



EXECUTIVE SUMMARY

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|--------------------------|--|--|---------------------------|
| Applicant city/state | Bethesda, MD | | |
| Industry | Automotive Aftermarket | | |
| Target focus | South America and CAFTA FTA Countries | | |
| Primary | Chile, Colombia, Peru, Costa Rica, Guatemala, Honduras | | |
| Secondary | El Salvador, Nicaragua | | |
| Market Size | ~\$7.5 billion | | |
| U.S. Market Share | ~30% | | |
| Project period start/end | 2015 Dec 01 | 2018 Nov 30 | |
| Exports to be generated | <u>During project period</u> | <u>4-years after period</u> | |
| | \$55,385,000 | \$60,885,000 | |
| FedShare/match=total | \$299,345 | / | \$696,953 = \$996,298 30% |
| Key project elements: | 1 Plan and Promote Annual Trade Missions to Central America and South America 2 Promote Industry Developed Standards Through Technical Seminars 3 Facilitate One-On-One Matchmaking Program for Foreign Delegates at AAPEX 4 5 | | |
| ITA Collaborators | <u>Organization</u> | <u>Name</u> | <u>Name</u> |
| | Office of Transportation and Machinery, Automotive Team | Thomas Sobotta (Acting Director) Elizabeth Couch (International Economist) Andy Parris (International Trade Specialist) | |
| | U.S.-Based Commercial Service Automotive & Ground Transportation Team | Lesa Forbes (Miami, FL U.S. Export Assistance Center) Kellie Holloway (Portland, OR U.S. Export Assistance Center) Eduard Roytberg (Ontario, CA U.S. Export Assistance Center) | |
| | U.S.-Based Country Desk Officers | Laura Ebert (Chile, Colombia, Panama) Mark Siegelman (CAFTA) Matthew Gaisford (Peru) | |
| | Foreign Embassy Commercial Officers and Trade Specialists | Jeff Hamilton & Norcia Ward (Colombia) Ricardo Peláez & Rachel Kreissl (Peru) Ana Polanco (Guatemala) Roy Fernandez (Costa Rica) Sandra Hernandez (El Salvador) Rosanna Lobo (Honduras) | |



**Auto Care Association
Market Development Cooperator Program 2015 Proposal**

I. BACKGROUND

A. The U.S. Automotive Aftermarket

The automotive aftermarket is the part of the automotive industry that deals with the manufacture, remanufacture, distribution, wholesaling and retailing of all vehicle replacement parts, accessories, tools, equipment, chemicals and services. The industry includes parts, accessories and services for light vehicles and medium and heavy-duty trucks. Any product or service that a vehicle may need after the original equipment (OE) manufacturer assembles it is an aftermarket product or service.

The 500,000 businesses in the U.S. automotive aftermarket industry form a coast-to-coast network of independent manufacturers, distributors, retailers and repair shops, small and large. The industry employs over 4 million people and reported sales of nearly \$330 billion in 2014. This integrated grid of companies and organizations is dedicated to providing the quality parts, products and vehicle service and repair for all 260 million cars and trucks on U.S. roads today.

The U.S. automotive aftermarket has also been a key contributor in making auto parts a major U.S. export product, helping lead the U.S. economy out of recession and into recovery and supporting thousands of jobs nationwide up and down the supply chain. The value of U.S. auto parts exports reached over \$80 billion for the first time in 2014, up more than 4 percent from \$77.5 in 2013 and more than 40 percent from \$57.6 billion in 2008. With the auto industry being a leading exporter of goods, many jobs rely on sustaining and increasing current export levels. For example, auto parts jobs are a significant share of overall employment in states heavily reliant on exports to support jobs, including Michigan, Ohio, Tennessee, Alabama, Illinois, North Carolina and South Carolina. Simply put, increasing exports of automotive aftermarket products will help support more jobs here at home.

B. The Auto Care Association

(a) *The Association*

The Auto Care Association is a Bethesda, Md.-based trade association whose more than 2,000 member companies and affiliates manufacture, distribute and sell motor vehicle parts, accessories, tools, equipment, materials, supplies and services. The 2,000+ dues-paying members of the Auto Care Association operate or otherwise represent more than 150,000 manufacturing facilities, repair shops, parts stores and distribution outlets.

The Auto Care Association serves our members in a variety of important ways. Our government affairs department represents the industry's complex set of interests before federal and state legislators and regulators, and advocates for policies that are favorable to our member businesses. We develop standards and best practices in e-commerce and technology to help lower costs and increase efficiency. We develop our members' professional skills and contacts with a full calendar of meetings, events and educational opportunities. Additionally, our market intelligence experts assess trends that are reshaping the industry, and our international program assists members seeking opportunities in the lucrative global market. And, the association's communications department keeps members informed about critical auto care issues, association programs and initiatives.

In addition to the above-listed member services, the association may be best known for the annual trade show we co-own, the Automotive Aftermarket Products Expo (AAPEX). AAPEX engages more than 132,000 auto care professionals from around the globe. Held annually, the show featured 2,364 exhibitors in 2014 with 5,343 booths. AAPEX has become a key venue for U.S. companies to network with overseas buyers and identify new export opportunities. Buyers throughout the world travel to AAPEX to meet new U.S. export partners and see thousands of automotive aftermarket products and services on display. In 2014, AAPEX attracted 15,243 international buyers, including 19 delegations organized by the U.S. Commercial Service.

(b) The Membership

All Auto Care Association members serve the non-dealer, non-original equipment marketplace, otherwise referred to as the motor vehicle aftermarket. The products and services member companies produce and sell run the gamut, from routine vehicle maintenance items to full service repair parts, supplies and services. Approximately 15 percent of our core membership (excluding companies who join exclusively to exhibit at AAPEX) is foreign.

The association's domestic membership can be divided by percentage into the following business functions:

| Auto Care Association Membership Business Function | | | |
|---|----------------------------|----|--------------|
| 45% | Manufacturers | 5% | Other |
| 26% | Distributors/Wholesalers | 2% | Retailers |
| 21% | Business Service Providers | 1% | Repair Shops |

The majority of the association's domestic members are small- and medium-sized enterprises (SMEs) employing fewer than 500 individuals. The approximate percentage of member companies listed according to size is as follows:

| No. of Employees | % of Auto Care Association Domestic Members |
|-------------------------|--|
| < 500 | 96% |
| 500 - 1,000 | 1% |
| 1,000 - 5,000 | 2% |
| >5,001 | <1% |

(c) Products and Services

In addition to physical "hard" replacement parts, built or remanufactured to replace OE parts as they become worn or damaged, Auto Care Association members also provide products for various other key segments of the industry poised for global growth, including:

- The paint, body and equipment (PBE) segment that includes products and services used to repair and refinish motor vehicles' bodies and glass.
- The tool and equipment segment that includes the tools and equipment used to repair and maintain motor vehicles.
- The upholstery and trim segment, made up of companies that manufacture or distribute interior and exterior fabrics.

A number of Auto Care Association members also provide services ranging from warehouse distribution and logistics to retail operations that deliver manufactured parts to independent repair shops and do-it-yourself customers.

(d) The Auto Care Association's Export Initiatives

The association has an ever-increasing presence in the international automotive community, identifying and promoting international business opportunities for our members. Until recently, our trade show AAPEX was our primary tool for helping members identify potential overseas buyers. Through AAPEX, we have developed a successful track record regarding export promotion. We've worked closely with the U.S. Department of Commerce (Commerce) and the U.S. Commercial Service (USCS) and have seen the number of official foreign buying delegations and the overall number of foreign buyers increase steadily over the years (15,243 in 2014 compared to 14,530 in 2012). And, we've had great success with Central and South American buying delegations. In recent years, we've hosted official buying delegations from 12 different Latin American countries, including seven of the eight target markets for this proposal (Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Peru).

More recently, we've greatly increased our export promotion activities. We realize that many buyers cannot attend AAPEX for reasons ranging from difficulty obtaining visas to limited language capabilities. We know that to generate more export success, our members need to get on the road globally to form relationships and gather critical market intelligence. So, we've taken it upon ourselves to increase our international footprint so that we are better positioned to help our members identify potential export opportunities for our members.

Last year we marked an important milestone by organizing and hosting our first-ever member pavilion at the Latin Auto Parts Expo in Panama City, Panama. Exhibitors in the Auto Care Association Pavilion were very pleased with their experience at this first-ever show. The Auto Care Association's participation included hosting a member center with meeting rooms and organizing a networking reception for members and their invitees. We were thrilled that 47 Auto Care Association members joined us in Panama. We were even more pleased to learn in a post-show survey that many of our members indicated that they made a sale, signed a cooperation agreement or found new potential clients during the show. And, organizing this pavilion gave us valuable experience as we seek to organize future trade events and pavilions in the region.

(e) Collaboration with Commerce

A key pillar of our export promotion activities has been working more closely with Commerce, specifically personnel from the International Trade Administration's Office of Transportation and Machinery's (OTM) Automotive Team, and the USCS's Global Automotive Team. Most notably, we've worked closely with Liz Couch, OTM International Economist; Eduard Roytberg, Sr. International Trade Specialist in Ontario, Calif. and former Head of the Global Automotive Team; and Lesa Forbes, International Trade Specialist in Miami, Fla. and current Head of the Global Automotive Team. We've recently coordinated with Commerce on the following initiatives:

- Speaking at the Detroit and Charlotte Discover Global Markets events.
- Participating in the 2014 Trade Winds – the Americas Business Development Conference & Mission.
- Participating in the annual USCS Global Auto Team training in Washington, D.C.
- Participating in a webinar to promote an upcoming trade mission to Central America.

