

CHAPTER 72
IOWA EXPORT TRADE ASSISTANCE PROGRAM

[Prior to 11/15/89, see 261—Ch 56]

[Prior to 7/19/95, see 261—Ch 61]

[Prior to 9/6/00, see 261—Ch 68]

[Prior to 7/4/07, see 261—Ch 132]

261—72.1(78GA,ch197) Purpose. The purpose of the Iowa export trade assistance program is to promote the development of international trade activities and opportunities for exporters in the state of Iowa through encouraging increased participation in overseas trade shows and trade missions by providing financial assistance to successful applicants.

261—72.2(78GA,ch197) Definitions.

“*Department*” means Iowa department of economic development.

“*Division*” means the international division of the department.

“*Exporter*” means a person or business that sells one of the following outside of the United States:

- A manufactured product.
- A value-added product.
- An agricultural product.
- A service.

“*Sales representative*” means a contracted representative of an Iowa firm with the authority to consummate a sales transaction.

“*Trade mission*” means a mission event led by the department of economic development, U.S. Department of Commerce, or the U.S. Department of Agriculture. Qualified trade missions must include each of the following:

- Advanced operational and logistical planning.
- Advanced scheduling of individualized appointments with prequalified prospects interested in participants’ product or service being offered.
- Background information on individual prospects prior to appointments.

Trade missions may also include:

- In-depth briefings on market requirements and business practices for targeted country.
- Interpreter services.
- Development of a trade mission directory prior to the event containing individual company data regarding the Iowa company and the products being offered.
- Technical seminars delivered by the mission participants.

261—72.3(78GA,ch197) Eligible applicants. The export trade assistance program is available to Iowa firms either producing or adding value to products, or both, or providing services in the state of Iowa. To be eligible to receive trade assistance, applicants must meet all four of the following criteria:

1. ¹Be an entity employing fewer than 500 individuals, 75 percent or more of whom are employed within the state of Iowa,
2. Exhibit products or services or samples of Iowa manufactured, processed or value-added products or agricultural commodities in conjunction with a foreign trade show or trade mission (catalog exhibits are permitted if they are used in conjunction with the exhibit of a product or service or in association with the firm’s participation in a trade mission),
3. Have at least one full-time employee or sales representative attend the trade show or participate in the trade mission, and
4. Provide proof of deposit or payment of the trade show or trade mission participation fee.

¹ See Objection at end of this Chapter.

261—72.4(78GA,ch197) Eligible reimbursements. The department’s reimbursement to approved applicants for assistance shall not exceed 75 percent of eligible expenses. Total reimbursement shall not exceed \$4000 per event. Payments will be made by the department on a reimbursement basis upon

submission of proper documentation and approval by the department of paid receipts received by the division. Reimbursement is limited to the following types of expenses:

72.4(1) Trade shows.

- a. Space rental.
- b. Booth construction at show site.
- c. Booth equipment or furniture rental.
- d. Freight costs associated with shipment of equipment or exhibit materials to the participant's booth and return.
- e. Booth utility costs.
- f. Interpreter fees for the duration of the trade show.
- g. Per diem (lodging and meals) for the day immediately before the opening day of the trade show through the day immediately after the closing day of the trade show; per diem is calculated at 50 percent of the rate schedules provided by the U.S. Department of State for travel in foreign areas; and per diem will be paid for only one sales representative.

72.4(2) Trade mission.

- a. Mission participation fee.
- b. Per diem (lodging and meals) for each day identified in the official mission itinerary. Per diem is calculated at 50 percent of the rate schedules provided by the U.S. Department of State for travel in foreign areas and will be paid for only one sales representative.
- c. Freight costs associated with shipment of equipment or exhibit materials to the participant's meeting site and return.
- d. Presentation equipment at the meeting site.
- e. Interpreter fees, if not included in the participation fee, and as needed during the trade mission.

261—72.5(78GA,ch197) Applications for assistance. To access the export trade assistance program, the applicant shall:

72.5(1) Complete the export trade assistance program's application form and return it to the division prior to trade event participation. Successful applicants will be required to enter into a contract for reimbursement with the department prior to trade event participation.

72.5(2) Exhibit products or services or samples of Iowa products in conjunction with a foreign trade show or trade mission (catalog exhibits are permitted if they are used in conjunction with the exhibit of a product or service or in association with the firm's participation in a trade mission).

72.5(3) Have in attendance at the trade show or trade mission at least one full-time employee or sales representative of the applicant.

72.5(4) Pay all expenses related to participation in the trade event and submit for reimbursement from the department for eligible, documented expenses.

72.5(5) Complete the final report form and return it to the division before final reimbursement can be made.

261—72.6(78GA,ch197) Selection process. Applications will be reviewed in the order received by the division. Successful applicants will be funded on a first-come, first-served basis to the extent funds are available. When all funds have been committed, applications shall be held in the order they are received. In the event that committed funds are subsequently available, the applications shall be processed in the order they were received for events that have not yet occurred.

261—72.7(78GA,ch197) Limitations. A participant in the export trade assistance program shall not utilize the program's benefits more than three times during the state's fiscal year. Participants shall not utilize export trade assistance program funds for participation in the same trade show during two consecutive state fiscal years, or for participation in the same trade show more than two times. Participants shall not utilize export trade assistance program funds for participation in multiple trade shows in the same country during the same state fiscal year.

261—72.8(78GA,ch197) Forms. The following forms are available from the department and will be used by the department in the administration of the export trade assistance program:

1. ETAP application form,
2. ETAP final report form,
3. Reimbursement agreement.

These rules are intended to implement 1999 Iowa Acts, chapter 197, section 1, subsection 4.

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OBJECTION

At its meeting held February 3, 1992, the Administrative Rules Review Committee voted to object to the amendments to rule 261 IAC 61.3“1”* on the grounds those amendments are unreasonable. This rule originally appeared as part of **ARC 2215A**, published in IAB Vol. XIV No. 3 (08-07-91). The previous rule provided export trade assistance to Iowa residents or entities with corporate offices in Iowa. The amendment will provide the assistance to out-of-state entities, as long as they employ fewer than 500 people and 75 percent of those people are employed in Iowa. This rule has now been repromulgated as **ARC 2763A**, but the language of concern to the Committee remains unchanged, and for that reason the objection remains in place.

The Committee believes this amendment is unreasonable because it believes there are ample numbers of Iowa-based corporations that desire to participate in this program and that it is unnecessary to use Iowa-generated revenue to benefit out-of-state corporations.

*Renumbered 68.3“1,” IAB 7/19/95; renumbered 132.3“1,” IAB 9/6/00; renumbered 72.3“1,” IAB 7/4/07.