



2004 Legislative Proposal

The Iowa Export Assistance Center (IEAC) is a joint trade promotion program of the U.S. Department of Commerce, U.S. Commercial Service and the Greater Des Moines Partnership. In January 2004, the Partnership and the Department of Commerce renewed their joint commitment to continue a statewide export assistance center helping Iowa exporters of agricultural and manufactured goods.

The IEAC proposes to continue and expand its success through:

- A Federal/State/Local partnership to expand Iowa export trade
- An appropriation of **\$300,000.00** from the State of Iowa to expand efforts assisting Iowa exporters

What is the IEAC:

- Five international staff dedicated to the statewide promotion of Iowa exports including – three federal and two local Partnership full-time employees.
- An annual budget of approximately \$550,000 and;
- A worldwide network of resources including more than 150 overseas offices of the U.S. Commercial Service and Foreign Agricultural Service.

Over the past three years, the IEAC has:

- Provided consultations to more than 800 Iowa companies;
- Garnered over **80 export successes** with clients; resulting in,
- Over **\$85 million** in export sales.

For more information about the Iowa Export Assistance Center, please visit our website – www.exportpartnership.com or call Tom Rial (515) 286-4935.

POLICY BRIEF

What is the Iowa Export Assistance Center (IEAC)?

The Iowa Export Assistance Center provides integrated export assistance services through a global network combining the resources of the Greater Des Moines Partnership, USDOC Commercial Service, USDA Foreign Agriculture Service, Iowa's Foreign Trade Zone, the District Export Council, Iowa's Regent Universities, Iowa's agricultural commodity groups, the Iowa Chamber Alliance, and regional economic development groups.

Policy Objective 1: Strengthen Iowa's economic output and global presence by increasing the number of Iowa companies (particularly rural manufacturers) engaged in export and increase the value of Iowa export goods and services in both manufacturing and agriculture by fifteen percent in five years.

- New markets for Iowa products can be realized and business export opportunities can be increased by better leveraging existing local and federal export assistance investment with a modest state appropriation resulting in a single concentrated, strategic and intensive program to expand Iowa exports. This action is especially vital to help Iowa's small manufacturing and agriculture related firms survive. These firms are located throughout the state and many are in the more rural and sparsely populated areas (see map page 2) where plant closures have the most significant impact on local and regional economies.

Policy Objective 2: Eliminate redundant programs and reduce Iowa's General Fund expenditures dedicated to International Trade services.

- By leveraging the existing local and federal investment in export assistance programs, the State of Iowa can eliminate redundant state programs and realize broader coverage, better coordination and greater penetration of International trade assistance to Iowa businesses. This can be accomplished while reducing both state expenditures and the number of state employees dedicated to export assistance programs.

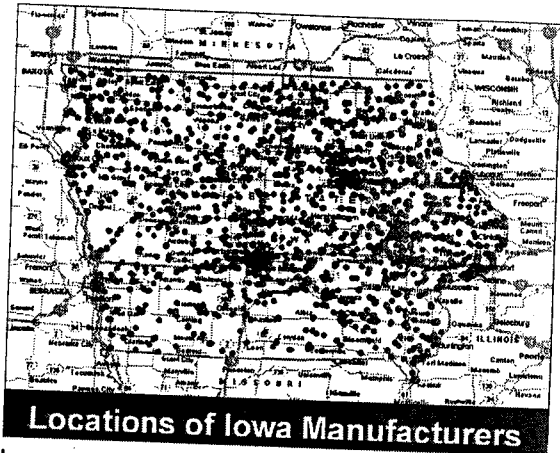
Proposal:

- A consolidation of local, state and federal international trade and export assistance programs into the Iowa Export Assistance Center (IEAC); a broad-based public/private partnership with the US Commercial Service (US Dept. of Commerce).
- State financing (\$300,000 annually) in support of the IEAC designed to assist small and medium sized businesses state-wide to initiate or expand sales of Iowa products and services in markets world-wide.
- Focus and concentrate IDED's remaining international business development resources on reverse investment programs.

