

United States Small Business Administration

OFFICE OF INTERNATIONAL TRADE

**PROGRAM ANNOUNCEMENT
No. OIT-STEP-2011-01**

STATE TRADE AND EXPORT PROMOTION GRANT PROGRAM

**A THREE-YEAR PILOT PROGRAM TO PROVIDE GRANTS TO STATES TO CARRY OUT EXPORT
PROGRAMS THAT ASSIST ELIGIBLE SMALL BUSINESS CONCERNS**

FEDERAL FISCAL YEAR 2011

**A state may not submit more than 1 application for a grant under the program in any 1
fiscal year.**

OPENING DATE: March 1, 2011

CLOSING DATE: April 26, 2011

Proposals must be posted to www.grants.gov by 11:59 P.M. E.S.T. on April 26, 2011.

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**STATE TRADE AND EXPORT PROMOTION GRANT PROGRAM
PROGRAM ANNOUNCEMENT**

SECTION I. – FUNDING OPPORTUNITY DESCRIPTION

A. PROGRAM OVERVIEW

Federal Agency Name: U. S. Small Business Administration, Office of International Trade (OIT)

Funding Opportunity Title: State Trade and Export Promotion (STEP) Grant Program

Announcement Type: Initial

Funding Opportunity Number: Program Announcement # OIT-STEP-2011-01

CFDA Number: 59.____

Closing Date for Submissions: Proposals are due to the OIT via electronic submission at www.grants.gov by 11:59 p.m. EST, on April 26, 2011 for Announcement No. OIT-STEP-2011-01.

Authority: Small Business Jobs Act of 2010, Section 1207

Duration of Authority: Three (3) Years

Funding Instrument: Cooperative Agreement

Funding, Award & Match: The total amount of Federal fiscal year 2011 funds available is \$30,000,000. The 10 states with the highest number of exporters that are small business concerns based upon the latest data available from the Department of Commerce shall receive no more than 40 percent of the total Federal fiscal year appropriation. Grants will be awarded on a competitive basis. The Federal share of project cost for a State that has a high export volume will be 65%. The Federal share of project cost for a State that does not have a high export volume will be 75%. (The Associate Administrator for the SBA Office of International Trade will determine which States have the high volume of exports. See Appendix 1, Statutory Terms for FY 2011 Applications). The State must match the remainder of project cost. The match must be comprised of not less than 50% cash and not more than 50% of indirect costs and in-kind contributions. Matching funds may not be derived from any Federal program.

Project Duration: Awards will be made for a project period of 12 months. A state may apply each Federal fiscal year through the 3-year term of this pilot program.

Project Starting Date: The summer of 2011, but not later than September 30, 2011.

Proposal Evaluation: Proposals will be scored against the evaluation criteria in Section V. SBA may ask applicants for clarification on the technical and cost aspects of proposals. This must not be construed as a commitment to fund the proposed effort. The SBA will notify each unsuccessful applicant by letter that the State was not selected for an award. This notification will serve as the final response to this program announcement. Due to the anticipated volume of applications, formal debriefings will not be conducted.

B. PURPOSE

The Small Business Jobs Act of 2010 authorizes the U.S. Small Business Administration to establish a 3-year trade and export promotion pilot program, known as the State Trade and Export Promotion (STEP) Grant Program, to make grants to States to carry out export programs that assist eligible small business concerns. The aim of the STEP Program is to increase the number of small businesses that are exporting and increase the value of exports for those small businesses that are currently exporting.

C. BACKGROUND

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the Federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation. We recognize that small businesses are critical to our economic recovery and strength, to building America's future, and to helping the United States compete in today's global market place. As the SBA office for the support of small business international trade development, the Office of International Trade (OIT) works in cooperation with other Federal agencies and public- and private-sector groups to encourage small business exports and to assist small businesses seeking to export. Through the U.S. Export Assistance Centers, SBA district offices and a variety of resource partners, OIT directs and coordinates SBA's ongoing export initiatives in an effort to encourage small businesses to expand into the global marketplace. The Small Business Jobs Act, signed by President Barack Obama on September 27, 2010, enhances the mission of OIT by establishing the pilot State Trade and Export Promotion (STEP) grant program.

D. STATEMENT OF WORK

The States must use funds to carry out exporting programs that assist small businesses through participation in a foreign trade mission, a foreign market sales trip, a subscription to services provided by the Department of Commerce, the payment of website foreign language translation fees, the design of international marketing products or campaigns, an export trade show exhibit, participation in training workshops, or any other export initiative deemed appropriate by SBA's Associate Administrator of OIT that does not duplicate the services of other SBA resource partners.

In making grants, priority may be given to States that focus on socially- and economically-disadvantaged small businesses, women-owned small businesses, veteran and service-connected disabled veteran-owned small businesses or rural small businesses as part of an export promotion program.

E. COLLABORATION WITH SBA RESOURCE PARTNERS

State recipients are encouraged to work collaboratively with the SBA District Offices, SBA regional managers at US Export Assistance Centers (USEAC) and SBA resource partners (e.g., Women's Business Centers (WBCs), Small Business Trade Development Centers (SBTDC), Small Business Development Centers (SBDC), Veterans Business Outreach Centers (VBOC) and SCORE) to coordinate their efforts to expand services and avoid duplication. Also, the State is encouraged to fully utilize the resources of other Federal, state and local government agencies, academic and private-sector programs that aid small businesses in order to provide seamless, non-duplicative export promotion assistance.

E. OVERSIGHT

The STEP Program is managed by the Associate Administrator of the Office of International Trade (OIT) under the direction of the Administrator of the US Small Business Administration. The OIT STEP Program Manager will serve as the primary contact for State grant recipients and is responsible for monitoring and overseeing the STEP program, including compliance with the Cooperative Agreement. (For more information, see section VI, B. 6, SBA Duties and Responsibilities). SBA's Office of Inspector General will conduct a review that determines the extent the grant recipients are measuring the performance of activities, the results of the measurements, and the overall management and effectiveness of the program.

