

ANNOUNCEMENT OF FEDERAL FUNDING OPPORTUNITY
EXECUTIVE SUMMARY

Federal Agency Name(s): Manufacturing and Services (MAS), International Trade Administration (ITA), Department of Commerce

Funding Opportunity Title: Market Development Cooperator Program 2011

Announcement Type: Initial

Funding Opportunity Number: ITA-MAS-OPCM-2011-2002910

Catalog of Federal Domestic Assistance (CFDA) Number: 11.112, Market Development Cooperator Program

Dates: Public Meeting: The Department will hold a public meeting to discuss MDCP proposal preparation, procedures, and selection process on Wednesday, March 30, 2011. The ninety-minute meeting will begin at 2:00 p.m. in Room 4813, at the Herbert Clark Hoover Building, 14th and Constitution Avenue, N.W., Washington, D.C. The Department will not discuss specific proposals at this meeting. Attendance is not required in order to apply or seek an eligibility determination. Interested parties may participate via telephone conference by dialing 888-730-9142. The pass code is 31859.

Applications:

Full proposals must be received and validated by Grants.gov, postmarked, or provided to a delivery service on or before 5:00 p.m. EDT, April 27, 2011. Please note: Validation or rejection of your application by Grants.gov may take up to 2 business days after submission. Please consider this process in developing your submission timeline. Applications received after the deadline will be rejected/returned to the sender without further consideration. Use of U.S. mail or another delivery service must be documented with a receipt. No facsimile or electronic mail applications will be accepted.

Applicants whose applications have been received by the deadline will be notified via e-mail or fax within ten days of the submission deadline.

Funding Opportunity Description: The Department requests that eligible organizations submit proposals (applications) for the fiscal year (FY) 2011 competition for MDCP awards. The Department's International Trade Administration (ITA) creates economic opportunity for U.S. workers and firms by promoting international trade and investment, strengthening industry competitiveness, and ensuring fair trade.

FULL ANNOUNCEMENT TEXT

I. Funding Opportunity Description

A. Program Objective

Trade associations, state departments of trade and other regional associations, and other non-profit industry organizations are eligible to apply for an MDCP award. These organizations are particularly effective in reaching small- and medium-size enterprises (SMEs). Through MDCP cooperative agreements the Department provides technical and financial assistance that these organizations match. Organizations compete for a limited number of MDCP awards. (See III. Eligibility Information below.)

MDCP awards help to underwrite the start-up costs of new projects that organizations are often reluctant to undertake without federal government support. MDCP projects strengthen the competitiveness of U.S. industry by generating exports of non-agricultural goods and services produced in the United States.

1. Definitions

Several definitions are provided in VIII. Other Information.

2. Examples of Project Activity

Applicants should propose foreign market development activities tailored to strengthen the competitiveness of a U.S. industry. Examples from prior years are set forth below and, in greater detail, at www.trade.gov/mdcp. These are provided only for illustration. Applicants are not required to propose any of these activities

- a. Promotion of standards that ensure market access for U.S. products;
- b. Helping business leaders to leverage free trade agreements to the advantage of U.S. industry;
- c. Demonstration of U.S. products abroad;
- d. Creation of U.S.A. pavilions at foreign trade shows;
- e. Establishment of technical servicing of U.S. products abroad;
- f. Establishment of a trade association office in a target market;
- g. Education of foreign users of U.S. technology concerning intellectual property rights;

h. Training foreign staff for after-sale service of U.S. products in target markets;

i. Translation and publication of product brochures and company directories; and

j. Development of product quality standards and designations along with target-market promotion of same.

B. Program Priorities

ITA seeks to promote trade and strengthen the global competitiveness of U.S. industry. MDCP projects should be designed to meet this objective. As noted below in VIII.C.3.b. Performance Measures, the primary measurement of effectiveness of MDCP projects in meeting this objective are U.S. exports created or sustained by these projects. Listed below are more specific priorities that help ITA to achieve this objective. Applicants should demonstrate how their proposed projects are compatible with or complementary to these ITA priorities. An applicant does not need to focus on a specific number of these priorities to qualify for an award. Strong compatibility or complementary on one priority can be sufficient for an application to score high enough to be funded.

The international trade priorities listed below are the priorities referred to in V.A.3. Partnership and Priorities. The Department is interested in receiving proposals that include but are not limited to projects that:

1. Create or sustain U.S. jobs by increasing or maintaining exports;
2. Address impediments to innovation and reduction of the cost of doing business in foreign countries;
3. Address standards, intellectual property rights, and other non-tariff barriers, especially in large markets like China, India, and Brazil;
4. Help U.S. industry to capitalize on effective global supply chain management strategies;
5. Increase U.S. market share in China's clean energy sector and improve the business environment for U.S. companies in China;
6. Facilitate ease of travel to the United States and promote U.S. higher education and training opportunities to non-U.S. entities;
7. Increase overall export awareness and awareness of ITA programs and services among U.S. companies, by making SMEs export-ready or by facilitating deal-making; and

8. Expand exports of U.S. emerging technologies.

C. Program Authority

MDCP is provided for in 15 U.S.C. 4723. The program strengthens U.S. industry's competitiveness by developing, maintaining, and expanding foreign markets for non-agricultural goods and services produced in the United States.

II. Award Information

A. Funding Availability

Approximately \$2,000,000 to \$4,000,000 is expected to be available through this announcement for fiscal year 2011. The total number of awards made will depend on the amounts requested by top-scoring applicants and the availability of funds. No award will exceed \$500,000. The Department anticipates concluding five to ten cooperative agreements.

B. Project/Award Period

The award period is the time-span established in the award document during which federal sponsorship begins and ends. The term "award period" is also referred to as "project period". Each applicant proposes an award period of up to three years in its application. The award period may be extended. Extensions usually do not exceed 12 months. All extensions must be approved in writing by the grants officer.

C. Type of Funding Instrument

MDCP awards are cooperative agreements. Accordingly, ITA expects to have substantial involvement with cooperators as they work on their MDCP projects. This involvement is discussed below in VIII.D. Working as a Team with ITA.

III. Eligibility Information

A. Eligible Applicants

Entities that fall within the following categories are generally found to be eligible to apply for an MDCP award: trade associations; state departments of trade and their regional associations; and non-profit industry organizations, including organizations such as World Trade Centers, centers for international trade development and small business development centers. In cases where no entity described above represents the industry, private industry firms or groups of firms may be eligible to apply for an MDCP award. Such private industry firms or groups of firms must provide documentation in their applications, demonstrating that no entity in the first three categories listed below represents their industry.

1. Trade Association

A trade association is a fee-based organization consisting of member firms in the same industry, or in related industries, or which share common commercial concerns. The purpose of the trade association is to further the commercial interests of its members through the exchange of information, legislative activities, and the like.

2. Non-Profit Industry Organization

To be found eligible within this category an entity must be found to be:

a. A non-profit small business development center operating under agreement with the Small Business Administration; or

b. A non-profit World Trade Center chartered or recognized by the non-profit World Trade Centers Association; or

c. An organization granted status as a non-profit organization under U.S.C. 501(c)(3), (4), (5), or (6), which operates as one of the following: 26

- (1) Chamber of commerce,
- (2) Board of trade,
- (3) Business, export or trade council/interest group,
- (4) Visitors bureau or tourism promotion group,
- (5) Economic development group,
- (6) Standards-developing or conformity-assessment organization,
- (7) Small business development center, or
- (8) Port authority.