- Meeting with USCS officers in Istanbul, Dubai, China, Mexico, Australia, New Delhi, Italy and Frankfurt during international trips to conferences and trade shows in those countries.
- Presenting a webinar for members of the USCS Global Automotive Team.
- Sponsoring of the newly-released Automotive Resource Guide: A Reference for U.S. Exporters.
- Covering all travel expenses to host Kellie Holloway, Sr. International Trade Specialist from Portland, Ore., in Panama during the 2014 Latin Auto Parts Expo.
- Helping promote USCS events and initiatives through our member publications and newsletters.

We collaborate with Commerce on various initiatives year-round and are ready to build on the strength of this existing relationship.

(f) Technology Standards

Our members need to exchange huge amounts of complex information in the course of doing business. Parts manufacturers and their distribution partners need to exchange millions of pages of catalog content, product images, packaging sizes and box dimensions, warranty, and country of origin, just to name a few.



Thus, doing business electronically today requires vast libraries of content from hundreds of sources. Without one agreed-upon automotive language, this task would be impossible. The Auto Care Association leads in the creation of standards for the automotive aftermarket. These standards represent collaboration and consensus across the industry. and are developed following procedures and best practices defined by the Auto Care Association Technology Standards Committee. The standards define the management and exchange of automotive catalog application data. With the Aftermarket Catalog Enhanced Standard (ACES), suppliers can publish automotive data with standardized vehicle attributes, parts classification and qualifier statements. With the Product Information Exchange Standard (PIES), trading partners can exchange vast amounts of product attribute information, which lowers supply chain costs and contributes to increased sales and operational efficiency.

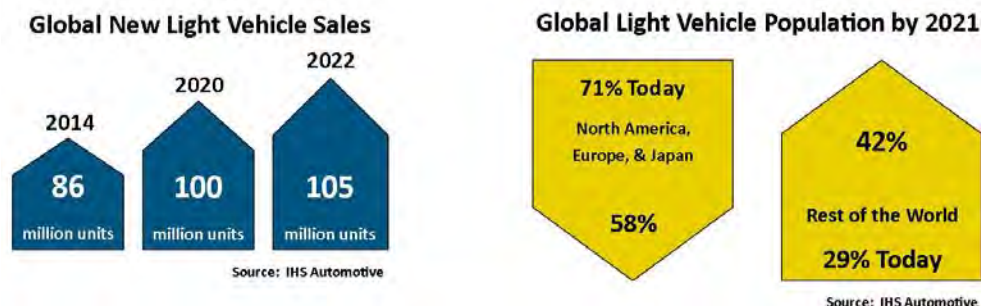
The Auto Care Association has spent more than 10 years developing these standards, building consensus and bolstering the U.S. market. Along with standards development, the association also leads in best practices development and vehicle and part research to support the Vehicle Configuration Database (VCdb), the Product Classification Database (PCdb) and the Product Attribute Database (PAdb).

With a history of success in the U.S., the association is positioned to help U.S. companies reap the benefits of their current investments in these efforts by taking the Auto Care Association standards and best practices to other regions. Canada and Mexico have already widely adopted the standards, allowing for U.S. companies to enter those markets much more effectively.

II. WORLDWIDE DEMAND FOR AUTOMOTIVE AFTERMARKET PRODUCTS AND SERVICES

Frost & Sullivan estimates that total light vehicles in operation worldwide (passengers cars and light trucks) will increase by 30 percent by 2020 to approximately 1.32 billion vehicles. During this time, the average age of vehicles on the road throughout the world will continue to increase. For example, IHS Automotive predicts that between 2010 and 2020, the average age of a vehicle on the road will increase by 9.3 percent in North America (includes Central America) and by 5 percent in South America. As a

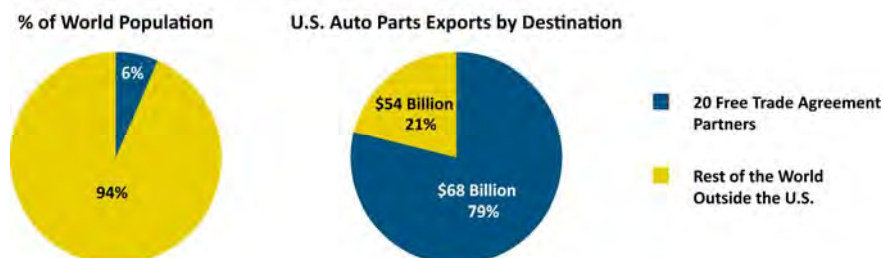
result, more vehicles worldwide will be within the “aftermarket sweet spot” – the age range of vehicles where the aftermarket thrives. Sweet spot vehicles are those that are old enough to be out of warranty, but still young enough that their owners are willing and able to put significant money into maintenance and repairs to keep them running. Currently, vehicles between 6 and 12 years old are considered the most attractive age range for the aftermarket.



The sharp increase in vehicles worldwide will also result in a significant change to regional share of vehicles, and therefore to where the opportunities for growth exist. Today, North America, Europe and Japan account for 71 percent of the worldwide vehicle distribution. By 2021, IHS Automotive expects this number to fall to 58 percent, with the rest of the world, including South America, accounting for 42 percent of the vehicles on the road worldwide.

Such strong growth will drive increased global demand for aftermarket parts and services to meet the maintenance and repair needs of so many more vehicles. Demand for routine maintenance parts like filters and brakes will grow sharply in emerging regions such as Latin America to service the high growth in new vehicles in operation. Demand for electrical and mechanical parts ranging from sensors, fuel injectors, steering gears and telematics/infotainment receivers will enjoy high growth in developed regions as a large share of vehicles in operation (VIO) enter the aftermarket sweet spot. However, in many of the regions forecasted to have the highest vehicle population growth, including Latin America, there are often limited parts and service options for vehicle owners. This landscape reveals emerging growth opportunities across the aftermarket supply chain in many parts of the world.

III. SELECTION OF LATIN AMERICAN FREE TRADE AGREEMENT COUNTRIES AS TARGET MARKETS



As the charts above illustrate, FTAs make big markets, even out of small economies. Realizing the tremendous potential for export growth, last year U.S. Secretary of Commerce Penny Pritzker unveiled a new initiative aimed at increasing business with trade partners in Latin America. The “Look South” initiative encourages American companies to do business with the U.S.’s FTA partners. The Auto Care Association seeks to support this important initiative by partnering with Commerce to help U.S.



automotive aftermarket companies expand their business to these growing markets.

More than half of all of America's FTA partners are in Latin America. These 11 economies – Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru – have a rapidly-growing base of middle-class consumers and diversifying industries. In addition to low or zero tariff rates on merchandise, FTAs increase transparency, improve the business environment for services and government procurement, and reduce market access barriers in areas such as intellectual property rights, standards and customs procedures. These countries also have made clear commitments to opening their markets and integrating supply chains with the United States.

Among our six Central American Free Trade Agreement (CAFTA) partner country markets, average economic growth per country of more than 3 percent is forecasted. For the remaining target markets, economic growth projections range from 4 (Colombia) to 7 (Panama) percent. Longer term projections are even more attractive for the "Look South" markets. In addition, more than 40 percent of U.S. exports go to the Americas, and those exports are growing faster than our trade with the rest of the world. Importantly, the automotive parts and supplies sector has been identified as a "best prospect sector" for U.S. exporters in "Look South" countries.

Importers, distributors and end users of auto parts throughout Latin America have a well-established appreciation and desire for U.S.-made products. U.S. auto parts manufacturers and exporters to the region enjoy a competitive advantage against most rivals, due to the quality of their products, the available warranties and aftersales service and geographic proximity leading to significantly shorter lead times when compared to Asian or European competitors. And, although many of the cars on the road in the region are Asian brands such as Hyundai, Toyota or Nissan, a significant number of these vehicles is actually produced in North America, making U.S. parts manufacturers uniquely qualified and situated to supply replacement parts for those vehicles. And, as many U.S. aftermarket parts suppliers specialize in manufacturing parts for a variety of vehicles, they can also easily provide replacement parts for vehicles manufactured in Asia and elsewhere.

A. CAFTA Countries

U.S. Auto Parts Exports to CAFTA Countries, Market Size, and U.S. Market Share (in millions)¹

| Country | 2010 | 2011 | 2012 | 2013 | 2014 | % Change 2010 - 2014 | % Change 2013 - 2014 | Market Size | U.S. Market Share ² |
|--------------------|--------------|--------------|--------------|--------------|--------------|----------------------------|----------------------------|----------------|--------------------------------------|
| Guatemala | 83.8 | 90.4 | 98.6 | 84.1 | 82.7 | -1.3% | -1.6% | 500 | 35% |
| Costa Rica | 38.5 | 42.9 | 37.0 | 35.2 | 42.1 | 9.4% | 19.6% | 325 | 22.5% |
| Honduras | 39.5 | 39.8 | 38.5 | 32.9 | 35.5 | -10.0% | 8.1% | 378 | 40% |
| El Salvador | 25.8 | 25.9 | 26.6 | 24.3 | 27.7 | 7.1% | 13.6% | 185 | 35% |
| Nicaragua | 14.9 | 15.8 | 19.6 | 21.2 | 18.8 | 25.6% | -11.6% | 150 | 30% |
| Total | 202.5 | 214.7 | 220.3 | 197.7 | 206.7 | 2.1% | 4.6% | 1,538 | ~30% |

¹ U.S. International Trade Commission Interactive Trade DataWeb (USITC DataWeb), using data retrieved from the U.S. Bureau of the Census (accessed Feb. 10, 2015).

² Estimates gathered from the export.gov Look South "Best Prospect Sectors" country pages for the automotive parts and supplies sector (<http://export.gov/tradeamericas/looksouth/bestprospectsectors/index.asp>).