Since 2001 the IEAC has:

- **Provided direct service to over 800 Iowa companies**
- **Accomplished 80 new export successes with Iowa clients**
- **Secured nearly \$75 million in new export sales**

Need: Today, every Iowa company (knowingly or unknowingly) operates in a global economy. Studies have indicated that the relative isolation of Iowa's rural manufacturers, distance to ports and perceived lack of information and/or direct export assistance are barriers that make it more difficult for rural businesses to participate in world markets. In addition, Iowa's economic mix of labor-intensive industries is vulnerable to imports from low-wage competitors. Given today's increasingly global economy, the extent of participation in export markets by rural businesses is an important indicator of future prospects for Iowa's rural economy.

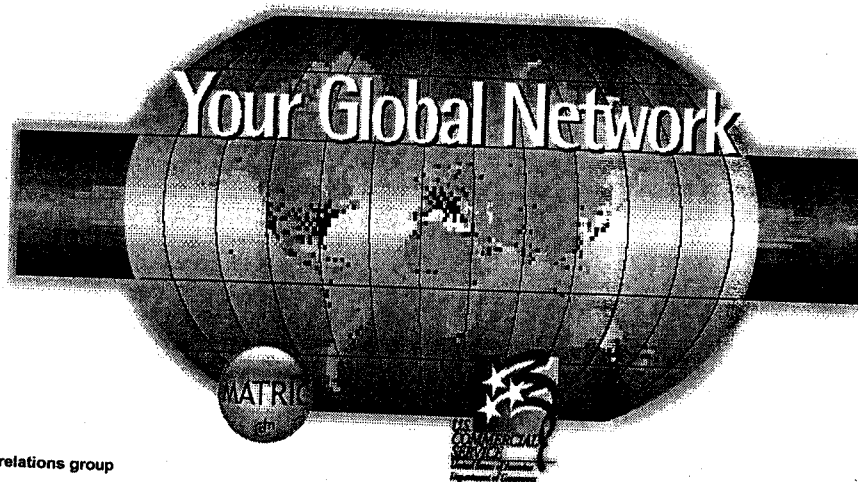


Expected Outcomes: The IEAC is aggressive in its outreach and support of Iowa businesses and through its association with federal agencies and the Iowa Chamber Alliance provides ready access to a statewide network of business partners. Companies that use the IEAC will gain valuable competitive information that allows them to create better products and offer improved services while they create more jobs find new opportunities and hedge the economic downturns. The IEAC will arm businesses with information; tools and direct financial assistance that will help companies operate profitably and successfully in the international market. This means the IEAC will help Iowa businesses to be proactive, not reactive. There are a number of ways the IEAC will assist businesses seeking to:

- Identify Export Markets
- Identify strategic partners
- Clearly identify the export potential of Iowa products
- Prepare an export plan
- Understand and acquire export finance
- Understand export documentation
- Organize Trade Show Pavilions
- Organize industry specific (vertical) trade missions

IEAC - World-wide Access through the US Commercial Service: Founded in 1980, the U.S. Commercial Service is a Commerce Department agency that helps U.S. companies; particularly small and medium-sized businesses make sales in international markets. The agency's network includes 107 U.S. Export Assistance Centers throughout the country, and more than 150 offices overseas. Last year, the U.S. Commercial Service facilitated over \$23 billion in U.S. exports, and conducted nearly 150,000 counseling sessions with American companies

The agreement to co-locate the U.S. Commercial Service, Des Moines Office with the Partnership's international staff was recently renewed for three years. Under this original agreement, the U.S. Department of Commerce and the Partnership established the Iowa Export Assistance Center (IEAC).



government and international relations group

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IEAC – Programs

Training, Counseling and Advocacy, Market Research, International Partners, Trade Events

Training:

- **Export Education Programs** - The IEAC provides continuing education to Iowa's exporting firms across the state. Export Education seminars cover all aspects of international business operations including trade finance, NAFTA compliance, legal issues of export compliance, on line filing of government export documents, and letters of credit/methods of export payment.
- **Global Market Series** - Through the "Global Market Series", the IEAC has trained and certified more than 100 export professionals in real world export operations, management, and global business development.
- **Export Roundtables** - Regular Export Roundtable education programs link Iowa exporters to U.S. Commercial Service offices worldwide for market updates via real-time video conferencing.