3. State Departments of Trade and Their Regional Associations

To be eligible within this category an entity must be found to be a:

a. Department of a state government tasked with promoting trade, tourism, or other types of economic development; or

b. Association of the departments of trade (as defined above) of two or more states; or

c. Entity within a state or within a region that is associated with a state

department of trade, tourism, or other types of economic development including non-profit, non-private, non-commercial entities which are at least partially funded by, directed by, or tasked by a state government to promote trade, tourism, or other types of economic development.

4. Special Note Regarding Educational Institutions

Educational institutions, such as schools, colleges, and universities, are not eligible. However, organizations that are part of or affiliated with an educational institution for administrative, accounting, financial, legal, or logistical reasons may be eligible. Such organizations that are not independent legal entities for example, an unincorporated organization that otherwise may be classified above under 1. Trade Association, 2. Non-Profit Industry Association, or 3. State Departments of Trade and Their Regional Associations, are eligible.

In such a case, the eligible entity will include in its application a signed letter from the educational institution stating that MDCP funds will be used only by the eligible entity for the purposes outlined in its application and that no such funds will be used by or retained by the educational institution, even though the funds may need to go through the educational institution because of the eligible entity's lack of a separate accounting system or lack of status as a separate legal entity.

B. Cost Sharing or Matching Requirement

A cooperator must contribute at least two dollars for each federal dollar received. The first dollar's-worth of contribution must be cash, the second can be either cash or in-kind contribution worth one dollar. See VIII.B. Supplemental Explanation of Cost Share and Match.

C. Other Criteria that Affect Eligibility

An applicant that fails to meet the eligibility criteria cannot receive an MDCP award even if its application is reviewed. An eligible entity may submit more than one application.

1. Eligibility of Current or Past Cooperators

ITA seeks to increase competitiveness enhancement activities by offering MDCP financial awards to encourage new initiatives. MDCP awards are not intended to replace funds from other sources, nor are they intended to replace previous MDCP awards. Current or past cooperators may propose a new project. See V.A.4. Creativity and Capacity below.

2. Determination of Eligibility

Prospective applicants that do not already have an MDCP eligibility letter from the Department should request an eligibility determination in writing accompanied by the most current version of all of the following documents that apply:

- a. Articles of incorporation or state-level certificate of corporate good standing;
- b. Charter;
- c. Bylaws;
- d. Information on types of members and membership fees;
- e. Internal Revenue Service acknowledgment of non-profit status;
- f. Annual report;
- g. Audited financial statements;
- h. Documentation of ties to state trade departments or their regional associations; and
- i. If applicable, the letter described in III.A.4. Special Note Regarding Educational Institutions above.

Prospective applicants should submit eligibility determination requests as soon as possible if they wish to have determinations prior to the application deadline. They should send requests to Mr. Marvin Watkins, U.S. Department of Commerce, HCHB 3215, 14th Street and Constitution Avenue, N.W., Washington, DC 20230. The Department encourages potential applicants to send their requests via e-mail to Marvin.Watkins@trade.gov or via fax to 202-482-4462.

The eligibility requirements above are also summarized on a table at www.trade.gov/mdcp. Applicants should continue to work on applications while awaiting the Department's eligibility determination. Applicants may submit applications even if they have not yet received an eligibility determination.

IV. Application and Submission Information

A. Address to Request Application Package

Application packages are available at www.grants.gov and at www.trade.gov/mdcp. Applicants are strongly encouraged to submit their applications via www.grants.gov. Hard-copy can be obtained via www.trade.gov/mdcp or by contacting Mr. Brad Hess, U.S. Department of Commerce, HCHB 3215, 14th Street and Constitution Avenue, N.W., Washington, DC 20230.

B. Content and Form of Application

The Department strongly encourages applicants to submit their applications online at grants.gov. Applicants should register at grants.gov as soon as possible. Registration is not immediate. It often takes several days between registration on grants.gov and approval to submit an application. Accordingly, in order to be able to submit via grants.gov applicants should register on grants.gov by April 13, 2011.

Applicants will download forms from grants.gov. Applicants will complete the forms offline. However, over 95 percent of a complete MDCP application is made up of documents other than forms. This bulk of the application must be drafted, assembled, and saved as pdf files prior to attempting to submit via grants.gov. (An example of a complete MDCP application is available online at www.trade.gov/mdcp.) Simply downloading the forms, completing them, then posting them at grants.gov is not enough to constitute a complete MDCP application.

Applicants that choose to submit hard-copy applications must do so by delivering an unbound original and two bound copies to the agency contact listed below in VII. Agency Contacts. Applicants should submit via grants.gov or in hard-copy, not both. Applicants that choose to provide hard-copy must ensure that the service they use to deliver their applications can do so by the deadline. Due to security concerns, packages and envelopes sent to the Department via U.S. mail are often delayed several days. The delays affect all forms of the U.S. mail, including first-class, priority, and express. See IV.F. Other Submission Requirements.

Applicants organize their applications in accordance with the grants.gov filing protocols. Accordingly, each application will be organized into four parts: forms, project, budget, and other.

1. Forms (page limit: the number of forms required)

Each application must include the completed forms identified below. Applicants download these forms from grants.gov, complete them offline then submit them all together

at grants.gov.

- a. SF-424 Application for Federal Assistance;
- b. SF-424A Budget Information;
- c. SF-424B Assurances - Non-Construction Programs; and
- d. CD-511 Certifications Regarding Lobbying.

Prior to completing SF-424A most applicants find it helpful to use linked electronic spreadsheets to prepare a detailed project budget. Example spreadsheets are available in a document in the application kit at trade.gov/mdcp. Most applicants find it helpful to download this file and use it, with modifications as needed, to prepare their budgets. One of the spreadsheets in the document is an SF-424A that is automatically populated with required information as the budget detail is entered on other spreadsheets. Once the final budget information displays on the SF-424A spreadsheet in this document, applicants can enter that information on the SF-424A that they downloaded from grants.gov.

Some situations might require the use of additional forms. Applicants that plan to engage in lobbying the federal government as part of their MDCP project need to complete form SF-LLL "Disclosure of Lobbying Activities." Also, applicants that plan to sub-contract work or make sub-awards may determine that they need to complete form CD-512 "Certifications Regarding Lobbying-Lower Tier Covered Transactions." (Any applicants that determines that it needs to complete a CD-512 should complete it but should not submit it. Instead, the applicant should keep it on file.) Forms SF-LLL and CD-512 are available for download at grants.gov as well as at www.trade.gov/mdcp as part of the application kit, which includes explanations of the forms.

2. Mandatory Project Narrative File (page limit: 30)

a. Executive Summary

In accordance with V.B. Review and Selection Process below, the Department will distribute applicants' one-page summaries to its experts to solicit comments. This summary should communicate the essence of the application proposal including the following:

- (1) Applicant: entity name, headquarters city/state, and website;
- (2) Partner(s): if applicable, name of any partner organization other than the U.S. Department of Commerce, that will work with applicant (omit if there are none);

(3) ITA and other federal collaborators: ITA and other federal entities, including names of staff and organization within the entities, with which applicant envisions working on the project;

(4) Federal share: amount of federal funds requested;

(5) Total project budget: all costs including the federal share;

(6) Award period: up to three years, proposed by applicant, can begin no sooner than the date the successful applicant accepts its award, which in no case can be earlier than July 1, 2011;

(7) Exports anticipated to be generated during the award period;

(8) Exports anticipated to be generated during the four years following the award period;

(9) Foreign markets targeted;

(10) U.S. industry to be promoted; and

(11) Project description: planned activities and methods.

b. Background

Applicants should rely on solid research and address appropriate considerations including any of the considerations listed below that are relevant.