SECTION II. – AWARD INFORMATION

A. KEY DATES

The start date of an FY 2011 award made under this Program Announcement is the date of notification of an approved budget. The project will run through a one-year term. SBA expects to issue Notices of Award under this Program Announcement during the July–August 2011 time period.

B. FUNDING INFORMATION

SBA expects to issue awards under this Program Announcement totaling the full FY 2011 appropriated amount of \$30,000,000. For those States award a STEP Grant, their project award amounts will vary based on the State's proposed project plan and budget. The Federal share of project costs for grants to the 10 states with the highest number of exporters that are small business concerns will not exceed 40% of the \$30 million appropriation. The other 60% will be reserved for the remaining States. The States with the highest number of small business exporters will be determined based on the latest data available from the Department of Commerce. A state may not submit more than 1 application for a grant under the program per Federal fiscal year.

The Federal share of the cost for an export project using a grant under the STEP program—

- for a State that has a high export volume, as determined by the Associate Administrator, shall be not more than 65%;
- for a State that does not have a high export volume, as determined by the Associate Administrator, shall be not more than 75%.

SBA reserves the right to cancel this program announcement in whole or in part at the Agency's discretion.

The SBA will notify each unsuccessful applicant by letter that the State was not selected for an award. This notification will serve as the final response to this program announcement. Due to the anticipated volume of applications, formal debriefings will not be conducted.

C. FUNDING INSTRUMENT

The funding instrument for this grant is a Cooperative Agreement (**See Section VI, Award Administration Information**). The recipient organization must comply with the terms of the Program Announcement, Cooperative Agreement (Notice of Award) and all governing legislation.

D. MATCH REQUIREMENT

1. Composition of the Non-Federal Share

The non-Federal share of the cost of an export project carried out under the grant shall be comprised of not less than 50% cash and not more than 50% of indirect costs and in-kind contributions. No match contribution may be derived from funds from any other Federal program.

2. Documenting the Non-Federal Share

SBA must have verifiable documentation from each award recipient indicating that the non-Federal share match requirement has been obtained by the recipient. The recipient must provide written documentation to the designated Grant Officer Technical Representative (GOTR) that the non-Federal match requirement has been obtained no later than 90 days from the issue date of the Notice of Award.

3. Cash Contribution

The applicant must provide the GOTR a copy of the documentation provided to the applicant from each non-Federal source indicating the amount to be used for the STEP project (promissory notes are not acceptable).

If non-Federal resources come in check form, the recipient may send a copy of the check to the assigned GOTR. The check must indicate the source (contributor) and the amount being paid to the recipient organization for the purpose of carrying out activities directly related to the project.

If cash, the recipient must submit a copy of the accompanying letter from the donor (on official letterhead if applicable) to the GOTR.

If donations are received via Electronic Funds Transfers, the recipient must submit proof of transmission (e.g., copy of receipt, bank statement, etc.).

When permissible under the terms of the Community Development Block Grant (CDBG) Program, CDBG funds may also be used as match. **Note: It has been determined that Community Service Block Grant funds are not authorized to be used as non-Federal match for this project.**

4. Support for In-kind Contributions

Contributions, when used as match, must be documented to show the name of the donor, phone number, signature of donor, date of donation, justification of the value of goods or services (e.g.,

hours with labor rate of services) and narrative description of service provided or item donated. The following policy relates to in-kind contributions:

- Contributions may include, but are not limited to, cost items such as time and materials, office space, and equipment.
- A bona fide contribution exists and may be claimed when the source of the donation has no reasonable expectation of compensation, such as a requirement that the contribution be made as a provision in a contract or purchase order for the products or service.
- Paid STEP staff is not an eligible source of in-kind contributions over and above the remuneration of salaries and benefits provided by the host organization.
- STEP support documentation must include the following: dated and signed statement from the donor identifying the specific nature of the donation, contact information, and indicating that no additional remuneration is expected. Donor documentation may resemble an invoice with these provisions.
- The State must document the annual basis for valuing the donation in a clear manner, such as the following: three bids or quotes in response to a competitive procurement process for similar cost items; sales literature, price catalogues; published schedules; or documented pricing for similar cost items previously paid for by the State.
- The applicant must submit a list of persons who will donate their time and effort to the project, including name, address, telephone number and e-mail address. The applicant will state the type of service each person will provide and the monetary value of the volunteer's time and effort.
- The total value of paid and donated services from each donor must represent a reasonable value to the government and be consistent with the procurement policies and standards of the State.

SECTION III. – ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANT

Eligible applicants for this grant are each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. According to 48 USC Sec. 1469a, SBA may waive the match requirement on awards to insular areas (i.e., the U.S. Territories) that are less than \$200,000. Further this statute provides SBA the discretion to waive match for awards to insular areas that exceed \$200,000. The eligible applicants may only submit one application per Federal fiscal year.

B. PRIORITY CONSIDERATION

The Associate Administrator *may* give priority consideration to an application by a State that proposes a program that –

1. Focuses on eligible small business concerns as part of an export promotion program;
2. Demonstrates success in promoting exports by—
 - socially and economically disadvantaged small business concerns;
 - small business concerns owned or controlled by women; and
 - rural small business concerns.

3. Promotes exports from a State that is not 1 of 10 States with the highest percentage of exporters that are small business concerns (based upon the latest data available from the Department of Commerce, see Appendix 1);
4. Promotes new-to-market export opportunities to the People's Republic of China for eligible small business concerns in the United States.

C. INELIGIBLE APPLICANTS FOR THIS COOPERATIVE AGREEMENT

The following applicants will automatically be considered ineligible and their applications will not be evaluated:

1. Any State applicant with an unresolved audit by any Federal agency;
2. Any State applicant suspended or debarred from receiving grants or contracts from any Federal agency or otherwise excluded from Federal non-procurement programs.
3. Any State applicant which has defaulted on an obligation to the United States.
4. Any State applicant that proposes to serve as a pass-through, thereby permitting another organization to hire employees and manage the day-to-day operations of the STEP Project.
5. Any public or Indian housing agency under the United States Housing Act of 1937.

