

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

April 16, 2017

Honorable Gene L. Dodaro
Comptroller General of the United States
United States Government Accountability Office
441 G St., NW
Washington, D.C. 20548

Dear Comptroller General Dodaro:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Small Business is conducting oversight over the Small Business Administration (SBA) Office of International Trade (OIT). As part of this oversight, the Committee requests the Government Accountability Office (GAO) conduct a review over the State Trade and Export Promotion (STEP) Grant Program.

The STEP Grant Program is a newly permanent program, establishing “a trade expansion program ... to make grants to States to carry out programs that assist eligible small business[es].”¹ Because it is a grant-making program, the Committee wants to ensure that taxpayer-funded grants are being spent appropriately. In that vein, the Committee has concerns that SBA officials may be misusing funds for international travel under the banner of the agencies export promotion activities.

Given the Committee’s concerns, I request that GAO conduct a review over the program. Specifically, the review should determine the following:

1. How important the STEP funds are to recipient states by looking at the proportion of their respective budgets and activities that are funded by these grants;
2. The degree to which the non-federal share of STEP funding is in the form of cash, indirect costs and indirect contributions;
3. How the states compare in their reported use of the grant funds, including how much of it is used for travel; and

¹ The Trade Facilitation and Trade Enforcement Act of 2015 Pub. L. No. 114-125 § 503, Stat. 177 (2016).

4. The extent and justification for SBA's international travel expenditures related to the agency's international trade and export promotion efforts and its practices for selecting such travel.

To discuss the specific timeframes and other issues related to your review, please contact James Burchfield or Jessica Donlon of the Committee Staff at (202) 225-5821. Please also keep them apprised of your progress on a regular basis. Thank you for your attention to this matter.

Sincerely,



Steve Chabot
Chairman