(1) Current competitive position of the U.S. industry, including market potential for the industry's products;

(2) Local and third-country competitors in the target market(s);

(3) Target market economic conditions and the likelihood that potential buyers will purchase U.S. goods or services to be offered;

(4) U.S. industry resources that can be brought to bear on developing target market(s);

(5) U.S. industry's ability to meet potential market demand; and

(6) U.S. industry's after-sales service capability in target market(s).

c. Project Description

The background should make clear why the project is needed and has a good chance

to succeed. The project description should include a work plan listing specific activities planned, including the different phases of the project identifying each milestone and activity in chronological order; and the location where activities will take place.

d. Performance Measurement

Each cooperator reports its performance on its own distinct performance measures as well as on ITA performance measures. The reports are due thirty days after the end of each calendar quarter. A report template is available at www.trade.gov/mdcp.

(1) ITA Performance Measures

Cooperators should be prepared to gather and report the effect of MDCP project activity on the performance measures below. Value of exports of services or goods delivered or contracted; and

(a) Exporter and Class

Report by name, city, state, and contact information of each U.S. exporter and the status of each as new-to-market, new-to-export, or increased-export-to-market, and the following: Value of other competitiveness developments including export-related agreements, loss avoided, trade complaints resolved; and

(i) Export Transaction Value

Value of exports of services or goods delivered or contracted; and

(ii) Export Related Developments

Value of other competitiveness developments including export-related agreements, loss avoided, trade complaints resolved, U.S. firm's investment in foreign assets that increase U.S. exports, cooperator's investment in foreign assets that increase U.S. exports; and

(b) Reporting by cooperator:

(i) Value of Target Market(s) and U.S. Share

Value of the target market for the target industry(s), and the current U.S. share of such market(s);

(ii) Exports Attributable to MDCP

Value of exports attributable to MDCP activity that cannot be reported individually under IV.B.2.b.(1)(a) above; and

(iii) Success Agreement

Each cooperator reports the date that it presents a success agreement to prospective U.S. participants in MDCP project activity. This agreement should be customized to the needs of the cooperator, but must include a requirement that companies that participate in the MDCP project activity agree to report their exports and other successes to the cooperator or to the Department.

(2) Applicant-Designed Performance Goals

Applicants should develop and utilize performance goals that reasonably gauge project success. All cooperators report on ITA performance measures; therefore, applicants should not duplicate ITA performance measures in their discussion of applicant-designed goals.

(3) Estimate Performance in the Application

In the application each applicant should estimate the performance level that it believes it will achieve for each of the measures.

(a) Applicant-Designed Performance Goals

An applicant proposes a measurement for each of its goals. The applicant should be able to measure progress during the award period. For example, a cooperator that plans to average a trade mission every six months during a three-year project would have a performance goal of six (6) for trade missions, two per year for three years.

(b) ITA Performance Measures

(i) Award Period

For each ITA measure the applicant shall estimate what the performance will be during the award period.

(ii) Post-Award Period

For value of exports of services or goods delivered or contracted, the applicant reports the performance projected to occur during the four years immediately following the award period.

(4) Performance Measure Recording and Reporting System

Each applicant describes its recording and reporting system in its proposal. Ultimately, it is the success of individual companies that demonstrate an industry's strengthened competitiveness. Therefore, applicants should demonstrate how they plan to ensure that participant companies, and any other relevant sources, will report success information.

e. Partnership

Applications should display the imagination and innovation of the private sector working in partnership with the government to obtain the maximum market development impact. As noted under VIII.D.1. Project Team below, each cooperator will work with a project team leader and other ITA team members. Team members from other federal agencies also may be invited to participate. Applicants must describe in detail how they plan to work with ITA.

f. Credentials

Each cooperator must ensure adequate development, supervision, and execution of project activities for itself and for each non-federal partner with significant involvement in the project. Therefore, for itself and each such partner, each applicant must:

- (1) Address its ability to provide a competent, experienced staff and other resources;
- (2) Describe its structure and composition;
- (3) Discuss the degree to which it represents the industry in question;
- (4) Describe the role, if any, foreign membership plays in its affairs;
- (5) Provide a resume for the project director and professional personnel; and
- (6) Project the amount of time each professional will devote to the project.

g. Support Letters from U.S. Firms Interested in Participating

Perhaps the best indication of whether or not an MDCP project will generate exports is the level of interest among the companies of the U.S. industry that would export. Applicants should provide letters of interest for potential U.S. exporters interested in leveraging the proposed MDCP project to generate exports.

h. Use of ITA Emblem

Each applicant must provide at least one mock-up example indicating how the applicant anticipates using the ITA emblem in the course of the project. Use of the ITA emblem is a graphic reminder that the project is backed by a partnership with ITA. The examples will help secure formal clearance for applicants that are selected for MDCP awards. An example of the proposed use of the ITA emblem is available at trade.gov/mdcp.

i. Success Agreement

Applicants that plan to solicit export or other performance measurement data from companies participating in project activity should append a draft success agreement. Such agreements generally include a list of the benefits that participants will receive and a notice that participants are obligated to report performance measurement information. An example is available at www.trade.gov/mdcp .

j. Eligibility Letter

Applicants do not need to submit letters they have received from the Department regarding determination of eligibility.

3. Budget Narrative Attachment Form (page limit: 20)

Applicants must provide a detailed budget for the project including the elements listed below.

a. Budget for Project Award Period

This spreadsheet breaks the budget into the categories used on the SF-424A and apportions it over the award period. This spreadsheet should allow an applicant to identify all of the figures needed to complete the SF-424A, which is submitted separately as described in IV.B.1 Forms above. Applicants are free to create their own way of accomplishing this, but an example spreadsheet is available for download at trade.gov/mdcp.

b. Supporting worksheets and explanations;

The figures summarized on the Budget for Project Award Period are derived from more detailed spreadsheets that must be provided. Applicants may organize these supporting spreadsheets in whatever manner supports the figures on the Budget for Project Award Period and SF-424A, and do so in a way that explains the details of the budget. For example, total travel expenses should be derived from adding up the cost of individual trips that take into account destination, number of travelers, and length of time. Most applicants find that it is helpful to group their supporting explanations on three worksheets: personnel, non-personnel direct expenses, and indirect expenses. Example spreadsheets are available for download at www.trade.gov/mdcp .

c. Financial Systems

Applicants should include a discussion of financial systems and projections that identify how, when, and from what sources the matching funds will be or have been raised. This discussion should address any of the following items that are relevant.

(1) Specific reference to the source of funds as documented in applicant's financial statements or annual budget if the financial statements do not allow a sufficient level of specificity;

(2) Proof of past performance generating program income; and

(3) Letters of commitment from partners and others who have pledged to provide cash donations or in-kind resources.

d. Other Financial Assistance Awards

Any applicant that has received grants or similar financial assistance awards received in excess of \$100,000 over the last five years must provide a summary of same. This should include the following information regarding the organization making the award: award reference number, contact name, title, telephone number, current email or fax, and mailing address.

e. Financial Statements

Applicants must include in their applications their most recent audited financial statements, even if they have recently submitted them as part of an eligibility determination request. If the applicant is a sub-unit of an audited entity, in addition to the financial statements of the audited entity, the applicant should provide financial statements at the most specific level available, whether or not these are audited. If the applicant's most recent financial statements are not audited, it should submit the most recent un-audited financial statements and a statement indicating whether it currently has an auditor and when it plans to issue audited financial statements.

f. Evidence Committing Cash or In-Kind Support

If a significant source of cash or in-kind support is coming from any entity other than the applicant, then the applicant must provide evidence that such support will be forthcoming in the event that the applicant wins an MDCP award. Examples of evidence of such support include a letter from an official in a position to pledge support, line items in official budget documents, and public laws.

g. Any Additional Evidence of Financial Responsibility.