SECTION IV. – APPLICATION AND SUBMISSION INFORMATION

A. REQUIRED APPLICATION FORMAT

This program announcement is designed to reduce the investment of time and money required by applicants in preparing a formal application. All applicants must have an adequate financial management system that meets the standards prescribed in 2 CFR, Part 225, Cost Principles for State and Local Governments. The application must include certification to verify that this requirement has been met (e.g., a written statement from a certified public accountant).

The proposal must cover a one-year period, only. The proposal (narrative and forms) must be submitted electronically via www.grants.gov. Hard copy or other submissions will not be accepted. Specific application instructions, including those for file formatting, are provided at www.grants.gov. Forms as noted in the following description of attachments are provided in the grants.gov application package for this funding opportunity. List the attachments included in your proposal submitted through www.grants.gov. Complete the header section containing name of the State and state organization, etc. when preparing this list.

1. Governor's Letter of Endorsement for Applications

Only those proposals bearing the written endorsement of the state Governor or his/her designee for which the effort is proposed may be submitted for evaluation and funding consideration. Only one proposal will be considered per state. In a situation where the Governor or equivalent (e.g., Mayor of the District of Columbia) assigns the signatory responsibility of the endorsement letter to the designee, the letter must include an acknowledgement that the Governor/equivalent has authorized him/her to sign the letter on his behalf. NOTE: The equivalent of the Governor in the U.S. territories is an appropriate signatory.

2. Proposal

The applicant must submit a proposal that consists of the following elements:

- a. Cover Sheet;

- b. Table of Contents;
- c. Part I - Technical Proposal;
- d. Part II – Budget Information;
- e. Part III – Certification Forms and Assurances; and
- f. Attachments and Exhibits.

In the interest of equity to all applicants, **the Technical Proposal must be no more than twenty (20) pages in length**. No supplements may be submitted and if submitted, they will not be considered in the review of the proposal for technical merit.

B. CANCELLATION

The SBA reserves the right to cancel this announcement, in whole or in part, at the Agency's discretion.

C. CONTENT OF TECHNICAL PROPOSAL, Part I

1. Technical Proposal Cover Sheet

The proposal must have a cover sheet. It should be the topmost page of the proposal. The cover sheet must contain the following information:

- a. The words "U.S. Small Business Administration," "State Trade and Export Promotion Grant Program," and the Program Announcement Number from the cover page of this Announcement.
- b. The State represented by this application.
- c. The name of the entity/individual submitting the proposal.
- d. The printed name, title, telephone number, FAX number, mailing address, e-mail address and signature of the individual authorized to enter in to a legal agreement with the SBA, if different from the project director.

2. Table of Contents

Applicant will provide a table of contents that lists the major paragraphs of the proposal and associated page numbers.

3. Technical Proposal

Broad guidelines have purposefully been presented in these instructions to permit the applicant to develop the most appropriate and relevant plan for the State's trade/export business community, provided that such activities are consistent with the legislative purpose presented in Section I. B. of this program announcement.

Although broad guidelines are presented, the applicant must include a detailed description of the proposal, which must indicate not only what will be done, but also how it will be carried out. The methods planned to achieve each objective or task should be discussed in detail (with milestones). This should include how this proposal integrates and coordinates the proposed activities with existing State and local programs (including programs conducted by SBA District Offices and SBA resource partners) assisting small businesses in trade/export promotion.

The technical proposal must include the overview, needs, objectives and the proposed project activities.

- a. Overview. In approximately 100 words, the applicant must summarize the proposal.

b. Introduction. The applicant must explain the current trade and export activity in the State and clarify the need for increasing trade/export activity among small businesses. Explain current trade/export promotion programs conducted by the State and by other entities within the state. Explain obstacles, shortfalls and continuing difficulties.

c. Project Plan. The proposal must include a detailed description of the STEP proposed project plan with objectives, activities, output and outcome measures and time schedule. The narrative plan must include a detailed description of proposed services and assistance. Applicants must describe how the project will carry out export activities that assist eligible small business concerns in the following activities related to:

- participation in a foreign trade mission;
- foreign market sales trip;
- subscription to services provided by the Department of Commerce;
- payment of website foreign language translation fees;
- design of international marketing media;
- trade show exhibition;
- participation in export and trade finance training workshops;
- other export promotion initiatives, the appropriateness will be determined by the OIT Associate Administrator, which may include, but are not limited to, projects that increase direct and indirect supply chain exporting; export match-making events; formation of export outreach teams composed of State, local, Federal, etc. personnel; sector-specific projects unique to the State's environment/geography/international relationships; projects to develop and use technology; reverse trade missions; and projects to increase lender readiness.

4. Performance Indicators.

State grant recipients must measure the effectiveness of performance, management and activities, and will be required to provide results. The recipients must show how the project affects exports in the State as the intent of the grant program is to increase the State's number of eligible small business concerns that export, and to increase the value of exports by eligible small business concerns. Therefore, applicants must incorporate measures for both output (activities-based) and outcomes (e.g., new exporters, new markets, increased export volume) into their proposals. In addition, describe what actions will be taken if the desired outcomes are not being reached during the project.

Applicants must have or establish adequate controls to reasonably ensure data objectivity, integrity, and accuracy. Applicants must describe the quality controls they will employ to manage and report on the project.

The legislation requires SBA's Office of Inspector General (OIG) to conduct a review that determines the extent the recipients of grants are measuring the performance of activities, the results of the measurements, and the overall management and effectiveness of the program. The SBA OIG shall have unrestricted access to review and make copies of all products, materials, and

data, including those prepared or stored electronically, and including copyrighted materials, that the SBA OIG deems necessary for purposes of performing the review.

5. Organization and Staff Qualifications.

The applicant must identify key personnel involved in the proposed project. Other organizations assisting the project must be identified, including qualifications of the organization and its personnel. Applicants submitting a proposal under the announcement must provide an organizational chart reflecting the number of full-time and part-time staff, and proposed use of volunteers as well as the placement within the organization. Applicants must provide a point of contact for the project’s outreach representative. This person will be the resource person for clients interested in receiving STEP projectm services.

