



**Testimony of Signe Pringle
Assistant Secretary at Maryland Department of Commerce
On behalf of the State International Development Organizations (SIDO)**

**Senate Committee on Small Business and Entrepreneurship
“Reauthorization of the SBA’s International Trade Programs”**

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2:30 p.m. EST

Chairman Rubio, Ranking Member Cardin, and Members of the Committee, thank you for the opportunity to testify before you today.

My name is Signe Pringle; I am the Assistant Secretary at Maryland Department of Commerce. I oversee the offices of business development, finance programs, military and federal affairs, and international investment and trade. I lead a team focused on attracting investment into Maryland and helping our companies export.

I am also the current president of the State International Development Organizations, or SIDO, and also here in that capacity.

SIDO is the only national organization focused on supporting Governor’s international trade agendas and represents the state trade agencies. SIDO is a partner of the National Governors Association and The Council of State Governments.

SIDO helps state international trade agencies better serve American exporters by sharing innovative ideas, resources, and developing policies that help more small businesses export. SIDO works closely with our federal trade partners, including the Trade Promotion Coordinating Committee, the International Trade Administration, and the U.S. Small Business Administration.

On behalf of SIDO and our state trade offices throughout the country, thank you for your commitment to small business exporters. We appreciate the Committee’s strong support of the State Trade Expansion Program – or STEP – and look forward to working with you on the reauthorization.

For today’s hearing, I want to discuss how we assist small businesses in Maryland to start or expand their exports; and then I want to talk specifically about the SBA’s STEP program.

As we've discussed, international trade plays a key role in creating and supporting good jobs in our states. According to the U.S. Department of Commerce, in 2018, exports accounted for nearly 12 percent of the U.S. gross domestic product and supported over 11.5 million jobs.

In Maryland, 99.5 percent of the total businesses are small businesses. Of the nearly 582 thousand small businesses, only 6,500 of those are exporting their product or services. That is only one percent, the same as our national average.

Through the Maryland Department of Commerce, we're helping more Maryland companies extend their reach to international markets. Maryland has 16 foreign offices around the world to help these companies market their products and services and connect with potential customers and partners abroad.

In 2018, Maryland exports increased by almost 30% compared to the previous year. We are on the right track, but additional resources such as STEP funds are critical to our mission.

In Maryland, we are a smaller state and are uniquely positioned next to our nation's capital. We also have a strong infrastructure – including the Port of Baltimore; interstates 95, 81, 70 and 68; and our excellent rail system – all that helps support the movement of our goods.

However, small businesses often experience difficulty navigating and accessing the available resources in order to grow globally. That is where strong partnerships between the state and federal government, specifically the SBA/STEP, Small Business Development Centers (SBDCs) and U.S. Department of Commerce, play a key role.

From identifying foreign buyers, navigating international barriers, and participating in trade shows or missions, Maryland works closely with our federal partners to guide exporters through the process of global expansion.

STEP is an important component and asset to our shared mission. STEP provides the resources and confidence for those firms to start the export process – or expand to a new market.

More than 50 Maryland small businesses take advantage of the STEP funded export promotion program annually and report upwards of \$50 million in confirmed sales as a result of the assistance.

Last year, Maryland reported 30 percent return on investment on STEP funds that were used to supplement the state's export promotion budget.

Maryland small businesses participate in a number of STEP funded international trade shows, including Medica in Germany (healthcare), Arab Health in UAE (healthcare), Paris Airshow in France (aerodefense), Avalon in Australia (aerodefense), Infosec in the UK (cybersecurity) and Expo Seguridad in Mexico (security), to name a few.

For example, a company based in Baltimore County, Maryland, that makes pneumatic tube systems for hospitals and healthcare clinics has used STEP funds to attend Arab Health trade show with the state in previous years. As a result, the company reports \$6 million in export sales to the UAE and Qatar and now displays at Arab Health in their own booth every year.

It's important to note securing an export sale is not easy. Sometimes companies will not secure a final sale for a year or two. But with the support of STEP, they started the process, went on the mission, and now are exporting to new markets. That will help them grow and maintain good paying jobs in Maryland.

The STEP program has enabled Maryland to boost its export promotion program and assist additional small businesses by providing the necessary resources and tools to gain access to international markets. However, I agree that we need to make some key changes to reduce the administrative burden. For a smaller state with limited staff, our time is best served by assisting the small businesses.

At SIDO, we are committed to working closely with the SBA and Congress on continuing to improve the STEP program. I also want to complement the SBA STEP team for their partnership and participation at our annual conferences.

In conclusion, I want to echo Manny Mencia's comments regarding the improvements proposed to the STEP grant in the reauthorization. These include: reducing the administrative burden, establishing consistent partnership and funding with all states, increasing the funding to \$30 million or more, and allowing more flexibility for states to allocate and repurpose funds.

I want to thank the Committee again for your support and leadership on this issue. Again, we strongly support the reauthorization and full funding of the STEP grant program and look forward to working with you.

Thank you and the Committee for the opportunity to appear before you today, and I look forward to your questions.