



January 14, 2014

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
H232 U.S. Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H204 U.S. Capitol
Washington, D.C. 20515

PAT QUINN
CO-CHAIR
Governor of Illinois

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

RICK SNYDER
CO-CHAIR
Governor of Michigan

TOM CORBETT
Governor of Pennsylvania

Dear Speaker Boehner, Majority Leader Reid, Minority Leader Pelosi and
Minority Leader McConnell:

ANDREW CUOMO
Governor of New York

As you know, the U.S. federal government's State Trade and Export Promotion (STEP) pilot grant initiative authorizes grants to States for small business exporting assistance programs under the Small Business Jobs Act of 2010. The STEP program has provided needed resources to participating Great Lakes States and those States support continued federal funding in FY 2014 to ensure continuity along with program improvements.

MARK DAYTON
Governor of Minnesota

JOHN KASICH
Governor of Ohio

MIKE PENCE
Governor of Indiana

The STEP program was initially authorized for three years, FY2011-14, and appropriated for two years. Since 2011, the program has provided \$30 million annually to State trade offices to directly assist small and medium sized companies to enter and expand into new export markets.

SCOTT WALKER
Governor of Wisconsin

The STEP program has been very successful for the participating States in achieving intended results.

DAVID NAFTZGER
Executive Director

For example, since the beginning of the STEP program Illinois has assisted more than 300 companies participate in trade visits to over 30 countries on 6 continents. 38% of these companies were either new-to-export or new-to-market. These companies have reported more than \$42 million in actual sales to date, a more than 20:1 return on STEP monies.

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In FY13, the Michigan STEP Program assisted 466 Michigan companies to participate in 519 export related activities, resulting in 273 companies entering 61 foreign markets. Exports which came as a direct result of Michigan STEP Program assistance (facilitated exports) totaled \$132.3 million generated by 155 exporting companies. This was an increase of 547% over FY12.

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In Minnesota, STEP FY 13 served 50 companies with \$200,000 in immediate sales and \$5.5 million in projected sales. According to reports

from some Minnesota Trade Office STEP recipients, resulting growth increases have created the need to hire new employees.

In FY12, Ohio companies attributed \$10 million in actual sales and \$67 million in expected additional sales within 12 months to the STEP supported International Market Access Grant for Exporters (IMAGE) program. This resulted in a \$17:1 immediate ROI and \$124:1 expected ROI within 12 months.

In FY12, Pennsylvania companies achieved \$366 million in export sales attributed to the Office of International Business Development trade program as an indirect or direct result of STEP funding.

Thank you for your consideration of this important program as you make final decisions on FY2014 appropriations.

Sincerely,

A handwritten signature in black ink, appearing to read "David Naftzger". The signature is stylized and cursive, with a long horizontal flourish extending to the right.

David Naftzger
Executive Director