As a result of CAFTA, 100 percent of U.S. consumer and industrial goods exports to the CAFTA countries are no longer subject to tariffs as of Jan. 1, 2015. The CAFTA region was the 14th largest U.S. export market in the world in 2013, and the third largest in Latin America behind Mexico and Brazil. The United States exported \$29.5 billion in goods to the Central American countries. Proximity to the Central American market is a major advantage for U.S. exporters who wish to visit or communicate with potential customers, facilitating close contacts and strong relationships with clients.

Common market conditions in the five CAFTA countries that make these markets ripe for increasing auto parts exports are detailed below:

- The United States is the largest trading partner for each CAFTA country and a high percentage of auto parts imports are already coming from the U.S. (e.g., 35 percent to Guatemala).
- Importers, distributors and end users of parts are highly receptive to U.S. auto parts and accessories due to their quality, warranty availability, variety and geographic proximity.
- Aging vehicle populations (e.g., the average car in the road in Costa Rica is more than 10 years old) that require continuous maintenance and replacement services.
- Growing vehicle populations (e.g., 2.3 million units in Guatemala, 2.5 million units in Costa Rica, and the total vehicle population in Honduras is expected to double in the next five years).
- High level of used-car sales and used-vehicle imports.
- Low level of local manufacturing of aftermarket products so the markets are highly reliant on imported auto parts to maintain their vehicles.
- Distances traveled in vehicles are increasing due to an accelerated urban expansion.
- Poor condition of roads, heavy traffic, poor public transportation and lack of organized traffic flow, so vehicles deteriorate faster and need more parts for routine maintenance.
- The growing presence of U.S. manufactured vehicles provides greater opportunities for U.S. exporters.
- Presence of retailers of automotive parts and accessories that buy directly from overseas manufacturers or through local distributors.

B. South American FTA Countries

U.S. Auto Parts Exports to South American FTA Countries, Market Size, and U.S. Market Share (in millions)³

| Country | 2010 | 2011 | 2012 | 2013 | 2014 | % Change 2010 - 2014 | % Change 2013 - 2014 | Market Size | U.S. Market Share ⁴ |
|--------------|--------------|--------------|--------------|--------------|--------------|----------------------------|----------------------------|----------------|--------------------------------------|
| Chile | 391.4 | 479.2 | 533.3 | 512.4 | 492.0 | 25.7% | -4.0% | 1,240 | 30% |
| Colombia | 206.1 | 241.4 | 252.5 | 262.2 | 292.5 | 41.9% | 11.5% | 3,750 | 20% |
| Peru | 104.7 | 142.9 | 182.8 | 191.7 | 203.6 | 94.4% | 6.2% | 1,000 | 25% |
| Total | 702.2 | 863.6 | 968.6 | 966.2 | 988.1 | 40.7% | 2.3% | 5,990 | ~30% |

³ U.S. International Trade Commission Interactive Trade DataWeb (USITC DataWeb), using data retrieved from the U.S. Bureau of the Census (accessed February 10, 2015).

⁴ Estimates gathered from the export.gov Look South “Best Prospect Sectors” country pages for the automotive parts and supplies sector (<http://export.gov/tradeamericas/looksouth/bestprospectsectors/index.asp>).

(i) Colombia

Colombia is the fourth largest economy in Latin America, after Brazil, Mexico and Argentina, and has the third largest population with approximately 46 million inhabitants. It is the only country in South America with two seacoasts (Pacific and Caribbean), which provides tactical shipping advantages in today's global market. Colombia is the third largest market for U.S. exports in Latin America.

Colombia's car parc is the third largest in Latin America, with more than 9 million vehicles on the road (including motorcycles). Recently, BBVA estimated that Colombia's vehicle stock will increase by 3.5 million vehicles between 2010 and 2020, with 7.9 percent annual growth. A key driving factor in Colombia for the high demand of spare parts is the frequent need to replace broken parts. Although the road infrastructure in Colombia is improving, nationwide they are in poor to fair condition, increasing the likelihood of damage to vehicles and requiring constant vehicle safety checks and replacement parts. Demand has also increased in the past several years due to the positive economic development of medium-sized cities like Medellín and Cali that have increased their share of national sales by 8.1 percent between 2006 and 2012.

(ii) Chile

As the United States-Chile FTA is over a decade old, trade in products and services continues to be a resounding success. In 2013, bilateral trade between the United States and Chile reached US\$ 27.9 billion, an increase of over 330 percent in bilateral trade levels before the U.S.-Chile FTA was implemented. U.S. exports to Chile in 2013 reached US\$ 17.5 billion.

Chile, with nearly 17 million people, and 3.5 million vehicles, has the fourth-highest rate of motorization in Latin America, registering 4.7 people per vehicle. Chile does not produce or assemble vehicles. In 2013, automobile sales in Chile set a new record with 378,240 new vehicles, an 11 percent growth compared with the 340,216 units sold in 2012. As there is no appreciable local production of auto parts, all parts and accessories are imported. Approximately 43 percent of the vehicles on the road in Chile are over 10 years old.

(iii) Peru

Peru continues to be one of the fastest growing Latin American economies in the past 12 years. The Peruvian economy has grown at an average of 6.3 percent per year since 2002, reaching a \$207 billion GDP in 2013. The trend is expected to continue with a projected GDP growth of 5.0 percent in 2015. Excellent facilities for imports, in particular those aimed at used vehicles, have not only contributed to the expansion of the automotive fleet, but have also resulted in an aging fleet. The figures show that imports of used vehicles have been significant and account for about half of the growth of the fleet over the last decade. As a result, the average age of the automotive fleet in Peru is 15.5 years for private transport vehicles, and 22.5 years for public transport vehicles.

C. Local and Third Country Competitors in the Target Markets

The Auto Care Association's project proposal comes at a critical time in the development of the auto parts markets in Latin America. With growing middle classes and vehicle populations, the demand for aftermarket products is expected to increase significantly in the near and long term. At the same time, Asian competitors have obtained larger market share, pursuing a low price strategy and offering correspondingly low quality. Now is the time for a coordinated effort to promote U.S. made aftermarket products, and help more U.S. companies take advantage of the many inherent advantages they have for doing business in the region.

Local auto parts production in CAFTA countries is relatively small. Major U.S. competitors in the region are China, Japan, Mexico, South Korea, Brazil, Taiwan and Germany. In Chile, Colombia and Peru, many countries compete to supply the auto parts market, but the U.S., Brazil, Japan and China have the highest market shares.

D. U.S. Industry Resources That Can be Brought to Bear on Developing Target Markets

The Auto Care Association has a staff of 45 employees located primarily in Bethesda, Md., with a few employees working remotely from various U.S. locations. The association is made up of nine departments: Education, Finance/Operations, Government Affairs, International Affairs, Marketing & Communications, Membership, Market Intelligence, Meetings & Events and Technology Standards & Solutions. All of these departments are staffed with seasoned professionals who are available to provide their expertise to the proposed project. Importantly, all key staff members have strong international backgrounds, having traveled extensively to numerous international trade shows, trade delegations and/or international conferences to promote the U.S. automotive aftermarket. Additionally, the project director, Andres Castrillon, is a native Spanish speaker.

Various staff members will be directly involved in the project, including:

- International Affairs staff will manage the project, including collaboration and routine communication with Commerce partners.
- Meetings & Events staff will be involved in the logistical operations and planning of the project.
- Technology Standards & Solutions Department will be critical in the projects' pursuit of facilitating the adoption of U.S. standards in the target markets, including preparing and presenting training materials during missions and technical workshops.
- Market Intelligence staff will support the project by helping identify sources of market intelligence on the target markets.
- Marketing & Communications will play a critical role in preparing marketing materials and helping promote the program to members, and sharing success stories industry-wide.
- Membership will help identify members for specific missions depending on the product categories identified as having the highest chance of success.

We realize this project will require significant time and resource commitments. Fortunately, with an annual operating budget of [\$]⁵ and reserves of [\$], we have both the personnel and financial resources available to make this project a success.

Additionally, the Auto Care Association's manufacturer members represent a significant portion of the automotive aftermarket products produced in the United States. Each of these members, large and small, also have additional internal resources that will be made available to support the project, including experienced marketing and sales teams and key contacts in the logistics, shipping and freight forwarding industries. Exporting is not new for many of these members, and most of them have significant internal export experience that will be an asset as they seek to expand to new markets.

⁵ This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

E. U.S. Industry's Ability to Meet Potential Market Demand

Simply put, the U.S. aftermarket's ability to meet global market demand is not in question. As export figures indicate, U.S. auto parts exports continue to grow with no indication of trouble meeting domestic or foreign demand. Capacity utilization rates for U.S. auto parts manufacturing (including both OE and aftermarket) have steadily increased from a low of just over 40 percent in mid-2009 to around 80 percent currently.

A recent survey conducted among Auto Care Association members revealed that approximately 80 percent of our manufacturing members are already exporting to at least one country. Over 60 percent of the responding manufacturers responded that they are interested in participating in future trade missions, indicating that they are eager to identify new international buyers and are capable of filling orders. What's more, the number of international buyers at our trade show AAPEX continues to increase with no reports of an inability to meet order demands.

F. U.S. Industry's After-Sales Service Capability in Target Markets

The automotive aftermarket demands operational and logistics excellence that supports rapid parts identification and substitution, online availability checking, on-time delivery, flexible replenishment and reverse logistics. The most important success factors for automotive aftermarket distributors are cooperation between companies and integration of processes throughout the supply chain. It is extremely important to share information quickly and effectively within supplier networks and between customers.

Sound after-sales service has been a critical success factor for U.S. aftermarket companies domestically. In the case of automotive aftermarket products, the primary issues are proper parts identification and supply chain management. For automotive aftermarket products, these two issues are more complicated than that of other finished products. The complexity of the parts business is generated by its own unique attributes. The life cycle of spare parts is longer than that of vehicles and the total number of SKUs is huge. Additionally, the demand for parts is relatively unstable and difficult to forecast. All of the above pose enormous challenges to parts planning, purchasing, ordering and logistics, among other operations.