The applicant must include the percentage of time each staff person will devote to the project. Applicants must identify key management, staff, consultants, and sub-contractors, including individual(s) responsible for financial record keeping and reporting. Applicants must describe the function, including expertise and experience, that each employee, consultant and sub-contractor bring to the project. Include resumes of the Project Director and other key staff. Resumes should provide sufficient documentation to evidence the background, relevance and proposed contributions of relevant individuals and organizational entities. Where qualifications and experience are extensive, summaries that focus on the most relevant experiences are desired. Also, list all other commitments that senior personnel may have during the proposed period of performance. (Experience of key personnel identified in the proposal should be included in the technical proposal).

Each STEP recipient must appoint a Project Director to manage and coordinate the day-to-day activities of the State’s STEP Project. The Project Director will be responsible for the oversight and administration of the award. This position must be assigned to a qualified individual within the State organization. This function cannot be subcontracted to a third party.

D. BUDGET INFORMATION

1. Cost Proposal, Part II (Budget Information)

The applicant must submit a cost proposal:

- a. Cost Proposal Cover Sheet
- b. SF 424 “Application for Federal Assistance” inclusive of a narrative justification for each cost associated with the proposed effort
- c. Cost Supplement II containing Certification(s) of Matching Funds

2. Budget Justification

(Total direct costs plus indirect costs must agree with the 424 and 424A).

Personnel:	For each staff position, show Federal match, annual salary, number of months, level of effort in percentage and total amount used as the basis to estimate personnel costs. For key personnel, list name, position, title and length of time current incumbent has held the position. Also, provide resumes of current personnel and position descriptions for key staff. For STEP employees who are not key personnel, only position title is required.
Fringe Benefits:	Indicate the fringe rates approved by your cognizant Federal agency for audits when available. If not available, provide the schedule used. Do not include fringe cost in the above Personnel category.

Travel:	<p>Provide purpose for in-state and international travel. For local travel not requiring preauthorization, provide total anticipated mileage and mileage rate. For international travel (which requires preauthorization), itemize destinations, mode of transportation, airfare or other transportation rates, number of trips, and number of travelers. Prior approval of the SBA is required for foreign and unplanned out-of-state travel that is not in approved budget.</p> <p>Travel Costs for the STEP Best Practices in Export Promotions Conference. The budget proposal must include the costs for the STEP project director to attend the Best Practices in Export Promotions Conference, to be held for 2 days at a location within the continental United States. For budgeting purposes, assume the conference will be held in Washington, DC. The SBA will specify the actual date and location of this conference as soon as that information becomes available.</p>
Equipment:	List items costing \$5,000 or more and having at least one year of useful life. The recipient organization must maintain an inventory of equipment purchased with project dollars including cost, location, and detailed description of each item. Equipment inventory must be made available upon request of SBA.
Supplies:	Show anticipated cost of supply items such as general office, operational, computer supplies, and other supply items costing less than \$5,000. The recipient organization must maintain an inventory of controlled supplies of higher dollar value and high potential for loss such as computers, etc. and it must be made available upon request of the SBA.
Contractual:	If the State proposes sub-contractual costs, provide budget details, such as statement of work, number of hours and rate of pay. Do not show indirect costs on contractual line. (Please note: No more than 49% of the grant recipient's budget can be allocated to consultants and/or contractual cost categories).
Consultants:	There may be an error on form 424A showing a "construction" instead of a "consultants" category. Please indicate consultants cost on that line for construction. Specify the consultant's purpose and indicate the number of hours and rate of pay. (Please note: No more than 49% of the grant recipient's budget can be allocated to consultants and/or contractual cost categories).
Other:	This category may include, but is not limited to computer software, copying, postage, printing, publications, subscriptions, dues, telephone, conference fees, and office space (indicate square footage and rate). Do not list items with zero cost amounts.
Indirect cost:	Indicate the indirect cost amount. Show indirect cost rate and method used to calculate indirect cost. A copy of the Indirect Cost Rate agreement (ICR) approved by your cognizant agency for audits must be provided, including the signature page of the agreement to support indirect charges. A rate not higher than that approved under the ICR may be used to calculate indirect costs.

3. Certification Forms and Assurances, Part III

- a. Assurances and Certification
- b. SF-LLL Disclosure of Lobbying Activities

E. APPLICATION CHECKLIST

- () **SF- 424, Application for Federal Assistance**
- () **SF- 424B, Budget Information**

- () **SF – 424C, Assurances**
- () **Budget Detailed Worksheet and Narrative**
Any category of expense not applicable to your budget may be deleted by the SBA. The Worksheet and narrative must provide a clear correlation between the costs and activities to be performed under the grant. Narratives must support all costs shown on the Budget Detailed Worksheet.
- () **Technical Proposal**
The Technical Proposal should be prepared in double spaced format and when read separately from the rest of the application, serve as succinct and accurate description of the proposed work. Applicants should concisely describe the goals, objectives, measurements and methods for achieving results. Provide a clear, measurable “end result” to be achieved. Summaries of past accomplishments should be avoided.
- () **Chart of Project Milestones**
Applicants must provide a chart of monthly projections for all activities to be performed under the grant project. Monthly projections must be measurable.
- () **Governor’s Letter of Endorsement**
- () **Resumes and Positions Descriptions for all Key Personnel providing services**
If position is vacant, a position description must be provided.
- () **Organizational Chart**
- () **Tax Identification Documentation issued by the Internal Revenue Service**
- () **SF-LLL Disclosure of Lobbying Activities**
Federal funds under this award may not be used for lobbying activities.
- () **SF-3881, ACH Vendor/Miscellaneous Payment Enrollment Form**
Applicants must complete the Payee Information and Financial Institution sections of this form only. The Agency Information section will be completed by SBA.
- () **Debarment and Suspension – SBA Form 1623**
- () **State/Organization’s most recent Audit Report**
- () **Indirect Cost Proposal**
- () **Cost Policy Statement**
- () **CPA Certification (or person of comparable expertise)**
All applications must include a written statement from a certified public accountant or person of comparable expertise to verify that it has an established organizational infrastructure with an internal financial management system that meets the standards prescribed in 2 CFR 230, Cost Principles for State and Local Governments

F. REQUIRED PROPOSAL SUBMISSION DATE

The State must submit its proposal electronically via www.grants.gov. Because there are some pre-conditions for submitting applications via www.grants.gov, applicants are advised to allow for appropriate time to register, if not currently registered. Specific instructions for registering are provided on grants.gov.