Counseling and Advocacy:

- **Advocacy** - U.S. diplomats and other officials will help Iowa companies when unanticipated problems arise-- resolve payment issues, settle disputes, win contracts, and overcome regulatory hurdles. Support can include government-to-government meetings by U.S. Commercial Service officers and ambassadors with high-level foreign government officials, in addition to direct intervention with international companies.
- **Counseling** - Trade specialists in more than 80 countries will provide in-depth export consulting and customized business solutions. The IEAC trade specialists work directly with the US Commercial Service and the US Department of Agriculture Foreign Agricultural Service teams of experts overseas in getting the information and advice that Iowa business need to succeed.
- **Platinum Key Service** - The Platinum Key Service is solution-oriented and custom-tailored to specific business needs. The IEAC will help businesses identify markets, develop major project opportunities, resolve market entry questions, and receive assistance on regulatory matters. A network of in-country trade specialists will work closely with Iowa businesses to identify needs, provide progress reports, and ensure timely resolution.

Market Research:

- **Market Research Library** - Accurate, up-to-date information will let Iowa businesses target the most favorable international markets. Research includes overviews on doing business in more than 120 countries and profiles of 110 industry sectors. Iowa businesses will get updates on new regulations, currency fluctuations, business trends, and government-financed projects.
- **Customized Market Research** - The IEAC will receive specific intelligence on the export prospects for Iowa products or services in a potential market.
- **Business Facilitation Service** - Iowa businesses can access low-cost logistical and administrative support when on international business travel.

International Partners:

- **International Partner Search** - The IEAC will help business partners to find qualified international buyers, partners, or agents without traveling overseas. U.S. Commercial Service specialists will deliver detailed company information on up to five prescreened international companies that have expressed an interest in an Iowa company's products and services.
- **Gold Key Matching Service** - The Gold Key Service provides business partners with one-on-one appointments with pre-screened potential agents, distributors, sales representatives, association and government contacts, licensing or joint venture partners, and other strategic business partners in targeted export markets.
- **BuyUSA** - BuyUSA.com is the U.S. Commercial Service business matchmaking Web site, where Iowa exporters and international buyers and distributors can post trade leads, search for buyers and sellers, and be automatically matched with prospective business partners.
- **International Company Profile** - The International Company Profile will give businesses the background information they need to evaluate an international company before the Iowa business contracts with a prospective agent, distributor, or partner.

Trade Events and Related Services:

- **U.S. Pavilions at Certified Trade Fairs** - Iowa companies will have more opportunities to exhibit at U.S. Pavilions certified by the US Department of Commerce and the US Department of Agriculture and increase their chances of finding new business. Certified U.S. Pavilions offer one-on-one business matching, business counseling from trade specialists, and special exhibit services designed to help U.S. exporters maximize returns from trade shows and make more international sales.
- **Trade Fair Certification** - The IEAC will use the Trade Fair Certification Program to help companies make important exhibiting decisions and free them of many of the concerns they may have about exhibiting outside the United States.
- **International Buyer Program** - The IEAC will use the International Buyer Program that recruits more than 125,000 foreign buyers and distributors to 32 top U.S. trade shows per year. U.S. Commercial Service trade specialists will arrange meetings for Iowa exporters and international delegates and provide export counseling at the show's International Business Center.
- **Trade Missions** - Trade missions can save time and money by allowing Iowa businesses to maximize contact with qualified distributors, sales representatives, or partners in one to four countries. The IEAC also facilitates Virtual Trade Missions: an interactive two-hour videoconference that provides Iowa businesses the opportunity to meet with virtually with international prospects.
- **Catalog Events** - Catalog Exhibitions will showcase Iowa product literature, videos and samples to buyers and distributors in target markets. U.S. Commercial Service trade specialists will provide translation services, collect sales leads, and help Iowa business partners to follow up on promising leads.
- **Trade Promotion Events** - IEAC will customize export assistance in targeted international markets.