Over time, U.S. aftermarket companies have tackled these challenges en route to becoming the most sophisticated auto parts supply chain in the world. We are leaders in inventory management, order management, distribution operations and transportation. This is demonstrated by the extremely short wait times for vehicle repairs (one to two days compared to one to two or more weeks in many other parts of the world as service shops are delayed in identifying, ordering and receiving the necessary parts). The Auto Care Association, with the help of significant time devoted by volunteer members, has developed technology standards and best practices that help keep our supply chains running smoothly and our customers satisfied. A key component of this proposal involves training key auto parts industry stakeholders on how to utilize our existing standards to improve their own internal systems and supply chains. All of this industry knowledge and expertise, both from Auto Care Association staff and members, can be brought to bear in the target markets.

Importantly, as many of our members are already doing business in Mexico, they have retained Spanish-speaking sales staff and have invested in Spanish marketing materials and catalogs to help increase sales in these markets. Both will be important factors to export success as these members seek to increase exports to Central and South America.

IV. PROJECT DESCRIPTION

The Auto Care Association's internal strategic plan includes a specific, stated objective to pursue and develop opportunities for members to increase sales in Latin America. To achieve this goal, the association has undertaken several activities in the region to gather information, make connections and determine the best strategy for member success in the region. These activities include participating in the 2014 TradeWinds mission to Panama and Colombia where we met with several USCS specialists from throughout the region as well regional importers and distributors. We also organized our first-ever member pavilion to a trade show at the Latin Auto Parts Expo in Panama in 2014, where we again were able to meet with key industry stakeholders from Central and South America. After undertaking these activities in the region and discussing our members' global growth targets and objectives with them, we're convinced Latin America is the right market on which to focus our efforts.

The Auto Care Association seeks to partner with Commerce to develop a multi-faceted initiative to provide a range of programs and services designed to facilitate the sale of U.S. products in the region. Specifically, we seek to facilitate exports through a series of annual trade missions to Central and South America, promote industry-developed standards through technical seminars and implement a one-on-one matchmaking program for foreign buyers during AAPEX. We outline each of these proposed initiatives below.

A. Plan and Promote Annual Trade Missions to Central America and South America

In coordination with Commerce, the Auto Care Association will organize two trade missions per year in 2016, 2017 and 2018 – one each to Central America and South America – for a total of six trade missions. The Association will recruit between 15 and 20 companies for each mission. For budget purposes and performance goal estimates, we are estimating 18 participants for each mission. We will utilize Commerce's excellent Gold Key Matchmaking Service as part of the missions and offer participants a \$1,500 offset for a "Trade Mission Package" that includes the following:

- Pre-mission seminars/webinars to provide country profiles, background information, market opportunities, market entry strategies and best practices.
- All local travel arrangements, including hotel and local transportation.
- One-on-one meetings with foreign industry executives, pre-screened to match members' specific business objectives whether for representation, direct sales or joint ventures in the local market.
- Networking events with guests from local automotive industry stakeholders that are influential in the automotive community.
- Briefings with the legal and business communities on local business practices and opportunities.
- Site visits to local facilities to gain a better understanding of best prospects, local supply chains and how to best get products to market.
- Translators on-site to facilitate discussions with buyers.
- Free translation of a two-page marketing brochure or document.
- Exhibition fees (for 2017 trade show in Colombia only).

Participation in the missions will be open to any qualifying U.S. company (i.e., members and non-members) and the association will recruit companies that supply product categories identified by USCS specialists on the ground as being the most in-demand.

The planned schedule for the annual missions is as follows:

| Trade Missions to Central America | |
|--|---|
| June 2016 | Trade mission to Guatemala with optional additional stop in El Salvador |
| April 2017 | Trade mission to Costa Rica |
| June 2018 | Trade mission to Honduras with optional stop in Nicaragua |

| Trade Missions to South America | |
|--|--|
| April 2016 | Trade mission to Santiago, Chile |
| June 2017 | Trade mission to Bogota, Colombia and participation in Expopartes trade show |
| April 2018 | Trade mission to Lima, Peru |

Specific work plans and milestones include the following:

| Year / Quarter | Work Plan |
|-------------------------|---|
| 2015 – 2017 / Q4 | Work with USCS specialists in target country to determine date of trade mission for the following year; recruit companies that supply product categories most in-demand and sign success agreements; develop webinar topics; register for exhibitor booths (2017 trade show in Colombia only) |
| 2016 – 2018 / Q1 | Coordinate hotel and transportation arrangements; work with USCS to set up customized one-on-one meetings with prospective partners through Commerce's Gold Key Matchmaking Services |
| 2016 – 2018 / Q2 | Execute trade mission; collect confidential performance results survey |

Sustainability of Trade Missions: As discussed above, the Auto Care Association has undertaken several activities in Latin America before deciding to focus on this region as part of this project. We have targeted Latin America as a long-term priority region and our goal is to develop an ongoing, sustainable trade mission program that will continue beyond the three-year life cycle of this project. We expect interest in participating in the trade missions to grow each year as word spreads and we further develop our knowledge and contacts in these countries. With such a large and diverse membership base made up predominantly of SMEs, it is possible for us to take a different group of companies on each of the trade missions. We fully expect that after the three-year life of the project, the success and return on investment of the program will be well-established enough that members and other U.S. companies will be willing to participate without the incentives provided as part of the initial project.

Performance Measurement for Annual Trade Missions: Each company participating in a trade mission will be required to sign a success agreement (see sample on page 18-19) that requires them to submit confidential quarterly reports detailing export results following a trade mission. Performance measures will be submitted within 30 days after the end of each quarter. Example of questions we may include in the survey for each trade mission include but are not limited to:

1. Please categorize your company:
☐ Exporting products for the first time (new-to-export)
☐ Exporting products into a new market (new-to-market)
☐ Expanding products into a current market
2. How many leads were generated as a result of this trade mission? Please categorize them based on potential.
☐ Strong potential ☐ Medium potential ☐ Low potential
3. Please provide the type of product, dollar value and number of sales you had as a result of your participating in this trade mission.
Product: _____
Number of sales: _____ Total dollar value of sales (USD\$): _____
4. Please provide dollar value (USD\$) projections for future export results for the next four quarters as a result of your participating in this trade mission.
_____ First quarter _____ Second quarter
_____ Third quarter _____ Fourth quarter

Performance Goals for Annual Trade Missions: For each annual trade mission, we estimate the average value of a sale to be \$275,000. We anticipate a 35 percent success rate for 20 exhibitors to make one sale during the trade mission ($35\% \times 20 = 7$ sales). During the first quarter after the trade mission, we anticipate a 50 percent success rate for 20 exhibitors to make one sale. And, during the second and third quarters, we anticipate a 35 percent and 15 percent success rate for 20 exhibitors to make one sale, respectively. The chart below illustrates the methodology used to estimate the dollar value of project-period exports.

| | 2016 Trade Mission | | 2017 Trade Mission | | 2018 Trade Mission | |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|--------------------|
| | Total Sales | Values | Total Sales | Values | Total Sales | Values |
| During Trade Mission | 6.3 | \$1,732,500 | 6.3 | \$1,732,500 | 6.3 | \$1,732,500 |
| First Quarter | 9 | \$2,475,000 | 9 | \$2,475,000 | 9 | \$2,475,000 |
| Second Quarter | 6.3 | \$1,732,500 | 6.3 | \$1,732,500 | 6.3 | \$1,732,500 |
| Third Quarter | 2.7 | \$742,500 | 2.7 | \$742,500 | (Outside Project Period) | |
| Total | 24.3 | \$6,682,500 | 24.3 | \$6,682,500 | 21.6 | \$5,940,000 |

**These numbers are estimates and based on feedback from companies that have exhibited overseas.*

The total of sales made and reported during the three-year project period from each trade mission is \$19,305,000. The grand total during the project period from the two annual trade missions to Central America and South America is \$38,610,000. Using the same methodology, we expect total sales made four-years after the project period (2019-2022) to be \$53,460,000.

B. Promote Industry Developed Standards Through Technical Seminars

Without the presence of ACES and PIES in the South American markets, local companies will be forced to adopt European standards currently being pushed by a German for-profit company. This will lead to significant increased costs for U.S. exporters and would give European competitors a strategic

advantage over U.S. companies when trying to effectively enter these markets. Furthermore, we've heard indications that the Chinese are working on their own set of standards. The time is now for a coordinated effort to facilitate adoption of U.S. standards in these key markets for U.S. exporters.

The Auto Care Association seeks to provide training as part of small trade delegations designed to facilitate the adoption of both ACES and PIES within these markets. In addition, the association seeks to expand current vehicle research for these regions that adheres to the high quality standards of the North American vehicle research.

The association envisions a series of training and educational sessions focused on the processes around standards development and maintenance. Trainings will also include detailed adoption methodologies for the existing standards, ACES and PIES. Delegations will be comprised of two Auto Care Association staff members and three volunteer representatives of the Association's Technology Standards Committee. We will work closely with local USCS specialists to identify the right industry stakeholders with whom to meet and make presentations. Target stakeholders to participate in meetings and presentations are local government personnel, automotive associations, local software providers active in the automotive industry, and local distributors and retailers. The goals of this project can be accomplished through both one-on-one meetings and/or presentations to larger audiences. Flexibility will be key and the right approach will vary depending on the target market.

We will target the larger markets for this project initiative and the planned schedule is as follows:

| Standards Technical Seminar | |
|------------------------------------|---|
| July 2016 | Technology delegation to Colombia |
| July 2017 | Technology delegation to Guatemala and Costa Rica |
| July 2018 | Technology delegation to Chile and Peru |

Note that these small delegations will involve different Auto Care Association staff and members volunteers than those that will be overseeing and participating in the trade missions. For each technology delegation we will:

- Coordinate with Commerce partners to identify and reach out to the right stakeholders.
- Promote the delegation to local stakeholders.
- Secure space for meetings and workshops.
- Prepare and translate presentation and background materials.
- Recruit volunteer members of Technology Standards Committee and handle all travel logistics.