Proposals may be submitted at any time from the posting of this announcement until **11:59 P.M. E.S.T. April 26, 2011**. Once grant awards have been made, SBA will facilitate the availability of funds and prompt disbursement.

G. UNSUCCESSFUL APPLICANTS

The SBA will notify each unsuccessful applicant by letter that the State was not selected for an award. This notification will serve as the final response to this program announcement. Due to the anticipated volume of applications, formal debriefings will not be conducted.

SECTION V – APPLICATION REVIEW INFORMATION

A. EVALUATION CRITERIA FOR TECHNICAL PROPOSAL

1. Proposals will be judged on a Competitive Basis

All proposals will be screened to confirm that the proposal requirements set forth in this program announcement were met. Those proposals not in compliance will be considered non-responsive. Responsive applications are those proposals that comply with the proposal requirements and instructions stated in this announcement. These applications will be evaluated by the STEP Review Committee and STEP Final Review and Selection Committee. The contents of the applications and evaluations will be kept strictly confidential to the extent permitted by law.

2. Evaluation Criteria

The evaluation committee will rate the applicant's proposal based on the degree to which the applicant's proposal successfully meets the following five (5) criteria.

a. Market Assessment for Services (30 Points)

1) The description of specific needs and benefits of SBA funding for the proposed STEP project. (10 Points)

2) The narrative description of the target market to be served – including, geographic size and population breakdown of the business community in terms of numbers and percentages of socially and economically disadvantaged businesses, women-owned businesses, veteran and service-connected disabled veteran-owned businesses, rural area businesses, exporting businesses, export-ready businesses, and the volume of exports in the State. Use data to support your discussion. (10 Points)

3) The description of how the STEP project will complement (and not duplicate) other public and private projects or services in your State. (10 Points)

(If the SBA determines that there is overlap and/or duplication, the SBA reserves the right to decline such application, regardless how highly it scores on other evaluation criteria. The SBA also has the discretion to accept such application after negotiating with the applicant to amend its proposed scope of services to eliminate any overlap between the applicant's proposed and existing service.

b. Organization and Structure (30 Points)

1) The applicant's staffing plan for accomplishing goals and objectives, including the proposed project's organizational chart, the percentage of time each staff will devote to the project, position descriptions, resumes; contractors/consultants and their functions. (15 Points)

2) The applicant's demonstration of how the State will collaborate with SBA resource partners (e.g., Small Business Trade Development Centers (SBTDC), Small Business Development Centers (SBDC), Women's Business Centers (WBC), Veterans Business Outreach Centers (VBOC), SCORE, SBA District Offices, U.S. Export Assistance Centers) to recruit and prepare businesses to become exporters and increase the volume of their exports. (15 Points)

c. The STEP Project Plan (30 Points)

The applicant demonstrates how export activities from the below list will be conducted for the benefit of eligible small businesses:

- participation in a foreign trade mission;
- foreign market sales trip;
- subscription to services provided by the Department of Commerce;
- payment of website foreign language translation fees;
- design of international marketing media;
- trade show exhibition;
- participation in export and trade finance training workshops;
- other export promotion initiatives, the appropriateness will be determined by the OIT Associate Administrator, which may include, but are not limited to, projects that increase direct and indirect supply chain exporting; export match-making events; formation of export outreach teams composed of State, local, Federal, etc. personnel; sector-specific projects unique to the State's environment/geography/international relationships; projects to develop and use technology; reverse trade missions; and projects to increase lender readiness.

The applicant successfully demonstrates a plan to conduct an export program that assists eligible small business concerns that are relevant to the objectives defined in its project proposal. The narrative plan includes a detailed description of proposed trade and export promotion and outreach activities. The plan must articulate not only what will be done, but also how it will be carried out with the methods planned to achieve each objective or task discussed in detail. The applicant must include a proposed timeline for accomplishments.

d. Performance Indicators (10 Points)

The applicant describes the type and nature of data quality controls (e.g., how the recipient will ensure the utility, objectivity and integrity of data), and describes in detail the manner in which the applicant will measure the outputs and outcomes of the activities to be conducted, particularly to show the increase in the number of small businesses exporting, and the increase in the value of the exports by small business concerns in the State.

e. Special Consideration Incentive Points (maximum of 10 Extra Points)

The applicant may choose one or more of the below items. The applications will receive *5 extra points for each item* if the application successfully demonstrates--

- 1) The project will promote exports by socially and economically disadvantaged small business concerns, small business concerns owned or controlled by women, veterans and rural small business concerns as part of an export promotion program. (5 Points)
- 2) The project will promote new-to market export opportunities to the People's Republic of China for eligible small business concerns in the United States. (5 Points)

B. REVIEW AND SELECTION PROCESS

The SBA is the funding agency for the STEP Program. The SBA may ask applicants for clarification on the technical and cost aspects of the proposal. Such requests do not constitute a commitment to fund the proposed effort.

The application review will be conducted by a STEP Review Committee (SRC) consisting of SBA officials in the areas of technical assistance and finance. The SRC may include SBA Regional Managers of the U.S. Export Assistance Centers, SBA Program Managers and SBA district office officials. The SRC will evaluate and score eligible proposals based upon the criteria stated in this program announcement. At the conclusion of the evaluation, scores will be tallied and ranked. Funding will occur in rank order, from the highest ranking proposal. SBA may request successful applicants to adjust/revise their proposed budgets to enable all successful applications to be funded.

The SBA will notify each unsuccessful applicant by letter that the State was not selected for an award. This notification will serve as the final response to this program announcement. Due to the anticipated volume of applications, formal debriefings will not be conducted.

SECTION VI – AWARD ADMINISTRATION

A. AWARD NOTICES

Successful applicants will receive a Notice of Award by mail in the form of an SBA Cooperative Agreement. **The Notice is not an authorization to begin performance. Upon receipt of the approved budget from SBA, a State may begin the grant project activities.** The performance period is expected to begin before September 30, 2011 (i.e., once SBA approves the grantee's budget) and must end by September 30, 2012.

B. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

1. Submission of Budget Based on Actual Funding

If there is a change from the proposed funding amount following receipt of the Notice of Award, the STEP grant recipient will be required to submit a new budget for approval, based on the actual amount of funding.

2. Request for Payment

Grant payments are made through an electronic payment system. The State may receive one advance payment in the first, second and third quarters of the budget year and a reimbursement for the fourth quarter. No fourth quarter advances will be allowed. The first advance payment may be received before matching funds are obtained. **NOTE: No advance may exceed 25 % of the total award amount and the grantee should make every effort to spend that amount in the quarter to the extent possible.**

For reimbursements, the grant recipient must submit the following documents.

- a. SF 425 Federal Financial Report (New OMB Form combines the SF 269 and SF 272).
- b. SF 270 Request for Advance or Reimbursement

3. Office of Management and Budget (OMB) Administrative Requirements

The STEP Notice of Award (Cooperative Agreement) incorporates by reference all applicable OMB circulars, which must be followed, including:

- a. 13 C.F.R, Part 143, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local governments.
- b. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

4. SBA Logo and Acknowledgement of Support

- a. SBA is committed to working closely with its partners to provide quality, customer-centric products and services that support the evolving needs of small business. Accordingly, all STEP grantees are required to appropriately acknowledge SBA's support.
- b. It is important that SBA's role, identity and network of resources be clearly understood by STEP clients. Further, SBA wants to ensure that all Agency and partner resources are fully leveraged, such that project/product duplication is avoided and sharing is prominent among and between SBA, STEP projects nationwide and other SBA resource partners.
- c. Each grantee must feature the SBA logo and/or official acknowledgement of support on all materials produced (either in whole or in part) using project funds (i.e., Federal funds, matching funds and/or program income). This requirement does not apply to materials that are not produced using project funds. For purposes of this section, the term "materials" includes, but is not limited to, items such as press releases, brochures, reports, advertisements, training booklets, websites, etc. The term "materials" does not include items such as stationery or business cards.
- d. In addition, while STEP grantees must display signage featuring the SBA logo at all facilities open to the public, such signage must also prominently feature the acknowledgement of support identified below.
- e. Where used, the SBA logo may be positioned in close proximity to a State's own logo or may be placed in a prominent location elsewhere in the material. Additionally, whenever a State elects to use the SBA logo, the following statement must appear immediately below or adjacent to that logo: "Funded in part through a Cooperative Agreement with the U.S. Small Business Administration."
- f. This acknowledgement of support must appear verbatim and may not be altered or replaced with substitute language. However, on materials with severe space constraints such as signs and banners, a State may substitute "SBA" for "U.S. Small Business Administration" in the acknowledgement of support. The acknowledgement of support must be presented in a legible typeface, font size and, where applicable, color contrast.
- g. On materials for which a STEP grantee does not elect to use the SBA logo, it must at a minimum feature the acknowledgement of support listed above. The SBA logo and/or acknowledgement of support may not be used in connection with State activities that are outside the scope of the Cooperative Agreement. In particular, **UNDER NO CIRCUMSTANCES** may the SBA logo or acknowledgement of support appear on items used in conjunction with fundraising, lobbying, or the express or implied endorsement of any goods, services, entity or individual.
- h. Furthermore, where a State STEP grantee produces materials which feature editorial content, it must use the following alternate acknowledgement of support (either independently or in conjunction with the SBA logo):

- Funded in part through a cooperative agreement with the U.S. Small Business Administration. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.
- In accordance with Section 504 of the Rehabilitation Act and the Americans With Disabilities Act of 1990, all notices, promotional items, brochures, publications and media announcements informing the public of events, programs, meetings, seminars, conferences and workshops sponsored or cosponsored by the SBA, must include the following accessibility/accommodations notice:

Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. Contact [name, address, and phone number of person who will make the arrangements].

5. Access and Rights

- a. The SBA will have unlimited license and all rights to use products, materials, and data (including small business client data), plus data prepared or stored electronically, generated either partially or fully under the cooperative agreement, including copyrighted materials.
- b. The recipient agrees to make all training and/or informational materials (e.g., publications, online tools, websites, etc.) developed or funded under this project readily available to the SBA and all its other resource and information partners.
- c. Surveys or information collection conducted by the recipient as a requirement of this cooperative agreement is subject to the Paperwork Reduction Act, as amended. The SBA agrees that, before requiring the recipient to conduct a survey or information collection, it will comply with the Paperwork Reduction Act. Surveys conducted by the recipient, independent of the SBA, are not subject to the Paperwork Reduction Act.
- d. The SBA Office of Inspector General shall have unrestricted access for purposes of performing an audit of the State's STEP grant project.

6. SBA Duties and Responsibilities

SBA's responsibilities with regard to the conduct of a STEP Project include, but are not limited to:

- a. Ensuring that STEP activities conform to the requirements of the law, OMB Circulars, the Program Announcement, the Cooperative Agreement and SBA policy by the OIT Program Managers.
- b. Monitoring and overseeing of the STEP projects to ensure that Federal funds are used effectively and efficiently. This includes—
 - i. reviewing records and files of the STEP project activities;
 - ii. reviewing policies and procedures related to performance under this agreement;
 - iii. interviewing STEP clients to determine satisfaction with State STEP services.
- c. Providing written approval of all contracts supported by project funds, other than those submitted as part of the proposal.
- d. Providing prior approval for the selection of the STEP project's key personnel (those employees who dedicate 50% or more of their time to the project and who are key to its success).
- e. Reviewing performance reports (including narrative and data reports) and financial records for completeness and accuracy by the OIT Program Managers.
- f. Referring small business clients to the State STEP programs.

g. Conducting a mid-year and year-end review of the programmatic and financial aspects of the State STEP projects.

h. Providing OIT support for proposed collaborative activities between the STEP project and the SBA District Offices and other SBA resource partners, as appropriate.

