



U.S. Small Business
Administration

Gabriel J. Esparza
Associate Administrator
Office of International Trade
U.S. Small Business Administration

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Testimony of Gabriel J. Esparza
Associate Administrator, Office of International Trade
U.S. Small Business Administration

Chairman Cardin, Ranking Member Paul, and distinguished members of the Committee, thank you for honoring me with an invitation to come before you today to discuss the work of the Office of International Trade at the U.S. Small Business Administration.

For America's small businesses, exporting is an engine for growth that allows our firms to reach new customers in an increasingly interconnected global marketplace. Data shows that small businesses that export are more resilient, expand faster, and create higher paying jobs for Americans. That is why Administrator Guzman has prioritized expanding the SBA's export services. As part of the Biden-Harris Administration's commitment to equity, we are also focused on ensuring that every community that is interested in exporting has the opportunity and tools they need to grow, especially in traditionally underserved communities.

Raising awareness of the availability of export assistance through the SBA requires shifting our frame of reference for what an export looks like in the small business marketplace today. Most people associate the typical U.S. export with big business. Indeed, big business represents two-thirds of all U.S. exports by value. But that story is evolving, and the role of small business exporters is starting to impact the marketplace in ways previously unseen. The advent of digital tools, e-commerce engines, and maturing payment networks has reduced barriers to entry for small businesses to export both products and services – including software, digital entertainment, and other technology.

At the SBA, Administrator Guzman has prioritized leveraging digital and e-commerce technologies to create a whole new generation of exporters. During the pandemic, e-commerce increased in the U.S. and small businesses adopted digital strategies to survive and grow their revenues. When small businesses create an online presence via their e-commerce website or e-commerce platform, they often find interest from customers all over the world. Administrator Guzman is driving transformational change so that the SBA can help these "Accidental Exporters" become "Intentional Exporters" by expanding and growing their businesses to new markets. Whether its providing assistance at a local SBA field office or working with one of our resource partners, we want SBA to be the first and best resource for America's small businesses to expand abroad.

I am proud to bring my lived experience working around the globe to SBA's mission to help small businesses grow internationally. Prior to joining the Administration, I helped lead a start-up small business that built a modern 9-1-1 emergency technology platform. Our company launched in the U.S. and expanded around the world. Prior to my work at a startup, I spent 13 years at American Express working with small businesses and eventually leading global business development for their commercial payments division. Over the course of my 26-year career, I have lived, studied, and worked around the globe – now almost 70 countries in total, while at the same time being deeply intertwined in the small business arena. In that connection, I have seen the power of American entrepreneurship on a global scale and I work each day at SBA to ensure that our small businesses can find new customers to grow and compete internationally.

One of our office's primary responsibilities is providing education and training to small businesses that are interested in exporting. We help businesses prepare an export plan to provide support for navigating the complexities of customs, trade credit insurance, and foreign exchange. Our efforts are supported by a range of partners throughout the SBA, across the Federal Government, and with certain public/private enterprises. When a small business has an interest in exporting, SBA plays a critical role in ensuring that American products reach new shores and markets. And with every American product that reaches a new export market, we are helping to build a future Made in America.

After a business has established a solid idea, product, or service – often including a track record of successful domestic sales – they need access to capital to fund and grow their overseas expansion. SBA's lending portfolio provides guarantees on loans and credit lines originated through the private banking industry. The SBA is authorized to provide higher guarantees on these facilities due to the unique circumstances faced by exporters – namely increased buyer risk, country risk, and currency risk. The increased loan guarantees extended under our programs also allow community and regional banks to build export financing capacity.

SBA has successfully partnered with the private sector: In Fiscal Year 2021 alone, more than 92 percent of international trade loans were made by community or regional banks. Our team places a particular emphasis on working capital lines because both sales cycle and cash conversion cycles are naturally longer and subject to more volatility for exporters. Under Administrator Guzman's leadership, we are continuing to look at the data and our customers to ensure that we continue to evolve our policies and our products to align with the needs of the export and trade finance marketplace.

The SBA's Office of International Trade also focuses on providing grants to small businesses in the form of export expense reimbursement through the State Trade Expansion Program, or STEP. This year we are proud to be celebrating the 10th anniversary of STEP, which over the last decade, has awarded over \$200 million to all 50 states plus 6 territories. The STEP program has supported 12,000 small businesses and generated \$5,480,291,665 in export sales. Demand for STEP resources from the states is strong: This year's STEP applications were the largest ever, both in terms of states/territories applying as well as the total dollars requested. In 2022, we will have a record 48 states participating in the program. Our partnership with the States, as well as with external advocacy groups like the State International Development Organizations (or SIDO) is critical to the efficiency, relevancy, and impact of the program.

The last piece of the puzzle for most small businesses as they seek international opportunities is access to foreign markets. SBA is deeply involved in the interagency trade apparatus of the federal government – namely through our seat on the Trade Promotion Coordinating Committee on matters related to trade promotion and Trade Policy Staff Committee for trade policy development and trade negotiation. It is there that we advocate for small businesses for all matters related to trade policy and trade agreements – bringing to life the real, lived experiences of small business owners that we meet every day.

SBA is committed to ensuring that the core offerings – education, capital, and market access – of our Office are accessible to the growing universe of small business exporters. Across the agency, Administrator Guzman has tasked us with developing more customer-centric approaches to our work that meets our small business customers where they are. That is why SBA is focused on increasing awareness for exporting by connecting to a broader audience of small businesses who are currently exporting or could potentially be exporting. We are increasing our marketing of the importance of exporting by focusing on partnerships and events as well as other channels and mediums to reach new audiences. We are focused on creating new, intentional small business exporters that will drive economic growth by tapping into the global marketplace.

I am humbled by the opportunity to serve at SBA and I am excited about the future of our nation's small businesses to export American-made products to customers throughout the world. I appreciate the invitation to appear before you today and I look forward to your questions.

Thank you.