Specific work plans and milestones include the following:

| Year / Quarter | Work Plan |
|-------------------------|--|
| 2016 – 2018 / Q1 | Work with Commerce to determine stakeholders; promote seminar |
| 2016 – 2018 / Q2 | Develop training materials; recruit volunteers of Technology Standards Committee; coordinate hotel and transportation arrangements; secure meeting rooms |
| 2016 – 2018 / Q3 | Execute technical seminar; survey seminar attendees |

Sustainability of Technical Training Delegations: Given our experience in developing and promoting these standards in North America, we know that to achieve success with this aspect of the project, we will have continue conducting trainings and offering resources to local stakeholders long after the project. We intend for this aspect of the project to serve as the pilot project for a long-term investment in facilitating standards adoption in the target countries, and we are committed to devoting the resources necessary to achieve success.

Performance Measurement for Technical Training Delegations: The ultimate performance measure for this part of the project will be widespread adoption of U.S. industry created standards, ACES and PIES. With one agreed-upon automotive language for the exchange of catalog and product information among our Latin American FTA partners, U.S. export sales will increase by significantly improving the parts identification process using the standards already used by U.S. suppliers. We don't anticipate full implementation of these standards to occur during the three-year project. Instead, we anticipate the benefits of this phase of the project to occur a few years after the project ends. We plan to survey seminar attendees to gauge their understanding and receptiveness to utilizing the standards. We also plan to routinely follow up with attendees in order to track progress of standards implementation among target stakeholders.

C. Facilitate One-on-One Matchmaking Program for Foreign Delegates at AAPEX

As discussed above, hundreds of foreign buyers attend AAPEX annually as part of official buying delegations organized by the USCS. Although many of the buyers have experienced great success, we think we can do a much better job of making sure the most qualified buyers connect with the right U.S. suppliers. One-on-ones are simply the most efficient way to conduct serious business during a busy and crowded trade show. In order to incorporate a domestic aspect to our project and take advantage of AAPEX as a well-established vehicle for producing export success, we seek to implement a one-on-one matchmaking program during AAPEX that is exclusive to large, established buyers from Central and South America.

We envision meetings that will facilitate high-level business discussions in a personal and confidential setting. We will work with USCS specialists organizing trade delegations from Central and South America to identify a group of 20 top buyers, based on criteria to include the following:

- Well-established in local market with good industry references.
- History of purchasing U.S. products.
- Purchaser of high-demand products.
- Interest in establishing long-term supplier relationship.
- Ability to make high volume and/or value purchases.

Once the 20 buyers are identified, we will recruit the top decision-makers within member companies interested in supplying the appropriate products. Our goal will be to organize five meetings for each of the 20 participating buyers during AAPEX annually. The one-on-ones will be held on the Sunday and Monday before the show starts (on Tuesday) in meeting rooms located within the Sand Expo Center.

We will use funds from this project to cover lodging, meals and incidental expenses, and local travel for the selected 20 buyers. In order to facilitate the one-on-one program, we will:

- Coordinate with Commerce partners to recruit and identify 20 qualified foreign buyers.
- Promote the program to our membership and recruit the members who are supplying the products in demand.
- Secure meetings rooms and utilize matchmaking software to manage meeting logistics.
- Hire a matchmaking coordinator to oversee the appointments and manage the program onsite.

Specific work plans and milestones include the following:

| Year / Quarter | Work Plan |
|-------------------------|--|
| 2016 – 2018 / Q2 | Work with USCS to identify buyers interested in participating in a one-on-one matchmaking program at AAPEX; recruit companies interested in supplying products |
| 2016 – 2018 / Q3 | Hire matchmaking coordinator to manage appointments; coordinate hotel and transportation arrangements for buyers; secure meeting rooms |
| 2016 – 2018 / Q4 | Execute technical seminar; collect confidential performance results survey from participating companies |

Sustainability of One-on-One Matchmaking Program: We intend for this one-on-one program to serve as a pilot program for an expanded international buyer one-on-one program at AAPEX. We have an established record of running a successful, large one-on-one program — the Automotive Warehouse Distributors Association, a segment of the Auto Care Association, has been hosting a formal one-on-one business meeting program at AAPEX since the show’s inception. We intend to continue to grow the one-on-one program, and make it a key component of international buyer participation at AAPEX.

Performance Measurement of One-on-One Matchmaking Program: Each company participating in the Matchmaking Program at AAPEX will be required to sign a success agreement that requires them to submit confidential quarterly reports detailing export results following the trade show. Survey questions will be similar to the trade mission survey sample found on page 13.

Performance Goals for One-on-One Matchmaking Program: Using the same methodology detailed in “Performance Measurement for Trade Missions” (found on page 13) for 20 foreign buyers, we estimate the exports to be generated during the three-year project period from the One-on-One Matchmaking Program at AAPEX to be \$16,775,000; and \$7,425,000 four-years after the project period (2019-2022). The chart below illustrates the methodology used to estimate the dollar value of project-period exports.

| | 2016 AAPEX | | 2017 AAPEX | | 2018 AAPEX | |
|----------------|-------------------|--------------------|-------------------|--------------------|--------------------------|--------------------|
| | Total Sales | Values | Total Sales | Values | Total Sales | Values |
| During AAPEX | 7 | \$1,925,000 | 7 | \$1,925,000 | 7 | \$1,925,000 |
| First Quarter | 10 | \$2,750,000 | 10 | \$2,750,000 | (Outside Project Period) | |
| Second Quarter | 7 | \$1,925,000 | 7 | \$1,925,000 | | |
| Third Quarter | 3 | \$825,000 | 3 | \$825,000 | | |
| Total | 29 | \$7,425,000 | 29 | \$7,425,000 | 7 | \$1,925,000 |

V. PARTNERSHIP WITH COMMERCE

The Auto Care Association has a long history of cooperation with Commerce. For this project we envision a robust partnership with the Commerce personnel identified below. We have discussed this project with each individual listed below and expect to coordinate with this group, to varying degrees, to plan and implement the project.

ITA's Office of Transportation and Machinery, Automotive Team: Thomas Sobotta (Acting Director); Elizabeth Couch (International Economist); Andy Parris (International Trade Specialist).

U.S.-Based Commercial Service Automotive & Ground Transportation Team: Lesa Forbes (Miami, Fla. U.S. Export Assistance Center); Kellie Holloway (Portland, Ore. U.S. Export Assistance Center); Eduard Roytberg (Ontario, Calif. U.S. Export Assistance Center).

ITA's U.S.-Based Country Desk Officers: Laura Ebert (Chile, Colombia, Panama); Mark Siegelman (CAFTA); Matthew Gaisford (Peru).

Foreign Embassy Commercial Officers and Trade Specialists: Jeff Hamilton & Norcia Ward (Colombia); Ricardo Peláez & Rachel Kreissl (Peru); Ana Polanco (Guatemala); Roy Fernandez (Costa Rica); Sandra Hernandez (El Salvador); Rosanna Lobo (Honduras).

VI. CREDENTIALS FOR KEY PERSONNEL

Andres Castrillon, JD, Senior Counsel, International Affairs

An attorney, Castrillon is responsible for managing all international trade policy and regulatory issues for Auto Care Association members. He monitors federal agency and congressional developments to keep members informed of government activities that might impact their international business and to ensure serious consideration of Auto Care Association positions on trade issues. Castrillon oversees the association's international trade promotion activities, assisting members with import/export activities and international business development. Castrillon also acts as staff liaison to the Auto Care Association's international segment, the Auto International Association.

Michael Barratt, CMP, Senior Vice President, Meetings and Events

Michael Barratt is senior vice president of meetings and events for the Auto Care Association, where he has worked since July 1996. Barratt oversees all meetings and conferences for the Auto Care Association and its segments, committees and managed associations. His responsibilities include meeting planning, site selection, contract negotiation and on-site logistics. Barratt is an active member in the Professional Convention Management Association and is on the meetings advisory board of the Hyatt Hotels.

Arlene Davis, Vice President, Meetings and Events

Arlene Davis is vice president of meetings and events for the Auto Care Association. Davis oversees the Automotive Aftermarket Products Expo (AAPEX), the largest auto care market trade-only show in North America, and Heavy Duty Aftermarket Week (HDAW), a trade-only conference specifically targeted to the heavy duty segment. She also serves as the liaison for the Auto Care Association Events Committee, where she is responsible for coordinating projects and setting strategic direction for Auto Care Association events.

Taylor Mitchell, Senior Director, Technology Standards and Solutions

Taylor Mitchell is senior director of technology standards and solutions for the Auto Care Association. Mitchell oversees the Auto Care Association technology standards, which include Aftermarket Catalog Enhanced Standard (ACES), Product Information Exchange Standard (PIES), Internet Parts Ordering (IPO) and other best practice recommendations.

Angela Chiang, International Affairs Coordinator

Angela Chiang is coordinator of international affairs for the Auto Care Association. Chiang provides support for the Auto Care Association's international trade promotion and outreach efforts, as well as helping manage relationships and contact with international partners. Chiang was previously employed as an international trade specialist at a law firm in Washington, D.C.

VII. EVIDENCE OF SUPPORT FROM U.S. FIRMS INTERESTED IN PARTICIPATING

We list below members who have expressed interest in specifically participating in the trade missions planned as part of this MDCP project.⁶ In addition, in a recent survey 43 percent of respondents (more than 50 companies) responded that they are interested in participating in future trade missions organized by the association.

| | |
|------------|------------|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] |

VIII. USE OF ITA EMBLEM

See attached.