C. REPORTING REQUIREMENTS

1. Due Dates: No later than 30 days after the end of each Federal fiscal quarter (i.e. October 30; January 30; April 30; and July 30),STEP grant recipients must provide the following quarterly reports to SBA in the format stipulated by the SBA (formats forthcoming):

- Financial reports (related to advance or reimbursement requests discussed previously), SF 425, Detailed Expenditures Worksheet, and Certification of Match;
- Performance narratives; and
- Quarterly data reflecting project activities and results.

The SBA, at its sole discretion, may withhold payments if any quarterly reporting requirements are not met or reports are deemed insufficient.

2. Quarterly Reports

The narrative section of each quarterly performance report must include:

- i. A brief summary of the period's activities, challenges, and accomplishments.
- ii. Measurements data and a comparison of actual accomplishments to the goals established for the reporting period.
- iii Any reasons for goals not being met and a plan of action to overcome the identified difficulties.
- iv. Information relating to actual financial expenditures of budget cost categories versus the quarterly advance or reimbursement received, including an explanation of any cost overrun by budget cost category. Financial data furnished in this report is from a manager's standpoint and is in addition to the information furnished in the financial reports.
- v. Names of key personnel (Those individuals expending 50% or more time);
- vi. Description of project activities for small business regarding trade and exporting.

D. RECORD KEEPING REQUIREMENTS

1. Activity Records

STEP grantees are required to maintain complete and accurate records and supporting documentation. All client activities must be fully documented.

In addition to the performance and program reports already mentioned in the Reporting Requirements, the STEP grantee must maintain the following records:

a. Activity Reports

STEP grantees are required to maintain a record of (1) all activities; (2) the number of businesses involved and the number of business concerns benefiting from the program, including documentation on each business involved; and (3) the performance indicators and accomplishments.

b. STEP Client Evaluation Forms

Evaluations of STEP services or client satisfaction surveys must be collected from clients who attend STEP events. Copies of these evaluations must be retained by the STEP grantee and be made available for SBA review upon request.

c. Protection of Client Contact Information

SBA retains the right of access to STEP grantees' small business client information. A STEP grantee may not disclose the name, address, or telephone number of any individual or small business concern to which it provides assistance without the consent of that individual or concern, except as authorized by the SBA.

2. COMPLIANCE WITH FEDERAL REGULATIONS

Each grantee is required to comply with all applicable legislation passed by Congress, and with executive orders issued by the President and regulations adopted by Federal executive agencies, including the SBA. Information regarding these regulations, policies, laws, and executive orders can be found in Title 13, Code of Federal Regulations (C.F.R.), Chapter 1.

The following is a brief summary of the various laws and executive orders that affect the SBA's grant programs:

a. Freedom of Information Act (5 U.S.C. § 552)

This law provides, with some exceptions, that the SBA must supply information in its files and records to a person requesting it. This generally includes aggregate statistical data on the SBA's business-assistance programs. The SBA does not routinely make available a client's proprietary data (without first doing pre-notification, as required by Executive Order 12600) or information that would cause competitive harm or constitute a clearly unwarranted invasion of personal privacy.

For information about the Freedom of Information Act, contact Chief, Freedom of Information/Privacy Act Office, U.S. Small Business Administration, 409 3rd St., SW, Suite 5900, Washington, DC 20416.

b. Privacy Act (5 U.S.C. § 552)

Any person may request to see or get copies of any personal information that the SBA has in that person's own file when the information is retrievable by individual identifiers, such as name or social security number. Requests for information about another party may be denied unless SBA has the written permission of the subject individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act.

Note: Any person concerned with the collection, use and disclosure of information under the Privacy Act may contact the Chief, Freedom of Information/Privacy Act Office, U.S. Small Business Administration, Suite 5900, 409 3rd St, SW, Washington, DC 20416 for information about the agency's procedures relating to the Privacy Act.

SECTION VII. AGENCY CONTACTS

PROGRAM POINTS OF CONTACT

Questions concerning this Program Announcement should be directed to the Office of International Trade at STEP@sba.gov. **Only eligible entities should contact the SBA regarding this Program Announcement.**

SECTION VIII. OTHER INFORMATION

A. ACCESS AND RIGHTS

The SBA will have unlimited license and all rights to use data, including those prepared or stored electronically, which are generated either partially or fully under a STEP award, including materials that are copyrighted. Therefore, all STEP-developed or funded training and/or information materials, such as publications, materials, online tools, websites, etc., prepared for the betterment of small businesses must be made readily available to the SBA and all of its resources partners.

B. LITIGATION COST

No costs associated (either directly or indirectly) with civil, criminal or administrative litigation are allowable under an award made pursuant to this announcement. Project funds may be used to pay the cost of non-litigation legal counseling services either to the recipient of this award or project beneficiaries. However, all parties receiving such services must agree in writing to waive any claims of privilege over such services with regard to the SBA to the extent necessary for the agency to perform its monitoring and oversight function.

C. DISASTER OPERATIONS PLAN

Each STEP project must have a disaster plan in place. Disaster plans should ensure delivery of services to small businesses in its area of operations in the event of a local or regional disaster in which business operations may be conducted or what the STEP plan of operation is should the disaster prevent normal business operations for a period of time. Such plans must be kept on file and available for review by SBA officials. STEP Directors are encouraged to review and update these plans annually.

When available, grantees are encouraged to provide disaster recovery assistance to support affected small businesses in local communities, both individually and in cooperation with the SBA, other Federal agencies, and state and local entities. For more information on this subject, see <http://www.sba.gov/services/disasterassistance/disasterpreparedness/index.html>

SECTION IX. DEFINITIONS

1. **Budget period** - The period in which expenditure obligations are incurred by the STEP project. For the purposes of this announcement, the initial budget period will be from the date of the Notice of Award through a 12-month period.
2. **Client** - The client is the small business being served.
3. **Contributions/donations** - Cash received by the STEP project with no conditions and that may be used as match or overmatch in the year expended.
4. **Export Volume** – The total dollar value of a State’s exports.
5. **Grants Management Officer (GMO)** – The SBA official with delegated authority to obligate Federal funds by signing the Notice of Award.

6. In-kind contribution – Non-cash match contribution based on the value of goods and services that are provided to the project.