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Proposed IEAC Funding

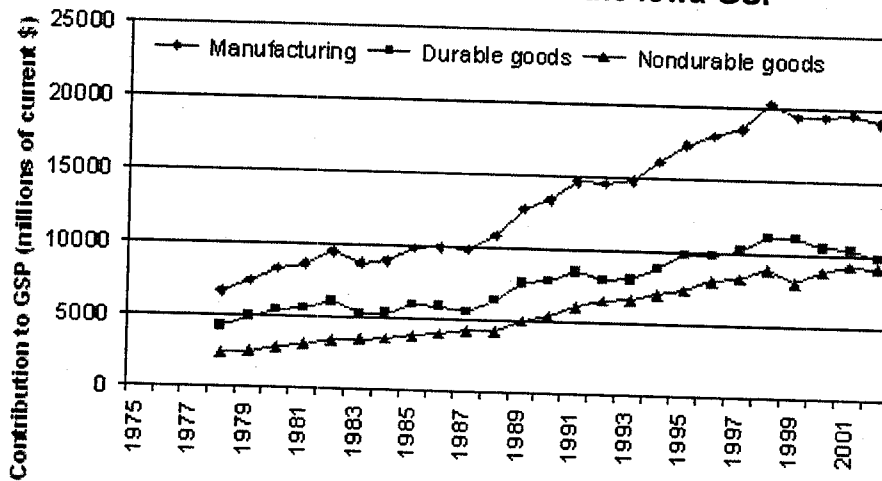
U.S. Department of Commerce Commercial Service (3 FTE)	\$ 250,000
The Partnership MATRIC (2.5 FTE)	\$ 300,000
State of Iowa Direct Assistance to Businesses, General Programming, Travel, Marketing and Funded Personnel (2.0 FTE)	<u>\$ 300,000</u>
Total:	\$ 850,000

For several years, the Greater Des Moines Partnership (Partnership) has provided export trade information and technical assistance to the Iowa agribusiness community. Funding is provided through a subcontract from the Center for Agricultural and Rural Development (CARD) at Iowa State University, originates in the agricultural appropriations of the United States Congress and is earmarked for CARD and the Partnership. The MATRIC grant has been a primary source for the Partnership's international mission to assist Iowa agricultural exports. The MATRIC program began an aggressive statewide initiative in January 2001 and most recently, an agreement was renewed (three years) to co-locate the U.S. Commercial Service, Des Moines Office of the U.S. Export Assistance Center with the Partnership's international staff. Under this agreement, the U.S. Department of Commerce and the Partnership established the Iowa Export Assistance Center (IEAC).

Background: Increasing International Markets for Iowa Manufacturers is Essential!

Iowa is home to 5,100 unique manufacturing employers and over 5,900 manufacturing establishments. These manufacturing facilities generate over 22% of the Gross State Product (GSP), which places Iowa 9th nationally in terms of the importance of manufacturing to the state economy. While the portion of Iowa's Gross State Product due to manufacturing has fluctuated, we have seen growth over the past two decades. The fraction of the total private GSP due to manufacturing has remained between 25 and 30 percent. The level declined slightly during the recession of the early-to-mid eighties, climbed briefly, and then has shown a gradual decline over the past decade to a current value near 25%. Though the number of manufacturing establishments and employees is much higher near population centers, the county dependency on manufacturing employment varies more widely. Of the 50 counties with the highest dependency on manufacturing, 39 of them have fewer than 30,000 residents.