In the event that none of the methods described above are sufficient to demonstrate applicant's financial responsibility, the applicant may choose to provide other suitable proof of same.

4. Mandatory Other Attachment (page limit: 15)

Although the term of art in grants.gov is "Mandatory Other Attachment," for many

MDCP applicants, this section will not be mandatory. The "Mandatory Other Attachment" should only be attached to the application in grants.gov if one or more of the elements listed below is relevant to an MDCP project application.

a. Project Comparison Table

Only current or past cooperators are required to provide a table comparing the proposed project to current or past projects. See V.A.4. Creativity and Capacity below.

b. Letters of Commitment from Partner Organizations

If an applicant's proposed MDCP project will rely upon input or support from a partner organization other than the U.S. Department of Commerce, the applicant should provide a letter of support from each partner that confirms the amount of support that the group will provide.

c. Letters of Support from Public Officials

Letters of support from public officials are not required or expected. However, the one exception as noted under V.B.3.f. is public officials who have pledged financial or in-kind support for the proposed project. Letters of support from such persons are directly relevant to the viability of the project. Applicants that choose to submit letters of support should secure them soon enough to include them as application appendices. This will ensure that the merit review panel and other reviewers will see the letters. It also reduces administrative burden because ITA does not respond to letters appended to MDCP applications.

Applicants should require that any authors of letters of support send the original or a copy to the applicant. Even though a letter of support may be addressed to the agency contact identified in VII. Agency Contacts, the letter does not need to be sent to the agency contact. If a letter of support is sent to the agency contact it is the responsibility of the applicant, not the agency contact, to include a copy of the letter in its application.

ITA officials are instructed not to provide letters of support for MDCP applications. ITA officials have the opportunity to comment on applications as part of the review and selection process as set forth in V.B.

d. Other Documentation

Applicants may include anything else they feel is relevant for ITA reviewers to consider. There may be documents relevant to an application that are not specified under IV.B.1., 2. or 3. above, nor under IV.B.4.a.through c. above. Include any such documentation within the "Mandatory Other Documents" section. Any documentation provided should support or explain the other portions of the application and should be

labeled so as to identify its relevance to the application.

Any "other documentation" provided under this section will be considered to constitute part of the application. As such it will undergo the same type of review as the rest of the application.

C. Submission Dates and Times

Full proposals must be received and validated by Grants.gov, postmarked, or provided to a delivery service on or before 5:00 p.m. EDT, April 27, 2011. Please note: Validation or rejection of your application by Grants.gov may take up to 2 business days after submission. Please consider this process in developing your submission timeline. Applications received after the deadline will be rejected/returned to the sender without further consideration. Use of U.S. mail or another delivery service must be documented with a receipt. No facsimile or electronic mail applications will be accepted.

Applicants whose applications have been received by the deadline will be notified via e-mail or fax within ten days of the submission deadline.

D. Intergovernmental Review

There are no intergovernmental review requirements beyond those already noted.

E. Funding Restrictions

1. Non-Construction Project

Neither MDCP awards nor matching funds are to be used for construction projects.

2. Pre-Award Activities

There is no obligation on the part of the Department to cover pre-award costs. Except as noted above in VIII.G. Approved Pre-Award-Period Expenditure, if applicants incur any costs prior to an award being made, they do so solely at their own risk of not being reimbursed by the government.

3. Joint Ventures

Entities may join together to submit an application as a joint venture; however, only one eligible organization can be the designated cooperator. For example, two trade associations may pool their resources and submit one application, but only one of the two will be the cooperator. Foreign businesses and private groups also may join with eligible U.S. organizations to submit applications and to share project costs. Applicants should pay special attention to VIII.B.2. Supplemental Explanation of Cost Share and Match below when formulating a partnership or joint venture.

F. Other Submission Requirements

1. Number of Pages

Each of the four sections of the application has a page limit. The maximum number of pages for an entire application is 65 plus the number of pages for all required forms as identified in IV.B.1. Forms above. These page limits are summarized below.

- a. Forms: limited to the number of required forms
- b. Mandatory Project Narrative File: 30 pages
- c. Budget Narrative Attachment Form: 20 pages
- d. Mandatory Other Attachment: 15 pages

The page limits are not fungible. Over-limit pages from one section cannot take the place of under-limit pages from another. For example, if an applicant has 20 pages in the project section - ten less than the limit - it is not allowed to submit 30 budget section pages -- ten over the 20-page limit for the budget section.

Every page counts towards the limit including cover pages. In order to stay within the page limits, applicants may need to omit irrelevant pages from financial statements, label the tops of pages instead of using cover pages, or omit reports and promotional brochures that aren't really necessary. Another way to reduce the number of pages in an application is to send eligibility determination documents directly to the Department rather than include them in the application. This can be done even after the deadline for submitting an MDCP application has passed.

Applicants that have already submitted their eligibility documents or that already have an eligibility determination from the Department do not have to submit anything with regard to eligibility other than their eligibility letter from the Department if they have received it. Nevertheless, all applicants must submit their most recent financial statements in their applications, even if they have submitted them separately with their eligibility determination request.

2. Method of Submission

In order to expedite the application evaluation process, the Department posts the applications electronically to internal reviewers and distributes hard-copy to each of the four merit review panelists.

a. Electronic Submissions

In order to facilitate the electronic access to applications by reviewers, applicants should submit their applications via grants.gov.

b. Hard-Copy Submissions

If, instead of submitting via grants.gov, the applicant submits hard copy, the Department will scan the unbound original with a pass-through scanner to create an electronic copy which can be easily transmitted to ITA reviewers or printed. The Department cannot guarantee that the electronic copy will include features that are not easily reproduced with a pass-through scanner. For example, tabs would likely not be seen, color pages might be reproduced in black and white, fold-out pages might be shrunken, and unusually sized (larger than 8.5" x 11") pages might be broken apart.

(1) Unbound Original

Applicants that choose hard-copy submission must present a signed unbound original application in addition to the two copies. It is important that the original be unbound in order to facilitate scanning.

(2) Possible Submission Problems

It is the responsibility of the applicant to ensure prompt delivery of its application to the Department. Applicants should not rely on first-class mail because this service has no guaranteed delivery time. Even if an applicant chooses an express delivery service, it must use one that represents that it can deliver the application to the Department by the deadline.

In the event that the guaranteed delivery time is not fulfilled, the applicant should contact the official listed in VII. below as soon as the delivery delay or failure is known. If the applicant can document that the chosen delivery service should have delivered the application on time, the Department will grant a reasonable amount of time to receive the application or allow the applicant to resend it in the event that the previously sent application was lost, destroyed, or mutilated. Otherwise, the Department will reject the application as

untimely.

