative, matchmaking	Provided 1 ME and 2 NTE with matchmaking support for western Europe.
MI	Foreign trade mission	Provided 4 Financial Assistance awards to 1 NTE/3 ME ESBCs for trade mission to Poland and Romania.
MI	Foreign trade mission	Provide 7 Financial Assistance awards to 2 NTE/5 ME ESBCs for trade mission to China.
MI	Foreign trade mission	Provided 10 Financial Assistance awards to 2 NTE/8 ME ESBCs for trade mission to Mexico.
SC	Trade show exhibition	Recruited and sent 1 NTEs and 4 ME ESBCs to participate in the Works 2017 Congress of the AIGLP, JEC, India ITME, and SFM
SC	Foreign trade mission	Recruited and sent 1 NTEs and 2 ME ESBCs to participate in trade missions to China and Korea.
SC	Export training workshop	Assisted 19 companies to participate export training in the basics of exporting and product classification and 3 companies in the USDOC's export training program to help grow export sales.
ND	Trade show exhibition	Supported ESBC with financial assistance to SimaSipsa trade show in Algeria, also travelled to South Africa and Botswana on foreign market sales trip.
ND	Trade show exhibition	Supported ESBC with financial assistance to SIAL Trade Show in France.
ND	Other Export Initiative. Foreign Market Sales Trip.	Supported ESBC with financial assistance China and Japan on foreign market sales trip.
AL	Trade show exhibition	Recruited and assisted 1 ESBC to participate in trade shows or the International Buyers Program. The 1 ME firm attended the Hamburg Aviation Forum.
AL	Trade show exhibition	Recruited and assisted 1 ESBC to participate in trade shows or the International Buyers Program. The 1 ME firm attended Exponor Chile 2017.
AL	Trade show exhibition	Recruited and assisted 1 ESBC to participate in trade shows or the International Buyers Program. The 1 ME firm attended AMCOMET Africa Hydromet Trade Show.

Table 7. Helping More Eligible Small Businesses			
State	NTE	ME	Number of ESBCs
NJ	810	572	1,382
KY	192	366	558
HI	271	163	434
MI	49	306	355
NC	42	307	349
UT	193	131	324
ME	132	174	306
MT	142	154	296
RI	53	215	268
CA	35	190	225
WA	47	137	184
AZ	64	114	178
OH	28	144	172
IL	68	84	152
ND	33	116	149
MA	3	135	138
MO	4	125	129
NE	37	86	123
TX	43	70	113
WY	95	15	110
OR	44	65	109
NY	30	78	108
DE	7	81	88
MD	26	45	71
VT	26	44	70
SC	37	30	67
WI	31	34	65
KS	13	51	64
MS	29	33	62
NM	39	18	57
CO	24	31	55
CT	7	46	53
VA	25	24	49
ID	10	38	48
NH	18	28	46
IA	10	27	37
WV	12	22	34
OK	17	16	33
AL	9	17	26
SD	5	19	24
NV	7	15	22
LA	5	8	13
AK	2	2	4

Table 8. Best Practices by States That Helped More Eligible Small Business Concerns		
State	Activity Type	Most Effective Practice
NJ	Export training workshop	Provided export training to 355 new-to-export ESBCs at various location throughout New Jersey
NJ	Export training workshop	Provided export training to 15 NTE ESBCs and 65 ME ESBCs at Fairleigh Dickinson University, Teaneck, New Jersey
NJ	Export training workshop	Provided export training to 87 NTE ESBCs and 10 ME ESBCs at Mount Laurel, New Jersey.
KY	Other export initiative	Provided export training to 110 NTE ESBCs and 137 ME ESBCs throughout the State of Kentucky to increase the number of ESBCs that would like to export.
KY	Other export initiative	Provided customized market research to 5 NTE ESBCs and 51 ME ESBCs to discover trends and other information specific to the State of Kentucky to that helped the state continue to make gains with exporting.
KY	Other export initiative	Provided export training to 22 NTE ESBCs and 14 ME ESBCs throughout the State of Kentucky to increase the number of ESBCs that would like to export.
HI	Export training workshop	Supported 75 NTE and 30 ME ESBCs to participate in Export University training sessions in Honolulu (Oahu) and Maui, Hawaii.
HI	Export training workshop	Provided technical assistance to 60 NTE and 10 ME ESBCs for export plan development in Honolulu, Hawaii.
HI	Trade show exhibition	Supported 29 NTE and 37 ME ESBCs to participate in Tokyo International Gift Show in Tokyo, Japan
MI	Trade show exhibition	Provided export support to 4 NTE ESBCs and 41 ME ESBCs to participate in international trade shows related to Michigan top export industries, including manufacturing, automotive and aerospace.
MI	Other export initiative	Provided export support to 1 NTE ESBC and 32 ME ESBCs to participate in international trips.
MI	Other export initiative	Provided export support to 2 NTE ESBCs and 28 ME ESBCs to participate in international trips.
NC	Other export initiative	Provided export support to 4 NTE ESBCs and 24 ME ESBCs to participate in North Carolina's Export Service Requests initiative.
NC	Trade show exhibition	Provided export support to 23 ESBCs to participate in the Miami Boat Show.
NC	Export training workshop	Provided export support to 3 NTE ESBCs and 19 ME ESBCs for export training and development.