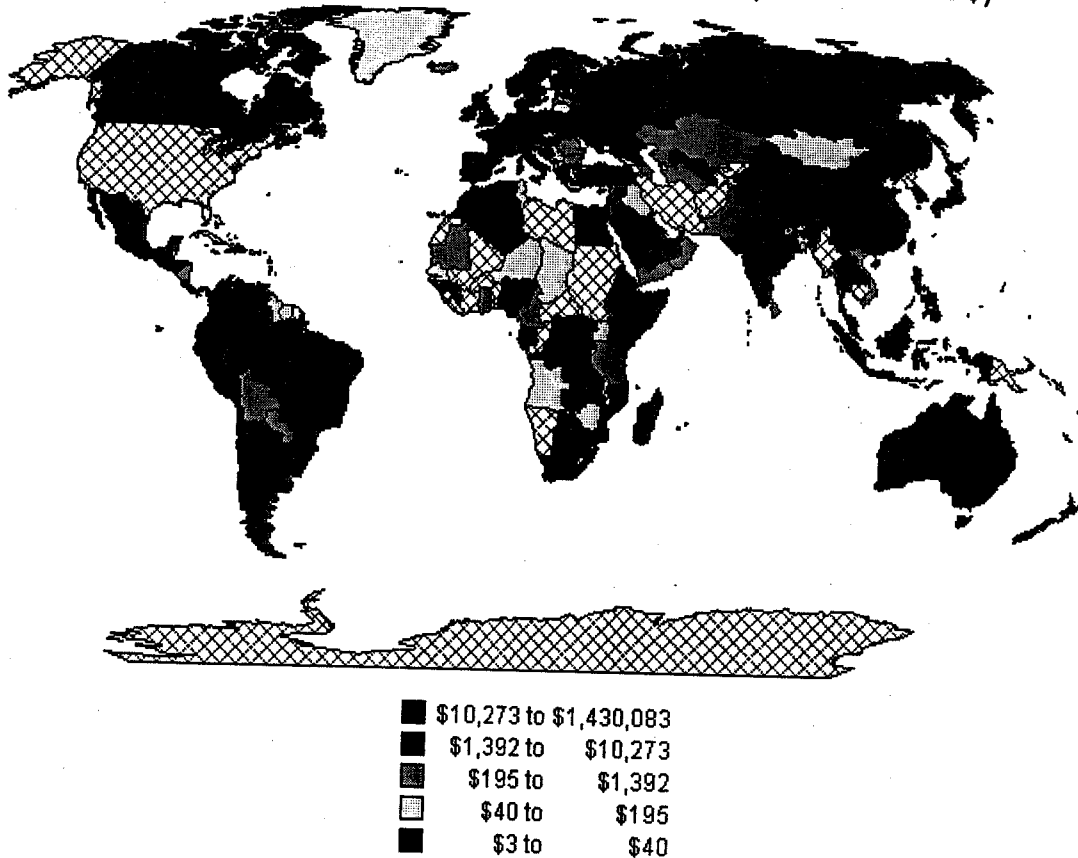
Manufacturing Contribution to the Iowa GSP



Background: Manufacturing Exports from Iowa

At 18.5%, Iowa ranks 22nd nationally in the fraction of manufacturing jobs that are directly or indirectly tied to manufacturing exports, and Iowa ranks 14th nationally in the percent of all private sector jobs (8.4%) tied to manufacturing exports. In all, over 107,000 Iowa jobs depend on Iowa manufacturing exports. Iowa exported over \$3 billion worth of manufactured items in 2001, which ranks 30th nationally. The destinations of these exports are depicted below.

Value of Manufacturing Exports from Iowa (thousands of \$)



Map and legend courtesy of Export.gov

The IEAC and Greater Des Moines Partnership staff has exceptional language competencies and international experience.

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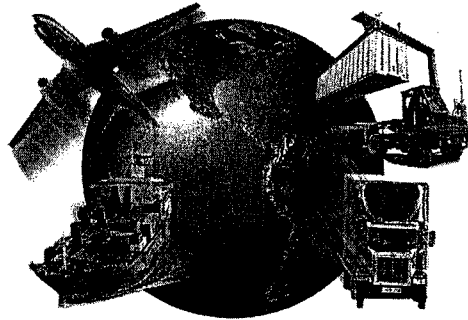
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Legislative Request

- A \$300,000 appropriation to the Iowa Export Assistance Center
- Federal/State/Local Partnership for International Trade
- Coordinate a state-wide effort to Promote Iowa Exports using all available resources
- Reduce Duplication and Save State Tax Resources
- State funding will constitute approximately 1/3 of total funds



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What is the IEAC?