IX. SUCCESS AGREEMENT (SAMPLE)

The Auto Care Association has partnered with the U.S. Department of Commerce to organize a series of annual trade missions to pursue and develop opportunities to increase sales in Central America and South America. Partial funding has been provided by Commerce's International Trade Administration (ITA) through its Market Development Cooperator Program (MDCP).

⁶ This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

Benefits of participating in the trade mission and your responsibilities as a participant are identified below. Please note that some of these benefits are time-sensitive and contingent on when you sign up to participate.

Benefits

- Pre-mission webinars/seminars on market and industry briefings
- Local travel and hotel arrangements
- Gold Key Matchmaking Services organized by the U.S. Commercial Service to include customized, pre-screened one-on-one meetings with prospective trade partners
- Translation of product brochure/materials (up to two pages)
- Translators on-site to facilitate discussions with buyers
- Site visits to local facilities
- Exhibitions fees and participation in Auto Care Association Pavilion (for 2017 trade show in Colombia only)

Participant's Responsibilities - Reporting Your Success

- Submit a confidential quarterly report to discuss your export results based on your participation in the trade mission, including dollar value and number of sales, types of goods sold, contracts formed, and any other examples of your success in developing the Latin American market.
- If ITA or the Auto Care Association would like to publicize any of your success, we will ask for your approval in writing.

U.S. Product

I certify that I am, that my company is, or that I or my company represents: (a) a United States citizen; (b) a corporation, partnership or other association created under the laws of the United States or of any State; or (c) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in (a) and (b) above; AND I am, my company is, or the entity I or my company represents is, exporting, or seeks to export goods or services produced in the United States, or goods or services that contain at least 51 percent U.S. content.

- I understand that this certification is a requirement to participate in the MDCP project activity described above and that an intentionally false certification may result in termination of participation in such activity.
- Information provided to the ITA is intended solely for internal use. ITA will protect business confidential information to the full extent permitted by law and Administration policy. U.S. law prohibits U.S. government employees from disclosing trade secrets.
- I agree to the terms of the success agreement with the Auto Care Association as set forth above.

Company Name

Address

Phone

Email

Contact Name

Title

Signature

Date



BUDGET

1. Supporting Worksheets and Explanations

The budget for the project award period and other worksheets are provided in this Part 3-B budget. They support and explain the figures reported on Form SF424A, which is included in Part 1-Forms.

2. Financial Systems

As shown on the budget for the project award period, a large portion, actually 72% of the \$696,953 cash match is salary and benefits. For Auto Care Association, this amount will be easily absorbed as part of the overall budget for salary and benefits.

3. Financial Statements

OTHER ATTACHMENTS

1. Letters of Support from Public Officials

Budget for Project Award Period
With Breakdown of Projected Funding Sources

| Categories | Total Expenses for All Years | | | | | | 1st Year | | | | | | 2nd Year | | | | | | 3rd Year | | | | | |
|----------------------------|--------------------------------|------------|----------|---------------|--------------------------------|------------|--------------------------------|----------|--------------------------------|---------------|----------|----------|--------------------------------|------------|----------|---------------|--------------------------------|------------|--------------------------------|----------|--------------------------------|---------------|----------|----------|
| | Non-Fed Share | | | Non-Fed Share | | | your organization's Cash from: | | | Non-Fed Share | | | your organization's Cash from: | | | Non-Fed Share | | | your organization's Cash from: | | | Non-Fed Share | | |
| | Fed Share | Pgm Income | Other | In-Kind | Fed Share | Pgm Income | Other | In-Kind | Fed Share | Pgm Income | Other | In-Kind | Fed Share | Pgm Income | Other | In-Kind | Fed Share | Pgm Income | Other | In-Kind | Fed Share | Pgm Income | Other | In-Kind |
| DIRECT EXPENSES | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | p | m | n | o | p | m | n | o | p |
| PERSONNEL | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Domestic | 0 | 0 | 385,087 | 0 | 0 | 0 | 124,587 | 0 | 0 | 0 | 128,325 | 0 | 0 | 0 | 132,175 | 0 | 0 | 0 | 132,175 | 0 | 0 | 0 | 132,175 | 0 |
| 2 International | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 TOTAL | 0 | 0 | 385,087 | 0 | 0 | 0 | 124,587 | 0 | 0 | 0 | 128,325 | 0 | 0 | 0 | 132,175 | 0 | 0 | 0 | 132,175 | 0 | 0 | 0 | 132,175 | 0 |
| FRINGE BENEFITS | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 Dom. Rate = 30.9% | 0 | 0 | 118,991 | 0 | 0 | 0 | 38,497 | 0 | 0 | 0 | 39,652 | 0 | 0 | 0 | 40,842 | 0 | 0 | 0 | 40,842 | 0 | 0 | 0 | 40,842 | 0 |
| 5 Int'l. Rate = 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 TOTAL | 0 | 0 | 118,991 | 0 | 0 | 0 | 38,497 | 0 | 0 | 0 | 39,652 | 0 | 0 | 0 | 40,842 | 0 | 0 | 0 | 40,842 | 0 | 0 | 0 | 40,842 | 0 |
| TRAVEL | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 Domestic | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 International | 194,345 | 60,264 | 27,444 | 0 | 63,800 | 15,552 | 9,042 | 0 | 63,060 | 20,736 | 9,006 | 0 | 67,485 | 23,976 | 9,396 | 0 | 67,485 | 23,976 | 9,396 | 0 | 67,485 | 23,976 | 9,396 | 0 |
| 9 TOTAL | 194,345 | 60,264 | 27,444 | 0 | 63,800 | 15,552 | 9,042 | 0 | 63,060 | 20,736 | 9,006 | 0 | 67,485 | 23,976 | 9,396 | 0 | 67,485 | 23,976 | 9,396 | 0 | 67,485 | 23,976 | 9,396 | 0 |
| EQUIPMENT | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 CONTRACTUAL | 105,000 | 13,800 | 795 | 0 | 35,000 | 4,600 | 265 | 0 | 35,000 | 4,600 | 265 | 0 | 35,000 | 4,600 | 265 | 0 | 35,000 | 4,600 | 265 | 0 | 35,000 | 4,600 | 265 | 0 |
| OTHER | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DIRECT | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 Sum from above | 299,345 | 74,064 | 532,317 | 0 | 98,800 | 20,152 | 172,391 | 0 | 98,060 | 25,336 | 177,248 | 0 | 102,485 | 28,576 | 182,678 | 0 | 102,485 | 28,576 | 182,678 | 0 | 102,485 | 28,576 | 182,678 | 0 |
| 15 Sum all direct columns | Sum line 16 columns a, b, c, d | | | 905,726 | Sum line 16 columns e, f, g, h | | | 291,343 | Sum line 16 columns i, j, k, l | | | 300,644 | Sum line 16 columns m, n, o, p | | | 313,739 | Sum line 16 columns m, n, o, p | | | 313,739 | Sum line 16 columns m, n, o, p | | | 313,739 |
| INDIRECT EXPENSES | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | p | m | n | o | p | m | n | o | p |
| 16 Indirect Rate = 10.0% | | | 90,572 | 9.1% | | | 29,134 | 9.1% | | | 30,064 | 9.1% | | | 31,374 | 9.1% | | | 31,374 | 9.1% | | | 31,374 | 9.1% |
| 17 % of Total (line 20) | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | p | m | n | o | p | m | n | o | p |
| 18 Dir.+Indir. | 299,345 | 74,064 | 622,889 | 0 | 98,800 | 20,152 | 201,525 | 0 | 98,060 | 25,336 | 207,312 | 0 | 102,485 | 28,576 | 214,052 | 0 | 102,485 | 28,576 | 214,052 | 0 | 102,485 | 28,576 | 214,052 | 0 |
| 19 % of Total (line 20) | 30.0% | 7.4% | 62.5% | 0.0% | 30.0% | 7.4% | 62.5% | 0.0% | 30.0% | 7.4% | 62.5% | 0.0% | 30.0% | 7.4% | 62.5% | 0.0% | 30.0% | 7.4% | 62.5% | 0.0% | 30.0% | 7.4% | 62.5% | 0.0% |
| All Expense Columns | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 Total | Sum line 16 columns a, b, c, d | | | 996,298 | Sum line 16 columns e, f, g, h | | | 320,477 | Sum line 16 columns i, j, k, l | | | 330,708 | Sum line 16 columns m, n, o, p | | | 345,113 | Sum line 16 columns m, n, o, p | | | 345,113 | Sum line 16 columns m, n, o, p | | | 345,113 |

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PERSONNEL EXPENSES

| Explanation & Calculation | 1st Year | | | | 2nd Year | | | | 3rd Year | | | |
|---|---------------|----------|------------------|---------|---------------|--------|---------------|---------|---------------|------|---------------|---------|
| | Non-Fed Share | | Non-Fed Share | | Non-Fed Share | | Non-Fed Share | | Non-Fed Share | | Non-Fed Share | |
| | Fed Share | Cash | Pgm Inc | In-Kind | Fed Share | Cash | Pgm Inc | In-Kind | Fed Share | Cash | Pgm Inc | In-Kind |
| Personnel Domestic | a | b | c=ab | d | e=cd | Amount | varies | w/year | | | | |
| Controller Oversees the daily operations of the accounting department ensuring proper accounting of all cash receipts & disbursements | % of time | Ann Sal. | Allocated Salary | | | | | | | | | |
| Sr. Director of Marketing & Communication Direct all communication on website, newsletters, materials designed specifically for program. Create/design materials including brochures, signage, pavilion directories, décor etc. and maintaining project on website | | | | | | | | | | | | |
| Sr. Counsel of International Affairs Primary project leader, Strategy and direction. | | | | | | | | | | | | |
| Coordinator of International Affairs Maintain project worksheet, coordinate staff meetings, prepare agendas, coordinate conference calls and update staff on status of projects. | | | | | | | | | | | | |
| Sr. VP of Meetings and Events Negotiate all contracts with event locations and hotels. Review budget regularly events. Work in tandem with VP on strategy to recruit pavilions and budget. | | | | | | | | | | | | |
| VP of Meetings and Events Work directly with decorators, event organizers on U.S. pavilions and trade missions. Maintain budget and prepare reports | | | | | | | | | | | | |
| Coordinator of Meetings and Events Record and track all registrations for events and coordinate information packets. Work directly with hotel on room sets, food and beverage and other event related tasks. | | | | | | | | | | | | |
| VP of Market Intelligence Prepare data to support strategy and provide direction for growth of US exports in Latin America. | | | | | | | | | | | | |
| Sr. Director of Membership Provide direction and strategy for selecting US companies to participate in trade missions and pavilions to expand exports in Latin America. | | | | | | | | | | | | |
| Sr. Director of Technology Standards Work with team leader at DOC on strategy to get vehicle data and auto care standards for parts identification. | | | | | | | | | | | | |
| Domestic | | | | | | 0 | 0 | 124,587 | 0 | 0 | 0 | 132,175 |
| International | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | | 0 | 0 | 124,587 | 0 | 0 | 0 | 132,175 |

* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to Auto Care Association.