3. Retention of Applications

a. Award Winners

Copies of winning applications are made available to federal members of MDCP project team for their use in coordinating project work with cooperators. The Department will keep the submitted application on file for at least seven (7) years.

b. Unsuccessful and Ineligible Applicants

For each eligible applicant whose application is not selected for MDCP funding and for each ineligible application, the Department will retain the signed original or its electronic equivalent for seven years.

c. Late and Ineligible Applications

Late applications are not accepted. Late applications and applications submitted by ineligible applicants are destroyed if submitted as hardcopy and erased if submitted electronically. The Department may choose to retain a copy of the cover page, transmittal letter, or electronic equivalent. In such cases the Department's policy is to keep such documentation for seven years.

d. Limitation of Liability

In no event will the Department of Commerce or ITA be responsible for proposal preparation costs. Publication of this announcement does not obligate the Department of Commerce or ITA to award funds for any specific project or to obligate any available funds.

Applicants should apply online at www.grants.gov. However, hard copy submissions will be accepted if addressed to: Mr. Brad Hess, U.S. Department of Commerce, 1401 Constitution Ave., N.W., Room 3215, Washington, DC 20230.

V. Application Review Information

A. Evaluation Criteria

The Department is interested in projects that demonstrate the possibility of both significant progress during the award period and lasting benefits extending beyond the award period. To that end, the merit review panel reviews each application for financial assistance under MDCP based upon the evaluation criteria listed below.

1. Potential to Strengthen Competitiveness (20 points)

A project's potential to strengthen competitiveness is evaluated primarily on the likelihood that it will result in export initiatives by U.S. firms, particularly small- and medium-sized enterprises. Such initiatives are normally characterized by significant effort by companies in the active pursuit of export sales. As noted above in I.A.2. Examples of Project Activity, many different kinds of activity can strengthen the competitiveness of U.S. industry; however, an applicant can earn the maximum number of points under this criterion only by demonstrating how its proposed project is expected to result in increased export initiatives by individual U.S. firms and exports by those firms.

2. Performance Measurement (20 points)

Applicants must provide quantifiable estimates of projected export and market share increases and explain how they are derived. No application that lacks an estimate of exports can receive a performance measurement score that exceeds ten (10). Applicants must detail the methods they will use to gather and report performance information.

3. Partnership and Priorities (20 points)

The Department will consider the degree to which the project initiates or enhances partnership with ITA and the degree to which the proposal furthers or is compatible with ITA's priorities stated under I.B. Program Priorities above.

4. Creativity and Capacity (20 points)

Creativity, innovation, and realism displayed by the work plan as well as the institutional capacity of the applicant to carry out the work plan.

a. Demonstrating Creativity

Applicants might propose ideas not previously tried to promote a particular industry in a market. Creativity can be demonstrated by the manner in which techniques are customized to meet the specific needs of certain client groups.

b. Table Comparing Proposal to Current or Past MDCP Projects

Applicants that have received an MDCP award in the past must submit a table comparing their current or past MDCP project(s) and their proposed project. The need for this table and the requested format are described below. As noted above in I. Funding Opportunity Description, MDCP awards are designed to help underwrite the start-up costs of new projects. Accordingly, current or past cooperators can be in a position to earn the maximum number of points under this criterion only if they propose projects that are entirely new.

In determining the number of points under this criterion, the merit review panel will consider the level to which a particular applicant has incorporated elements of its previously funded MDCP projects. To do this, current or past cooperators must submit a table wherein they estimate the amount of resources devoted to each project element. See VIII.C. Example Table Comparing Proposal to Current or Past MDCP Projects. Current or past cooperators that propose projects that are not entirely new will receive fewer points under this criterion than they would receive otherwise.

c. Institutional Capacity

The Department measures institutional capacity by what each applicant submits. A current or past cooperator should not assume that success with a prior MDCP project will automatically be taken into account by the Department when reviewing its application. Each applicant must document its institutional capacity in its application.

5. Budget and Sustainability (20 points)

This criterion encompasses the reasonableness of the itemized budget for project activities, the amount of the cash match that is readily available at the beginning of the project, and the probability that the project can be continued on a self-sustained basis after the completion of the award. Current or past cooperators must show how the proposed project will achieve self-sustainability independent of any current or past MDCP projects. The Department does not assume that prior MDCP projects are self-sustaining. As noted in V.A.4.c. Creativity and Capacity above, the Department assesses each application based on what each applicant chooses to include in its application. If an applicant wants the Department to consider the self-sustainability of a prior project when evaluating a new project proposal, it should include relevant information in its application.

Each of the above criteria is worth a maximum of 20 points. The five criteria together constitute the application score. At 20 points per criterion, the total possible score is 100.

B. Review and Selection Process

The applicant is responsible for submitting a complete application in a timely

manner. Prior to selection, each complete application receives a thorough evaluation as set forth below.

1. Eligibility Determination

The MDCP staff of the Office of Planning, Coordination and Management (OPCM) in ITA's Manufacturing and Services (MAS), in consultation with the Department's Office of General Counsel, reviews all applications to determine the eligibility of each applicant. Applicants should request eligibility determinations before submitting their applications. The Department accepts applications from organizations that have not yet requested an eligibility determination. An applicant may request an eligibility determination after the deadline for submitting applications. If an applicant does so, it should submit its eligibility determination request directly to the Department as set forth in III.C.2. Determination of Eligibility within a few days of the application deadline. After the application deadline has passed the Department will decide which applications are from eligible entities and which are not. If the Department lacks sufficient evidence for making an eligibility determination it may have to determine that an entity is not eligible.

2. Program Area Review

Relevant program areas, including ITA's MAS, Market Access and Compliance (MAC), and Commercial Service, have the opportunity to review the submitted applications. This allows experts in the industry sector or geographical region to assess applicant claims. These reviewers provide insights into both the potential benefits and the potential difficulties associated with the applications.

3. OPCM Review

Representatives of OPCM review and comment on applications using the evaluation criteria identified above. These representatives may be joined in their review by other ITA staff. OPCM prepares for the merit review panel a review packet including the applications and reviewer comments. The OPCM staff and program area comments afford the merit review panel the insights and breadth of experience of Department professionals. However, the merit review panel is free to consider or disregard them as it sees fit.

4. Merit Review Panel Composition

The MDCP Director forwards all of the eligible applications, along with all related materials, to the merit review panel of at least three senior ITA managers. This panel is chaired by the OPCM Director and typically includes three other members, one each from MAS, MAC, and the Commercial Service. Panel members are office directors or higher.

5. Merit Review Panel Scoring

Each merit review panel member reviews each eligible application and assigns a score for each of the five criteria stated above. The scores of each panel member for each application reviewed are maintained in the files for seven years. The individual criteria scores are averaged to determine the total score for each application. The evaluation criteria scores assigned by the panel determine which applications are recommended for funding.

6. Ranked Recommendation:

Based on the scores assigned by merit review panel members, the panel forwards the applications with the ten highest total scores ("top-ranked applications") to the Assistant Secretary for Manufacturing and Services and recommends which of the top applications should receive funding. If the amount of funds requested by the top ten applicants is less than the funding available, the merit review panel recommends additional applications for funding in rank order.

The merit review panel's recommendation will not deviate from the rank order. This means, for example, that the panel cannot recommend funding for the application ranked seventh without recommending funding for applicants ranked first through sixth. The merit review panel recommendation includes the panel's written assessment of the strengths and weaknesses of the top-ranked applications.

C. Selection Factors

From the top-ranked applications forwarded by the merit review panel, the Assistant Secretary for Manufacturing and Services selects those applications that will receive funding. In addition to the criteria in V.A. Evaluation Criteria above, the Assistant Secretary for Manufacturing and Services may consider the selection factors listed below:

1. The merit review panel's written assessments;
2. Degree to which applications satisfy the ITA priorities established under I.B.3.d. Project Funding Priorities above;
3. Geographic distribution of the proposed awards;
4. Diversity of industry sectors and overseas markets covered by the proposed awards;
5. Diversity of project activities represented by the proposed awards;
6. Avoidance of redundancy and conflicts with the initiatives of other federal agencies;
7. Availability of funds; and

8. Past performance.

D. Anticipated Announcement and Award Dates

Applications are reviewed simultaneously. The Department anticipates announcing the awards no sooner than July 2011.