- Export Trade Assistance Program
- U.S. Department of Commerce
- The Greater Des Moines Partnership
- Federal and Local Funding
- Renewed 5 year partnership through the end of 2008



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Staff & Budget

- Six full-time professional staff
 - 3 U.S Department of Commerce
 - 3 Greater Des Moines Partnership
 - 1 shared International Intern
 - More than 50 years of trade related experience
- Federal and Local Funding - No State Tax Resources
- Nearly \$550,000 annual budget
- Over 150 offices throughout the world



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State-Wide Mission

In the past three years the IEAC has:

- Consulted with more than 800 Iowa companies
- Generated 85 export success stories
- Generated more than \$80 million in exports
- Conducted export training and participated in programs throughout the state
- Sought to extend outreach by opening office hours in other locations
- Hired a full-time Rural Outreach Coordinator



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Our Philosophy

- Company-driven export programs
- Targeted Trade and Business Missions
- Build partnerships
 - Iowa Chambers of Commerce
 - Community Colleges
 - Iowa's private and public colleges and universities
 - Iowa Farm and Business Associations
 - Iowa Department of Agriculture and Land Stewardship
 - Iowa Department of Economic Development
- Diversify Funding Sources and Share Costs



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Our Services

- One-on-One Trade Consulting
- Export Readiness Training
- Market Research
- Market Promotions Consulting
- Gold and Platinum Key Services
- Trade Shows and Missions
- Video Teleconferencing
- BuyUSA Online Services
- International Partner Search



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MATRIC

- Congressional Earmark
- Iowa State University - Center for Agricultural and Rural Development
- International Trade and Export Assistance for Iowa's Agribusiness Community
- Key Funding Source for International Agricultural Projects



*Midwest Agribusiness Trade
Research and Information Center*



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Foreign Trade Zone

Manage Foreign Trade Zone #107

Warehousing in Des Moines Metro Area

Winnebago Subzone at Forest City Plant

Expansion to Grinnell Warehouse

Future Expansion at Des Moines Airport



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Current Projects

Rural Manufacturing Outreach Program

- Ease loss of Rural Manufacturing

Automated Export Systems Training

- 7 locations across Iowa (Cedar Rapids, Cedar Falls, Clinton, Ottumwa, Mason City, Fort Dodge, and Des Moines)

Niche Pork Supply Chain Development

- Pork Niche Market Working Group
- Domestic Sales Expansion
- Japan

Dried Distillers Grain Promotion (Iowa Ethanol Industry)

- Partner with Iowa Corn Promotion Board
- Mexico, Latin America, and the Caribbean
- USDOC Grant Application - Market Development Cooperator Program

Contact Us



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IOWA EXPORT ASSISTANCE CENTER

DES MOINES, IOWA

STAFF BIOS

Thomas M. Rial
Director
The Greater Des Moines Partnership

Tom Rial is Director of the Iowa Export Assistance Center of the Greater Des Moines Partnership, providing export trade assistance to Iowa companies. Under a grant from the U.S. Department of Agriculture, Tom is responsible for directing export outreach activities of the Midwest Agribusiness Trade Research and Information Center, a cooperative effort with Iowa State University. Tom is also Managing Director of the Iowa Foreign Trade Zone Corporation and lead staff for the development of the Des Moines area inland Port. Tom joined the Partnership in January 2001.

Over the past 13 years Tom has worked in the field of international trade promotion and business development in the area of food and agriculture. For three years, Tom worked as an agricultural consultant for start-up value-added agricultural enterprises as well as trade consulting for both Iowa and international clients. He served as Marketing Director for the Iowa Soybean Association and Promotion Board from 1997-1999, and worked in Washington, DC from 1992-1997 for the USDA's Foreign Agricultural Service managing technical assistance programs in countries of the Former Soviet Union, and providing analysis and policy advice on issues related to the international transportation and the marketing of U.S. food and agricultural products.

In 1999 Tom was appointed by Iowa Governor Tom Vilsack to serve on the Iowa Food Policy Council. Tom participated in the 2002 Carver Biotech Grant selection committee at Iowa State University, and serves on USDA's Containerized Grain Export Advisory Council. Tom also serves as Vice President to the Board of the Wallace House Foundation in Des Moines.