7. Key Personnel – A person who devotes at least 50% of her/his time to the project and who serves in a position/role that is vital to the successful operation of the STEP project (e.g., program director, etc).

8. New-to-market Export Opportunities – An activity that provides potential trade expansion for small business exporters in additional country markets.

9. Program Director – An employee who manages the day-to-day operation of the STEP project. The Program Director’s responsibilities include, but are not limited to:

- Ensuring that the STEP project and services are delivered in accordance with the Program Announcement, Notice of Award, regulations, and statutes.
- Ensuring that the STEP project is compliant with the Program Announcement, Notice of Award, regulations, statutes, and OMB circulars.
- Ensuring that all communications from the Office of International Trade are provided to the appropriate parties of the STEP project and acted upon.

10. Program funds - Includes all SBA/OIT Federal funds and all matching and overmatch expenditures reported on the SF-425 (includes non-cash/in-kind). It does not include other funds under the grant recipient’s umbrella.

11. Recipient organization - An applicant organization for which funding is approved and that enters into a Cooperative Agreement with the SBA. The recipient organization receives the Federal funds and is responsible for establishing the STEP project as an entity within the State.

12. SBA resource partner - Organizations that provide services through SBA funding or through another recognized relationship with the SBA. Resource partners include, but are not limited to, Small Business Development Centers (SBDC), Small Business Trade Development Centers (SBTDC), SCORE, Veterans Business Outreach Centers (VBOCs), Women’s Business Centers (WBC), U.S. Export Assistance Centers (USEAC), SBA Microloan Program Intermediaries and non-lender technical assistance providers, and SBA co-sponsorship and memorandum-of-understanding partners.

13. Socially and Economically Disadvantaged -

The U.S. government defines “socially and economically disadvantaged” individuals under the Small Business Act (15 USC 637) as those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Administration shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual. This coverage extends only to socially and economically disadvantaged U.S. citizens, or those who have been lawfully admitted permanent U.S. residency.

In the absence of evidence to the contrary, individuals who are members of the following designated groups are presumed to be socially disadvantaged:

- African Americans
- Hispanic Americans

- Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians)
- Asian Pacific Americans (persons with origins from Japan, China, the Philippines, Vietnam, Korea, American Samoa, Guam, U.S. Trust Territory of the Pacific Islands [Republic of Palau], Commonwealth of the Northern Mariana Islands, Laos, Cambodia [Kampuchea], Taiwan; Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Republic of the Marshall Islands, Federated States of Micronesia, Macao, Hong Kong, Fiji, Tonga, Kiribati, Tuvalu, or Nauru; Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal)

14. Travel hours – The amount of time spent traveling to and from a location (separate from assigned post-of-duty) to meet with businesses or individual clients. If meeting with more than one client, travel time is counted only once.

SECTION X. FREQUENTLY ASKED QUESTIONS

1. **Question: Are SBA resource partners (e.g. SBDCs, SBTDCs, WBCs, VBOCs, etc.) eligible to apply for a STEP grant?**

Answer: SBA resource partners are not eligible to apply for a STEP grant.

2. **Question: May SBA resource partners provide cash or in-kind match to the STEP project?**

Answer: Funds from Federal grant programs and program income derived from Federal programs may not be used as match. However, the recipient (host) organizations of SBDCs, WBCs and other Federal grant programs may donate non-Federal funds and in-kind donations to the STEP Project as match.

3. **Question: Is the STEP project director required to be full-time?**

Answer: No. However, the STEP project director is key personnel and must devote at least 50% time and effort to the project.

4. **Question: Would SBA request an applicant to reduce its proposed budget?**

Answer: SBA may request successful applicants to adjust/revise their proposed budgets to enable all successful applications to be funded.

Appendix 1
 State Trade and Export Promotion Grant Program
 Determination of Statutory Terms for FY 2011 STEP Applications

Section 1207 of the Small Business Jobs and Credit Act of 2010 (SBJA) authorizes the U.S. Small Business Administration to establish a three-year pilot grant program, known as the State Trade and Export Promotion (STEP) Grant Program, to make grants to States to carry out export programs that assist eligible small business concerns. The objective of the STEP Program is to increase the number of small businesses that export and increase the volume of exports for small businesses that are currently exporting.

This appendix addresses three prescriptive elements of Section 1207 which relate to the STEP Grant award process:

1. Section 1207 (c) (2) states, “In making grants under this section, the Associate Administrator may give priority to an application by a State that proposes a program that:

(C) promotes exports from a state that is not 1 of the 10 states with the highest percentage of exporters that are small business concerns, based upon the latest data available from the Department of Commerce;”

The latest available full year data are drawn from the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce. As of the date of the Program Announcement, the 10 states with the highest percentage of exporters that are small business concerns are:

California	Florida	New York	New Jersey	Texas
Michigan	Washington	Massachusetts	Connecticut	Illinois

2. Section 1207 (c) (3) (B) states. “The total value of grants under this program made during a fiscal year to the 10 states with the highest number of exporters that are small business concerns, based upon the latest data available from the Department of Commerce, shall not be more than 40 percent of the amounts appropriated for the program for that fiscal year.”

The latest available full year data are drawn from the Office of Trade and Industry Information, International Trade Administration, U.S. Department of Commerce. As of the date of the Program Announcement, the 10 states with the highest number of exporters that are small business concerns are:

California	Florida	New York	Texas	Illinois
New Jersey	Pennsylvania	Ohio	Michigan	Georgia

3. Section 1207 (e) states “The Federal share of the cost of an export program carried out using a grant under the program shall be:

(1) for a state that has a high export volume, as determined by the Associate Administrator, not more than 65 percent and;

(2) for a state that does not have a high export volume, as determined by the Associate Administrator, not more than 75 percent.”

“High export volume” states were determined using state export volume data drawn from the U.S. Census Bureau for the full calendar year 2010.¹ Those states with an export volume above the 95th percentile are determined to be states with high export volume for the Federal fiscal year 2011. These states are:

Texas	California	New York
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¹ U.S. Census Bureau News 2-11-2011, Exhibit 2, “Origin of Movement of U. S. Exports of Goods by State by NAICS-Based Product Code Groupings”