Kentucky Cabinet for Economic Development

STEP Grant Application for Year 11

9/30/2023 - 9/29/2025

QUESTIONNAIRE:

The objectives of the STEP program are trade education in addition to financial assistance; we are committed to your continued success as a Kentucky exporter. All **STEP Year 11 applicants are required** to participate in a brief, free export training webinar and review U.S. Commercial Services offerings before being considered for approval. Utilizing the webinars from the U.S. Commercial Service website, please answer these 10 multiple-choice questions. Videos range from two-four minutes long. There are no trick questions, so don't overthink them!

This completed questionnaire must accompany the STEP Year 11 forms (International Export Readiness Assessment, Eligibility, and Application) when applying to the program. The majority of the following questions must be answered correctly before approval:

1. From the "Export Process Overview" video, where do you start?
   a. Develop a comprehensive export plan.
   b. Plan market entry strategy by conducting research on possible foreign markets.
   c. Find foreign buyers by having a global web presence and exhibit at trade shows.
   d. Engage in discussions with a U.S. bank for extended terms, money to expand, or insurance to guarantee payments from foreign buyers.
   e. Find a reputable overseas buyer.
   f. Educate yourself on the steps required to export.
   g. All of the above

2. From the "Export Process Overview" video, which task is necessary for some businesses, but not all, to successfully ship goods and complete the transaction?
   a. Review required documentation and shipping options.
   b. Obtain a U.S. Export License.
   c. Research foreign standards, certifications, or regulations that may apply to your products or service.
   d. Research and confirm duties, taxes, shipping, and insurance costs.

3. According to the video "Are You Export Ready?", which element is NOT required to be ready to export?
   a. Huge amounts of money and a full-time staff
   b. Upper management's commitment to see value of international sales
   c. Realistic expectations on timing of return on investment
   d. An export plan detailing international strategy
   e. Preparation to modify your products or services
   f. None of the above

4. On the video "Research the Global Marketplace", we're told to find the Schedule B Export Classification Code for your products from the U.S. Census Bureau Foreign Trade Division. What does having the correct 10-digit code help you find besides export destinations of similar products?
   a. U.S. tax codes

b. NAICS
c. Tariff rates
d. NAPCS

5. According to the "Export Through Foreign Agents and Distributors" video, the best way of generating a large volume of sales is to locate a sales agent, distributor, or foreign sales representative. The company should retain an attorney who is experienced with the laws of the destination country, and work with them to draw up a binding agreement between the exporter and the representative. Which of these attributes are key for a successful business relationship with a foreign sales representative?
   a. Has a solid reputation, expertise is compatible, knowledgeable of the industry, has established distribution channels, and has a record of sales performance.
   b. Has a solid reputation, expertise is compatible, knowledgeable of the industry, has established distribution channels, has a record of sales performance and the representative has confirmed that they can help to manage logistics, regulation, marketing, translations, after-sales service, or other issues.
   c. They're all about the same; just hire the least expensive.

6. From the "Pricing Your Product" video, we're told exporting businesses will have to factor in the additional costs associated with shipping overseas. To develop a strategy price point, it is important to research the market to which you're selling and competitors' pricing of similar items. What is a pro-forma invoice?
   a. A buyer's detailed offer that includes a specific price in USD, along with a specified international currency (if applicable), good for a certain amount of time, description of the product, the weight and dimensions of the package, the selling price, the terms of sale, and the payment status.
   b. An invoice sent to a buyer to request payment for a product or service.
   c. A seller's invoice sent to a buyer to collect prepayments for a task that will be done in the near future.
   d. A document created as the proof of an international transaction between a buyer and a seller for legal purposes to primarily calculate tariffs, determine taxes, and obtain customs clearance for the shipment of goods in and out of a country.

7. According to the "Can I Export My Product?" video, you can determine whether you need an export license or not by looking at these factors: the product or service being exported, the buyer and their location, and the presence of any red flags. Two agencies administer the regulations: Bureau of Industry and Security=EAR and U.S. State Department=ITAR. Does a product on the Commerce Control List classified as EAR99 require a license?
   a. Yes
   b. No

8. On the "Shipping Basics" video, we learned that the best way to ship large shipments is through the services of a U.S. licensed freight forwarder. What are the components of INCOTERMS between the buyer and the seller?
   a. Coordinating and paying freight
   b. Insurance payment
   c. Duties and custom clearance
   d. Required documentation
   e. All of the above

9. The "Protect Your Intellectual Property" video states that the first thing an exporter needs to do is protect their Intellectual Property (IP) here in the United States. Do you need to obtain IP protection in Canada and Mexico although the IP protections are built into the Free Trade Agreements?
   a. Yes
   b. No

10. From the "Protect Your Intellectual Property" video, does an exporter need to file for IP protection with the European Union or with individual countries?
   a. One with the European Union
   b. With individual European nations

11. BONUS QUESTION: Which federal government entity provides credit insurance thus guaranteeing payments from foreign buyers?
   a. U.S. Commercial Service
   b. KY Small Business Development Center
   c. Export-Import Bank of the United States (EXIM)
   d. World Trade Center-KY
   e. University of Louisville, KY-Manufacturing Extension Partnership-National Institute of Standards and Technology (UofL KY MEP-NIST)

*All videos can be accessed at www.**trade.gov/learn-how-export**

Date

Company Name (include dba if applicable)

Name of person completing this questionnaire and email address

Signature of person completing this questionnaire

Name of Primary Contact on the STEP Year 11 Grant Application Forms

Signature of Primary Contact on the STEP Year 11 Grant Application Forms