VI. Award Administration Information

A. Award Notices

Award winners will be notified via electronic mail. This e-mail notification from the Department includes log-in information to access Grants Online, the Department's web-based financial assistance management system that the award winner will use to officially accept the award. Within ten days of the award winners' formal acceptance of their awards, the Department will notify unsuccessful applicants via e-mail and invite them to receive an MDCP debriefing.

To enable the use of a universal identifier and to enhance the quality of information available to the public as required by the Federal Funding Accountability and Transparency Act of 2006, to the extent applicable, any proposal awarded in response to this announcement will be required to use the Central Contractor Registration and Dun and Bradstreet Universal Numbering System and be subject to reporting requirements, as identified in OMB guidance published at 2 CFR Parts 25, 170 (2010),

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?ecfr&tpl=/ecfrbrowse/Title02/2cfr25_main_02.tpl ,
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?ecfr&tpl=/ecfrbrowse/Title02/2cfr170_main_02.tpl .

B. Administrative and National Policy Requirements

MDCP awards are made pursuant to the Department's standard terms and conditions. These are available at www.trade.gov/mdcp . In addition, each MDCP award has special award conditions. An example of special award conditions is available at trade.gov/mdcp or by contacting the agency contact listed in VII. below.

The Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements contained in the Federal Register notice of February 11, 2008 (73 FR 7696) are applicable to this solicitation.

C. Reporting

1. Quarterly Performance Report

Throughout the award period, cooperators report their performance quarterly for periods not to exceed three months of activity ending on March 31, June 30, September 30, or December 31. These quarterly performance reports are due thirty days after the last day of the quarter. Much of the content of the report is discussed above in IV.B.2.d. Performance Measures. A copy of the template used for filing the report online is available at www.trade.gov/mdcp.

2. Quarterly Financial Status Report

Following the same time periods and deadlines as those set forth above for performance reports, each cooperator files a quarterly Federal Financial Report, SF 425, electronically in the Grants Online system.

The Federal Funding Accountability and Transparency Act of 2006 includes a requirement for awardees of applicable Federal grants to report information about first-tier subawards and executive compensation under Federal assistance awards issued in FY 2011 or later. All awardees of applicable grants and cooperative agreements are required to report to the Federal Subaward Reporting System (FSRS) available at www.FSRS.gov on all subawards over \$25,000.

VII. Agency Contacts

The agency contact is Mr. Brad Hess, Director, Market Development Cooperator Program, Manufacturing and Services, ITA, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Room 3215, Washington, D.C. 20230. The email address is Brad.Hess@trade.gov. If Mr. Hess cannot be reached, applicants may contact Mr. Marvin Watkins at the same address. His email address is Marvin.Watkins@trade.gov. His telephone number is 202-482-5027.

VIII. Other Information

A. Pre-Application Counseling

Applicants with questions should contact the Department as soon as possible, while continuing to prepare their proposals. The Department will not extend the deadline for submitting applications.

From the date of publication of this opportunity notice until applications are due, the Department does not counsel potential applicants regarding the merits of projects they may propose in their applications. During this competition period, the Department may respond to

potential applicants' questions regarding eligibility, technical issues, procedures, general information, and referral. For example, during the competition period the Department may refer a potential applicant to sources for research on a foreign market identified by the potential applicant. However, to continue the example, the Department may not comment on the merits of including that market in a proposal or suggest an alternative market.

B. Supplemental Explanation of Cost Share and Match

1. Cash Contribution

Cash contribution is a new outlay of cooperator funds for project activity. The term describes only the amount of a cooperator's own funds that it spends as match. By definition, MDCP award funds are never part of cash contribution or any other portion of the match. Any expenditure for project activity by an organization other than the cooperator is in-kind contribution, not cash contribution. The cooperator can only use its own funds, not the funds of a partner or of any other entity, as cash contribution. In-kind contribution is not part of cash contribution.

a. One Dollar of Match Must Be Cash

One dollar of a cooperator's minimum two-dollar match must be cash contribution. The other dollar of minimum match may be either in-kind contribution or cash contribution.

b. Program Income

Project fees generated under the award, like any other source of program income, must be used for project-related purposes during the award period. Applicants should explain any such fees.

(1) Project Benefits and Reasonable Fees

Benefits from the project must be made available to all companies in the industry whether or not a company is a member or constituent of the cooperator or its partner(s). In some situations, a cooperator may charge lower fees to one class of companies than to another. For example, a trade association could charge a lower participation fee to a member company than it does to a nonmember. This is permitted as long as the difference in fees is reasonable.

(2) Cash Match If Value Added

Program income expended on project activity may be counted as cash match if it

represents value added by the cooperator for project activity. This can be illustrated in the example of a company that attends a technical seminar as part of a cooperator's project. If the company negotiates amounts for its own arrangements with vendors, pays the total amount to the cooperator, then has the cooperator pay the amount to the vendors, the cooperator has added no value. The cooperator cannot claim the fees as cash match.

The same cooperator could claim fees paid by the company for technical seminar participation if the cooperator adds value and the fees represent something of value that furthers project goals. For example, the cooperator could create its own technical-seminar participation package. This might include organizing pre-seminar training, finding optimal hotel accommodations, securing group airfare, meeting with seminar organizers beforehand, and organizing a reception. Such a cooperator package would help determine project success. When companies pay fees for such a package to the cooperator, they are doing more than getting themselves to a technical seminar; they are agreeing that the project itself has value. Because the cooperator's package adds value and furthers project goals, the cooperator could charge fees, use the fees to pay project expenses, and claim them as cash match.

(3) Third Party Contributions

In order for a cooperator to outlay cash contributed by a third party, the third party must transfer the funds to the cooperator. Otherwise, expenditures for goods and services contributed by a third party are considered to be in-kind contributions.

2. In-Kind Contribution

An in-kind contribution is a match other than a cash contribution. Examples include the value of staff time of a partner organization, airfare donated by a U.S. airline, and cash paid by partner organizations for project expenses.

\ Applicants can claim only the value of donated property or services. In proposed budgets, applicants should list all in-kind contributions separately from cash contributions. Applicants must describe these in-kind contributions in sufficient detail to determine that the requirements of 15 CFR Part 14.23(a), or 15 CFR Part 24.24 (a) and (b) are met.

Applicants should structure their budgets carefully when expenditures by companies that benefit from project activity are involved. An expenditure by such a company that primarily benefits only that company cannot be claimed as in-kind match.

For example, a company may have made and paid for its own arrangements to attend an industry exhibition that a cooperator has included in its project. The cooperator could not claim the amount paid by the company as in-kind match. The company incurs airfare and other expenses for its own benefit, but not necessarily to accomplish project objectives. Such expenditures are more self-serving than are true in-kind contributions to project success.

This policy should not deter applicants from proposing in-kind match. For example, a cooperator can claim the value of airfare donated by a U.S. airline. Although the airline benefits from goodwill associated with donating the service, it is the cooperator's project that benefits directly when the airfare is used to achieve project objectives. Unlike the company in the example above, the airline does not use the donated airfare itself and thereby benefit directly from it. Airfare donated by non-U.S. air carriers cannot be claimed as a match.