ACTIVITY CALCULATION

| Explanation & Calculation | 1st Year | | | | | | | | | | | | | | | | | | 2nd Year | | | | | | 3rd Year | | | | | | | | | | | |
|---|-------------------|-----------------------------|-------|-----------|-----------|---------------------|---------------|------------|-----------|---------|-------|---------|---------------|---------|-------|---------|-----------|---------|-------------------|---------|-----------|---------|-------|---------|-------------------|---------|-------|---------|--|--|-------|--|--|---------|--|--|
| | Non-Fed Share | | | | | | Non-Fed Share | | | | | | Non-Fed Share | | | | | | Non-Fed Share | | | | | | | | | | | | | | | | | |
| | Cash | | | Pgm Inc | | | Other | | | In-Kind | | | Cash | | | Pgm Inc | | | Other | | | In-Kind | | | Cash | | | Pgm Inc | | | Other | | | In-Kind | | |
| | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | Fed Share | Pgm Inc | Other | In-Kind | | | | | | | | |
| Daily expense | Expenses/traveler | | | | | | | | | | | | | | | | | | Expenses/traveler | | | | | | Expenses/traveler | | | | | | | | | | | |
| | a | b | c | d=(a+b+c) | e | f | g | h=(d+e+f)g | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRAVEL DOMESTIC | Lodging | Meals & incidental expenses | Days | Sub | Airfare | Local travel & Misc | Travelers | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRAVEL DOMESTIC - TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Daily expense | Expenses/traveler | | | | | | | | | | | | | | | | | | Expenses/traveler | | | | | | Expenses/traveler | | | | | | | | | | | |
| | a | b | c | d=(a+b+c) | e | f | g | h=(d+e+f)g | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Travel International | Lodging | Meals & incidental expenses | Days | Sub | Airfare | Local travel & Misc | Travelers | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRAVEL INTERNATIONAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade Mission - South America | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chile - Four-day Trade Mission | 190 | 96 | 4 | 1,144 | 1,300 | 100 | 18 | 22,392 | 14,400 | 7,992 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 190 | 96 | 4 | 1,144 | 1,300 | 100 | 3 | 7,612 | 3,000 | 4,632 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Colombia - Four day Trade Mission | 277 | 105 | 4 | 1,528 | 1,100 | 100 | 18 | 29,104 | 14,400 | 14,904 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 277 | 105 | 4 | 1,528 | 1,100 | 100 | 3 | 8,184 | 3,000 | 5,184 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peru - Four-day Trade Mission | 250 | 103 | 4 | 1,412 | 800 | 100 | 18 | 27,216 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 250 | 103 | 4 | 1,412 | 800 | 100 | 3 | 6,936 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade Mission - Central America | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Guatemala / El Salvador - Five day Trade Mission | 131 | 93 | 5 | 1,120 | 1,250 | 100 | 18 | 21,960 | 14,400 | 7,560 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 131 | 93 | 5 | 1,120 | 1,250 | 100 | 3 | 7,410 | 3,000 | 4,410 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costa Rica - Four-day Trade Mission | 147 | 109 | 4 | 1,024 | 1,150 | 100 | 18 | 20,232 | 14,400 | 5,832 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 147 | 109 | 4 | 1,024 | 1,150 | 100 | 3 | 6,812 | 3,000 | 3,822 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Honduras / Nicaragua - Five-day Trade Mission | 171 | 93 | 5 | 1,320 | 1,400 | 100 | 18 | 25,560 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 171 | 93 | 5 | 1,320 | 1,400 | 100 | 3 | 8,460 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Standards Technical Seminar | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Colombia - Four-day Technical Seminar | 277 | 105 | 4 | 1,528 | 1,100 | 100 | 2 | 5,456 | 5,456 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Technology Rep | 277 | 105 | 4 | 1,528 | 1,100 | 100 | 3 | 8,184 | 8,184 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Guatemala / Costa Rica - Five-day Technical Seminar | 147 | 109 | 5 | 1,280 | 1,200 | 100 | 2 | 5,140 | 5,160 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 147 | 109 | 5 | 1,280 | 1,200 | 100 | 3 | 7,740 | 7,740 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chile / Peru - Five-day Technical Seminar | 250 | 103 | 5 | 1,765 | 1,600 | 100 | 2 | 6,930 | 6,930 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Staff | 250 | 103 | 5 | 1,765 | 1,600 | 100 | 3 | 10,395 | 10,395 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Care Technology Rep | 250 | 103 | 5 | 1,765 | 1,600 | 100 | 3 | 10,395 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| One-on-One Matchmaking Program at APPEX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recruit International Buyers from Latin America | 56 | 71 | 4 | 668 | | 100 | 20 | 15,360 | 15,360 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TRAVEL INTERNATIONAL - TOTAL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 63,800 15,552 9,042 0 63,060 20,726 9,006 0 87,418 21,476 9,396 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

[illegible]

| Explanation & Calculation | 1st Year | | | | 2nd Year | | | | 3rd Year | | | |
|---------------------------|---------------|---------|-------|-----------|---------------|---------|-------|-----------|---------------|---------|-------|-----------|
| | Non-Fed Share | | | Fed Share | Non-Fed Share | | | Fed Share | Non-Fed Share | | | Fed Share |
| | Cash | Pgm Inc | Other | | Cash | Pgm Inc | Other | | Cash | Pgm Inc | Other | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel (Domestic) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Travel (International) | 63,890 | 25,552 | 9,044 | 0 | 83,020 | 20,716 | 9,006 | 0 | 67,485 | 23,976 | 9,356 | 0 |
| Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contractual | 35,000 | 4,600 | 285 | 0 | 35,000 | 4,600 | 265 | 0 | 35,000 | 4,600 | 265 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 98,890 | 20,152 | 9,307 | 0 | 98,040 | 25,336 | 9,271 | 0 | 102,485 | 28,576 | 9,661 | 0 |

*Trade Mission Package Subsidy \$800 + \$700 (Gold Key) = \$1,500

**Translation fee based on sample quote from foreigntransitions.com.

Auto Care Income Statement

| | <u>2014</u> | |
|--|-------------|----------|
| Expenses | | |
| Donations and Grants | [] | |
| Salaries | [] | |
| Fringe Benefits (hlth, payroll taxes, pension) | [] | |
| Fees for Legal Services | [] | |
| Fees for Accounting Services | [] | |
| Fees for Lobbying Services | [] | |
| Fees for Investment Management Services | [] | |
| Fees for Other Services | [] | |
| Advertising & Promotion | [] | |
| Office Expenses | [] | |
| Information Technology | [] | |
| Occupancy | [] | |
| Travel | [] | |
| Conferences, Conventions & Meetings | [] | |
| Interest | [] | |
| Depreciation, Depletion and Amortization | [] | |
| Insurance | [] | |
| Equipment Rental | [] | |
| Equipment Repair & Maintenance | [] | |
| Licenses & Taxes | [] | |
| Sponsorships | [] | |
| Miscellaneous | [] | |
| Total | [] | |
| | | |
| Fringe Benefits Rate Calculation | | |
| Domestic | | |
| Fringe Benefits (hlth, payroll taxes, pension) | [] | |
| Salaries | [] | = 30.92% |
| International | | 0.00% |
| | | |
| Indirect Cost Rate | | |
| Flat rate allowed for all MDCP projects | | = 10.00% |
| where the award recipient does not | | |
| already have a certified rate from a | | |
| cognizant federal agency. | | |

* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

AUTO CARE ASSOCIATION AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2014 AND 2013

**AUTO CARE ASSOCIATION AND AFFILIATES
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | |
|--|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION | 2 |
| CONSOLIDATED STATEMENTS OF ACTIVITIES | 3 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 4 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | 5 |
| INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION | 17 |
| SUPPLEMENTARY INFORMATION | |
| CONSOLIDATING SCHEDULE OF FINANCIAL POSITION | 18 |
| CONSOLIDATING SCHEDULE OF ACTIVITIES | 19 |



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Auto Care Association and Affiliates
Bethesda, Maryland

We have audited the accompanying consolidated financial statements of the Auto Care Association and Affiliates (the "Association"), which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the revenues and expenses of Automotive Aftermarket Industry Week (an unincorporated Committee), which statements reflect revenues of \$3,782,636 and \$3,644,511 and expenses of \$930,617 and \$969,873 for the years ended January 31, 2014 and 2013, respectively. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Automotive Aftermarket Industry Week, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Auto Care Association and Affiliates as of June 30, 2014 and 2013, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Arlington, Virginia
September 22, 2014