Tom was selected by the European Commission in Washington, DC to participate in the 2002 European Union Visitors Program in Brussels where he discussed with EU Parliament and Commission leaders a host of issues including US-EU trade relations, Common Agricultural Policy reform, and regulatory issues facing trade in biotechnology and organic food and agriculture. Tom is a 2002 Asia Foundation Freeman Fellow and joined a team of 7 American Fellows on an Asia Policy trip to Singapore, Cambodia, and Thailand in October 2002 to meet with counterparts in government and non-government organizations.

Tom has a BA in Political Science and Philosophy from the University of Northern Iowa and an MA in International Affairs from Marquette University in Milwaukee, WI. While working in Washington, DC, Tom earned his second Masters Degree with advanced graduate work in international political economy at The George Washington University.

Tom is a native of rural Iowa and currently resides in Des Moines.

Allen L. Patch
Director
U.S. Department of Commerce

Allen Patch currently serves as Director of the Iowa Export Assistance Center for the U.S. Department of Commerce in Des Moines Iowa. The Iowa Export Assistance Center is a joint effort by the US Department of Commerce and The Greater Des Moines Partnership and assists companies across the state with international business development and provides counseling on export operations and trade regulations. As part of the Commercial Service, he works closely with his counterpart Commercial Service offices in more than 80 foreign countries to provide contacts and market intelligence to Iowa firms.

Before coming to Des Moines Iowa in 1997, Allen served in the U.S. Department of Commerce as an International Trade Specialist with assignments in Dallas, Texas and Omaha Nebraska. He began his career with the Commerce Department in 1992. Presently, he serves on national teams for the promotion of education exports and electronic commerce.

Prior to joining the Commercial Service, he traveled and did business in Latin America and the Caribbean as an employee of the Latin American Operations of The Hyster Company; a Portland Oregon based material handling equipment manufacturer. His international career began in the export department of General Motors in 1980. He also served as a Peace Corps volunteer in Morocco and speaks French and Spanish. He holds a bachelor's degree in Liberal Arts from Northern Illinois University and a Master of Public Administration from Southern Illinois University at Edwardsville. He and his wife Nadine live in Des Moines with their three children Alexander, Anna, and David.

A.J. Anderson
International Trade Specialist
U.S. Department of Commerce

A.J. Anderson is an International Trade Specialist with the U.S. Dept. of Commerce and works at the Iowa Export Assistance Center in Des Moines, IA. The Iowa Export Assistance Center is dedicated to assisting small and medium size companies increase their export business. A.J. is native of Wichita, KS, and a graduate of Wichita State University. In the last 10 years A.J. has served in a variety of operational and business development roles in international banking and finance for banks such as Bank One and Bank of America in Kansas, Texas and Georgia. He has also spent 3 years in trade risk management within the credit group of Koch Industries, a large Midwest energy company.

Jeremy Baril
Rural Outreach Coordinator
U.S. Department of Commerce

Jeremy Baril is Rural Outreach Coordinator for the U.S. Dept. of Commerce at the Iowa Export Assistance Center in Des Moines, Iowa. Jeremy graduated with a BA in Business Management from Drake University. He has been on staff of the Iowa Export Assistance Center since February 2003.

He has expertise in the Automated Export Systems process and is currently assisting Iowa companies with training in the AES program throughout Iowa. Jeremy serves on the Information and Telecommunication Team of the U.S. Commercial Service and takes a lead role in assisting companies in this economic sector. Jeremy assists Iowa companies in the development of international marketing plans and provides market research on potential export opportunities.

As a U.S. Navy veteran, Jeremy was stationed at Pearl Harbor and has served in Persian Gulf. Jeremy is a native of Spokane, Washington and currently resides in Des Moines.

Alba Bassett-Armijo
Diversity Development Director
and
International Trade Promotions Manager
The Greater Des Moines Partnership

Originally from Tegucigalpa, Honduras, Alba moved to Des Moines 20 years ago, now calling Iowa home for her and her two children. While in Honduras, Alba studied Foreign Languages (English-French) at the Universidad Nacional Autonoma de Honduras - UNAH. In addition to her current responsibilities at the Partnership Alba is also a promoter and producer of cultural events in Des Moines. For the past year Alba has provided a great deal of assistance to the International Relations group, where her bi-lingual ability is an asset to the Partnership's Latin American trade programs.