3. Minimum Match

An example of the minimum match is set forth below. An applicant requesting \$100,000 of federal funds must supply, at a minimum, \$100,000 of cash contribution. As illustrated below, the remaining \$100,000 of the required match can be made up of additional cash or in-kind contributions.

	Federal Share	Cooperator Match
Cash	100,000	100,000
Cash or In-kind		100,000
	100,000	200,000

4. Cost Share Ratio (Reimbursement Percentage)

The example above establishes a cost-share ratio of two-to-one: two cooperator dollars for each federal dollar. The cooperator assumes 2/3 of the total cost. In other words, 67 percent of the funding is provided by the cooperator and 33 percent by the federal government. This means that the cooperator will receive one dollar for every three dollars in project expenditures. In other words, whenever the cooperator claims project budget expenditures, the Department will use the MDCP award funds to reimburse the cooperator for no more that 33 percent of them.

5. Additional Match

Cooperators may contribute more than two dollars for each federal dollar received; however, as set forth below, if they include this additional match in their budgets, it will increase the cost-share ratio and decrease the reimbursement percentage.

	Federal Share	Cooperator Match
Cash	100,000	100,000
Cash or In-kind		200,000
	100,000	300,000

This example establishes a cost-share ratio of three-to-one: three cooperator dollars for each dollar of federal funds. The cooperator assumes 3/4 of the total cost. In other words, 75 percent of the funding (\$300,000) is provided by the recipient and 25 percent (\$100,000) by the federal government. This means that in order to receive one dollar of federal reimbursement, the cooperator must expend four dollars. In other words, whenever the cooperator claims project budget expenditures, the Department will use the MDCP award funds to reimburse the cooperator for no more that 25 percent of them.

6. Documentation of Cost-Sharing Commitments

Applicants should demonstrate how they will meet cost-sharing commitments (match) if an award is made. Here are two examples of providing such documentation; there may be many other ways to accomplish this. First, if matching funds are to come from cash on hand, the applicant should explain, in reference to its financial statements and/or annual budget, where such funds will come from. Second, if matching funds are to come from a state appropriation, the applicant should provide an authoritative statement from the state government that the amount of matching funds are or will be available.

C. Example Table Comparing Proposal and Current or Past MDCP Projects

The example below is for an applicant that received an MDCP award in 2001 for an India project to open an office, put on standards seminars, and lead trade missions. It is compared to the applicant's new China project.

2001	Proposed
Project	Project

Mumbai office	150,000	
Shanghai office		200,000
Trade shows in country		100,000
Standards seminars	50,000	
Trade missions	90,000	180,000

	290,000	480,000

The amounts listed should be approximate, not exact. They do not need to reconcile to the detailed project budget. They are to be listed in the table only for purposes of determining the similarity of the projects.

D. Working as a Team with ITA

As noted below in VIII.E.4. Team Participation in Project Activities, the Department will have substantial involvement with the cooperator. This involvement results primarily from the activities of the project team.

1. Project Team

To administer each cooperative agreement, the Department establishes a project team including key personnel from the cooperator and ITA officials who can help the cooperator achieve MDCP project objectives. If needed, officials from other federal agencies may be invited to participate in the project team. Each project team acts as the project's "board of directors," establishing direction, recommending changes when necessary, and working on project activities.

2. Fiscal Year Operating Plan

Each year during the award period, the project team formulates an operating plan based on the work plan submitted in the application. The plan identifies events, projected dates, team responsibilities, and a rough cost estimates for each event and ongoing activity scheduled during the fiscal year (October through September). Applicants do not submit fiscal year operating plans in their applications. These are developed only after receipt of an award and designation of the project team.

3. Regular Team Meetings

Project teams should meet in-person every three to six months. In between these meetings, project teams should coordinate via telephone or video conference. Cooperators based in the Washington, DC area sometimes meet in-person more often.

4. Team Participation in Project Activities

Project team members, including the project team leader and other federal government team members, participate as appropriate in project activities. For example, in the past, ITA members of the project team have recruited for technical seminars, delivered presentations at seminars, and attended meetings where international standards are developed. As noted above in VIII.E.2. Fiscal Year Operating Plan, federal government members of the project team usually draw on separate government-administered funds to pay the costs associated with their participation.

5. Fees for Some Government Services

The Commercial Service participates on each MDCP project team. Applicants should understand that the Commercial Service is required to charge fees to cover costs for many of the services it provides. The policy set forth below applies to Commercial Service resources that are provided as part of MDCP cooperative agreements.

The Commercial Service will provide, as part of the cooperative agreements, a limited amount of reasonable assistance to MDCP cooperators at no charge. Such assistance does not extend to a cooperator's constituent member companies or to any other for-profit enterprises. These will pay the Commercial Service normal user-fees as applicable. The policy set forth below applies to Commercial Service resources that are provided as part of the cooperative agreements.

For assistance that goes beyond the "limited amount of reasonable assistance" as defined below, applicants should make provision in their budgets. To determine fees for services provided by the Commercial Service, applicants should contact the U.S. Export Assistance Centers (USEACs) or overseas Commercial Service offices. These may be identified by choosing "Our Worldwide Sites" at buyusa.gov.

There may be situations that prevent the Commercial Service from providing no-charge services to cooperators. Perhaps the most common example is another event to which the Commercial Service office has already committed its resources.

The definitions below will guide the domestic or overseas Commercial Service offices in implementing this policy.

a. Overseas Commercial Service Offices

(1) Limited Amount of Reasonable Assistance

Cost-free assistance will not exceed two days' Commercial Service effort per cooperator, per country, per year. Depending on the availability of resources at the time that it is needed, the assistance could include briefings on market conditions, temporary use of Commercial Service office space, help in making appointments and hotel reservations, and organization of seminars and conferences. Direct costs and specially-prepared market research are not included in the cost-free assistance.

(2) No Charge

No charge means that no fees are collected. The term applies only to indirect costs such as time expended by Commercial Service employees. Cooperators should always expect to pay direct costs, such as hiring an interpreter or transportation.

b. U.S. Export Assistance Centers (USEACs)

USEACs can generally implement the policy as a no-charge extension of normal client support. Most USEAC service to cooperators is provided as part of long-term relationships developed in local exporting communities throughout the United States.

E. Anticipated Start Dates

Each applicant should plan its MDCP project so that its proposed award period begins no sooner than July 1, 2011, and no later than January 1, 2012. The Department cannot guarantee that it will be able to notify award recipients by July 1, 2011.

F. Existing Projects

The Department is soliciting only new applications for new projects. The Department does not renew or supplement existing MDCP awards. See V.A.4.b. Creativity and Capacity above.

G. Approved Pre-Award-Period Expenditure

As a general matter, cooperators can request reimbursements only for project costs incurred during the award period. However, cooperators may expend project funds to attend a cooperator orientation meeting, even if it precedes the beginning of the award period.

H. Definitions

Several definitions are provided below to assist readers in preparing MDCP applications. These definitions do not supplant or supersede definitions provided in the Department's Grants and Cooperative Agreements Interim Manual (June 2007).

1. Announcement of Federal Funding Opportunity (FFO)

The complete FFO is posted on www.grants.gov and at trade.gov/mdcp.

2. Commercial Service

Commercial Service is the unit of ITA with domestic and international offices that promotes exports of goods and services from the United States, particularly by SMEs; and protects U.S. business interests abroad. Commercial Service professionals participate on MDCP project teams.

