

Attachment B: STEP U.S. Content Definition/Formula

How to Determine U.S. Content for STEP Assistance

In accordance with Funding Opportunity Announcement No. OIT-STEP-2019-01, to be eligible for STEP, the ESBC must be an export-ready U.S. company seeking to export goods or services that are EITHER:

1. of U.S. origin; OR
2. have at least 51% U.S. content.

OIT follows the U.S. Commercial Service definition of U.S. content, as defined below.

U.S. content or manufactured goods = (ex-factory price of a good) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Example:

| | | |
|--|--|-------|
| Ex-factory price of good | | \$100 |
| - aggregate value contributed by non-U.S. or foreign sources | Manufacturing costs (payment to foreign contract manufacturer) | -\$25 |
| | Value of all foreign-supplied parts/inputs/materials | -\$20 |
| | Foreign administrative costs | -\$2 |
| | Foreign transportation and logistics costs (up to factory door) | -\$2 |
| | Licenses, royalties, and fees paid for foreign intellectual property | -\$0 |
| = U.S. content | | \$51 |

U.S. content for services = (contract value of the service, whether delivered in the U.S. or overseas) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Example:

| | | |
|--|--|-------|
| Contract value of the service | | \$100 |
| - aggregate value contributed by non-U.S. or foreign sources | Staffing costs of foreign subcontractor | -\$25 |
| | Value of foreign inputs/materials used to execute contract | -\$15 |
| | Foreign based legal and administrative costs | -\$9 |
| = U.S. content | | \$51 |

For additional information please visit www.sba.gov/document/support-state-trade-expansion-program-step-grant-application-materials.