3. Cooperative Agreement

This legal instrument used for MDCP awards reflects a relationship between the Department and a recipient whenever: (a.) the principal purpose of the relationship is to transfer money, property, services, or anything of value to accomplish a public purpose of support or stimulation authorized by federal statute and (b.) substantial involvement (e.g., collaboration, participation, or intervention by the Department in the management of the project) is anticipated between the Department and the recipient during performance of the contemplated activity.

Cooperative agreements are subject to the same Office of Management and Budget (OMB), Treasury, and other federal laws and policies as grants. See 31 U.S.C. 6305. See VIII.D. Working as a Team with ITA above for additional information about the Department's involvement.

4. Cooperator

An organization (see definition below) that receives an MDCP financial assistance award. A cooperator is a "recipient" (see definition below) of federal financial assistance. Cooperator status is accorded for the term of the MDCP award period.

5. Cooperator Event

This term applies to an export promotion, market development, or other competitiveness enhancement activity undertaken as part of an MDCP project. These typically include such activities as trade missions, trade shows, technical seminars, standards seminars, or opening a foreign office. Other examples include, but are not limited to, those listed above in I.A.2. Examples of Project Activity.

6. Current or Past Cooperator

An organization that currently has or previously had an MDCP financial assistance award is referred to as a current or past cooperator.

7. Direct and Indirect Costs

Generally, direct costs are readily identifiable with a particular project, function, or activity. Examples typically include salary/benefits of personnel engaged in accomplishing project work, project travel, and payments to contractors for project work. Federal funds may be used only to cover direct costs. The applicant must pay direct costs incurred that equal or exceed the amount of federal funds.

In contrast to direct costs, indirect costs, while necessary to the general operation and activity of an organization, are not readily identifiable with a particular project, function, or activity. These are often referred to as "overhead" and usually include such costs as depreciation, administrative salaries, general telephone expense, and operation and maintenance of buildings and equipment. Applicants may claim indirect costs. The Department will determine allowable costs on the basis of the applicable cost principles and definitions in OMB Circulars A-21, A-87, and A-122 and in 48 CFR Part 31.

If claimed, the allowable indirect costs constitute part of the cash match. Indirect costs are calculated by multiplying the indirect cost rate by the total direct costs of the project. To claim indirect costs, an applicant must prepare an indirect cost proposal providing a basis for review audit and negotiation leading to the establishment of the organization's indirect cost rate. This rate is then applied to the total direct costs of the project. The resulting figure is then included in the project budget as cash match.

8. Domestic Commercial Service Office

Offices of the Commercial Service located in the United States are known as U.S. Export Assistance Centers.

9. Fiscal Year

The fiscal year of the federal government is the twelve-month period from October 1 through September 30.

10. Indirect Cost Rate

The indirect cost rate is the ratio, expressed as a percentage, of an organization's total indirect costs (numerator) to its direct cost base (denominator). The base can be defined as salaries and wages, modified total direct costs or some other financial number that provides for an equitable distribution of indirect costs to the benefiting activities. When a rate is established for a specific cost center, the rate represents the ratio of the total allowable indirect costs allocated to the activity to the direct base costs of the activity.

11. Industry

An industry includes those U.S. enterprises that an applicant's project is designed to benefit. The target group can be very broad or quite specific. One applicant, for example, may define the industry as all U.S. producers of tennis equipment and services. For another applicant, "industry" might refer only to California tennis equipment producers. Another applicant might define its industry as all California companies.

12. Manufacturing and Services (MAS)

MAS is one of ITA's major program areas that focuses on trade and competitiveness of U.S. industries from an industry perspective. MAS's Assistant Secretary makes the final selection of MDCP award winners. ITA MDCP project teams are led by MAS professionals.

13. Market Access and Compliance (MAC)

MAC is one of ITA's major program areas dealing with trade negotiations, compliance with trade agreements, and trade policy. MAC professionals usually serve on project teams.

14. Non-Agricultural Goods and Services

The term "Non-agricultural goods and services" means goods and services other than agricultural products as defined in 7 U.S.C. 451. This definition includes "agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed manufactured products thereof transported or intended to be transported in interstate and/or foreign commerce."

15. Office of Planning, Coordination and Management (OPCM)

OPCM is the MAS office that administers MDCP.

16. Orientation

MDCP orientation is usually held in late October after MDCP awards are announced. Applicants should include travel to the orientation in their application budget. The financial assistance award that a successful applicant receives from the Department via Grants Online serves as official approval to expend project funds for this purpose, even if the orientation precedes the beginning of the award period. This expenditure is limited to allowable expenses (e.g., air fare, ground transportation, and lodging) associated with attending the orientation.

17. Overseas Commercial Service Office

These offices are part of the Commercial Service with Commerce Department employees based in U.S. embassies, consulates, and other locations abroad. Also included is

a U.S. State Department post with which the Commercial Service partners in certain locations where the Commerce Department does not have a presence.

18. Produced in the United States

Goods and services produced in the United States must be either: (1) produced or manufactured in the United States; or, (ii) if produced or manufactured outside of the United States, be marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of the product or service being exported.

For any special considerations, the Commercial Service should be involved in determining whether or not the product or service should be considered as having been "produced in the United States."

19. Product

The term "product" refers to a U.S. non-agricultural good. In the context of MDCP projects, "products" and services are treated the same. Projects promoting the export of U.S. non-agricultural services are eligible for consideration for MDCP funding just as are projects promoting the export of U.S. non-agricultural products.

20. Project

A project is a series of activities proposed in an MDCP application -- or, after an MDCP award is made, in an amendment request -- and approved by the Department which occurs during the award period.

21. Project Team Leader

A team leader is an ITA employee who coordinates MDCP project activity with a cooperator and serves as the cooperator's primary point of contact with ITA. (See VIII.D.1. Project Team above.)

22. Recipient

A recipient is a cooperator, the organization that receives an MDCP award.

23. Small- or Medium-size Enterprise (SME)

SMEs are companies with fewer than 500 employees.

24. Team Meetings

Cooperators usually meet in person with members of their ITA team at least two times per year. ITA team leaders usually request and receive sufficient ITA administrative funds to pay for travel to the cooperator's location for team meetings. Most cooperators

make provision in their project budgets to travel to Washington, DC for about one team meeting per year in order to familiarize themselves with all of the resources available to them, both federal and non-federal. The first team meeting usually happens as part of the MDCP orientation.

25. Third Party Contributions

A third party's direct expenditure for project activity would be counted as in-kind contribution. However, if the third-party contributes funds to the award recipient (the cooperator), the funds are no longer those of the third party. They become the cooperator's funds, which, when expended on project activity constitute cash contribution.

26. U.S. Export Assistance Center (USEAC)

USEACs are part of the Commercial Service. They are sometimes referred to as domestic Commercial Service offices.

27. U.S. Product

A U.S. product is a product produced in the United States defined in VIII.H.19 above.

Some terms are best understood in the context of a more detailed discussion. For terms that do not appear above, refer to the FFO section where the term is discussed.

28. Value of Donated Property

This term describes the monetary limit to in-kind contribution of property. For MDCP purposes property does not include land, buildings, or any other real estate. Only the value of the property that could reasonably be charged in the marketplace can be claimed.

29. Value of Donated Services

This term describes the monetary limit to in-kind contribution of services. Only the value that could reasonably be charged in the marketplace can be claimed. For example, a consultant who donates her time to a cooperator as in-kind contribution cannot attach a monetary value to her contributed time that is greater than the amount she would actually be paid if she were to charge a paying client for the same type of work.