An Independent member of Nexia International

(1)

| | 2014 | 2013 |
|--|------|------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Unrestricted Cash and Cash Equivalents | | |
| Restricted Cash and Cash Equivalents - AAPEX and HDAW Shows | | |
| Short-term Investments | | |
| Accounts Receivable | | |
| Accounts Receivable - AAPEX Show | | |
| Prepaid Expenses and Deposits | | |
| Prepaid Expenses and Other Current Assets - AAPEX and HDAW Shows | | |
| Inventory | | |
| Total Current Assets | | |
| OTHER RECEIVABLE | | |
| PROPERTY AND EQUIPMENT, NET | | |
| LONG-TERM INVESTMENTS | | |
| Total Assets | | |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | | |
| Accrued Expenses | | |
| Deferred Membership Dues | | |
| Deferred Revenue and Deferred Rent, Current Portion | | |
| Deferred Revenue - AAPEX and HDAW Shows | | |
| Total Current Liabilities | | |
| NON-CURRENT LIABILITIES | | |
| Deferred Revenue and Deferred Rent, Net of Current Portion | | |
| Total Non-Current Liabilities | | |
| Total Liabilities | | |
| NET ASSETS - UNRESTRICTED | | |
| Total Liabilities and Net Assets | | |

Page 12

**AUTO CARE ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2014 AND 2013**

| | 2014 | 2013 |
|--|------|------|
| CHANGE IN UNRESTRICTED NET ASSETS | | |
| REVENUE | | |
| Shows and Show Events | | |
| Membership Dues | | |
| Conferences | | |
| Technology Standards and Solutions | | |
| Publications | | |
| Government Relations | | |
| Contributions and Grants | | |
| Miscellaneous | | |
| Total Unrestricted Revenue | | |
| EXPENSES | | |
| Program Services: | | |
| Shows | | |
| Membership | | |
| Conferences | | |
| Technology Standards and Solutions | | |
| Government Affairs | | |
| Communications | | |
| Marketing Research | | |
| Consumer Awareness | | |
| Education | | |
| International | | |
| Total Program Services | | |
| Supporting Services: | | |
| General and Administrative | | |
| Governance | | |
| Total Supporting Services | | |
| Total Expenses | | |
| Change in Unrestricted Net Assets Before Other Items | | |
| OTHER ITEMS | | |
| Investment Return | | |
| Right to Repair Expenses | | |
| Total Other Items | | |
| CHANGE IN NET ASSETS | | |
| Net Assets - Beginning of Year | | |
| NET ASSETS - END OF YEAR | | |

* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

See accompanying Notes to the Consolidated Financial Statements.
(3)

**AUTO CARE ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

| | 2014 | 2013 |
|---|------|------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | | |
| Adjustments to Reconcile Change in Net Assets to Net Cash | | |
| Provided by Operating Activities: | | |
| Depreciation and Amortization | | |
| Change in Restricted Cash and Cash Equivalents - AAPEX and HDAW Shows | | |
| Unrealized Gains on Investments | | |
| Realized Gains on Investments | | |
| Changes in Assets and Liabilities | | |
| Accounts Receivable | | |
| Accounts Receivable - AAPEX Show | | |
| Prepaid Expenses and Deposits | | |
| Prepaid Expenses and Other Current Assets - AAPEX and HDAW Shows | | |
| Inventory | | |
| Cash Surrender Value Life Insurance | | |
| Other Receivable | | |
| Accounts Payable | | |
| Accrued Expenses | | |
| Deferred Compensation Liability | | |
| Deferred Membership Dues | | |
| Deferred Revenue and Deferred Rent | | |
| Deferred Revenue - AAPEX and HDAW Shows | | |
| Net Cash Provided by Operating Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Investments | | |
| Purchases of Investments | | |
| Purchases of Property and Equipment | | |
| Net Cash (Used in) Provided by Investing Activities | | |
| NET INCREASE IN UNRESTRICTED CASH AND CASH EQUIVALENTS | | |
| Unrestricted Cash and Cash Equivalents - Beginning of Year | | |
| UNRESTRICTED CASH AND CASH EQUIVALENTS - END OF YEAR | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for Interest | | |



* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

See accompanying Notes to the Consolidated Financial Statements.

(4)

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Auto Care Association and Affiliates
Bethesda, Maryland

We have audited the consolidated financial statements of the Auto Care Association and Affiliates as of and for the year ended June 30, 2014 and have issued our report thereon dated September 22, 2014, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**CliftonLarsonAllen LLP**

Arlington, Virginia
September 22, 2014

AUTO CARE ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2014
(SEE INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION)

| | Auto Care | CCC | AAPAC | Eliminations | Consolidated |
|--|-----------|-----|-------|--------------|--------------|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Unrestricted Cash and Cash Equivalents | | | | | |
| Restricted Cash and Cash Equivalents- AAPEX and HDAW Shows | | | | | |
| Short-term Investments | | | | | |
| Accounts Receivable | | | | | |
| Accounts Receivable - AAPEX Show | | | | | |
| Prepaid Expenses and Deposits | | | | | |
| Prepaid Expenses and Other Current Assets - AAPEX and HDAW Shows | | | | | |
| Total Current Assets | | | | | |
| OTHER RECEIVABLE | | | | | |
| PROPERTY AND EQUIPMENT, NET | | | | | |
| LONG-TERM INVESTMENTS | | | | | |
| Total Assets | | | | | |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | | | | | |
| Accrued Expenses | | | | | |
| Deferred Membership Dues | | | | | |
| Deferred Revenue and Deferred Rent, Current Portion | | | | | |
| Deferred Revenue - AAPEX and HDAW Shows | | | | | |
| Total Current Liabilities | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| Deferred Revenue and Deferred Rent, Net of Current Portion | | | | | |
| Total Non-Current Liabilities | | | | | |
| Total Liabilities | | | | | |
| NET ASSETS - UNRESTRICTED | | | | | |
| Total Liabilities and Net Assets | | | | | |

(18)

* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

**AUTO CARE ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES**

YEAR ENDED JUNE 30, 2014

(SEE INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION)

| | Auto Care | CCC | AAPAC/ AAPEC | Eliminations | Consolidated |
|--|-----------|-----|-----------------|--------------|--------------|
| CHANGE IN UNRESTRICTED NET ASSETS | | | | | |
| REVENUE: | | | | | |
| Shows and Show Events | | | | | |
| Membership Dues | | | | | |
| Conferences | | | | | |
| Technology Standards and Solutions | | | | | |
| Publications | | | | | |
| Government Relations | | | | | |
| Contributions and Grants | | | | | |
| Miscellaneous | | | | | |
| Total Unrestricted Revenue | | | | | |
| EXPENSES: | | | | | |
| Program Services: | | | | | |
| Shows | | | | | |
| Memberships | | | | | |
| Conferences | | | | | |
| Technology Standards and Solutions | | | | | |
| Government Affairs | | | | | |
| Communications | | | | | |
| Marketing Research | | | | | |
| Consumer Awareness | | | | | |
| Education | | | | | |
| International | | | | | |
| Total Program Services | | | | | |
| Supporting Services: | | | | | |
| General and Administrative | | | | | |
| Governance | | | | | |
| Total Supporting Services | | | | | |
| Total Expenses | | | | | |
| CHANGE IN UNRESTRICTED NET ASSETS BEFORE OTHER ITEM | | | | | |
| OTHER ITEM: | | | | | |
| Investment Return | | | | | |
| Total Other Item | | | | | |
| CHANGE IN NET ASSETS | | | | | |
| Net Assets - Beginning of Year | | | | | |
| Transfer of Net Assets from AAPEC to Auto Care | | | | | |
| NET ASSETS - END OF YEAR | | | | | |

(19)

* This page contains proprietary information, identified between brackets [], the release of which would cause competitive harm to the Auto Care Association and/or its members.

G. K. BUTTERFIELD
1ST DISTRICT, NORTH CAROLINA

2305 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3301
TELEPHONE: (202) 225-4101
FACSIMILE: (202) 225-3353
www.house.gov/butterfield



Congress of the United States House of Representatives

January 29, 2015

COMMITTEE ON
ENERGY AND COMMERCE

SUBCOMMITTEES
RAYBURN MEMBER, COMMERCIAL,
MANUFACTURING & TRADE
ENVIRONMENT & THE ECONOMY

CHIEF DEPUTY WHIP

MDCP Merit Review Panel
c/o Brad Hess
U.S. Department of Commerce
Room 3215
1401 Constitution Ave., N.W.
Washington, DC 20230

Dear Panelists,

I am writing to enthusiastically support the Auto Care Association's Market Development Cooperator Project (MDCP) proposal aimed at growing exports of automotive parts and related products in Central and South America.

As you know, the automotive industry is one of North Carolina's key industries. We have a large presence of automotive manufacturers, skilled workers and automotive research. North Carolina companies that manufacture and sell auto care parts and accessories are an integral part of the state's economy. Manufacturers of auto care products, along with the companies that install, sell and distribute these products, provide well-paying jobs. The industry is directly responsible for a total of 78,635 jobs in North Carolina, with more than 5,000 of those jobs in the Congressional First District that I represent. Jobs supported by the auto care industry are good jobs, paying an average of \$51,270 in wages and benefits. We must do everything we can to maintain these jobs and create new ones.

It's no secret how important exports are to job creation and economic growth, and auto parts and related products constitute some of our nation's most important exports. In 2013, automotive parts accounted for more than \$60 billion in U.S. exports. But we can do much better. The Auto Care Association's proposal targets key Free Trade Agreement partners in Central and South America that have been identified as especially attractive to U.S. auto parts exporters as part of the Department of Commerce's "Look South" initiative. These markets have rapidly-growing middle classes, maturing automotive markets and consumers who demand and appreciate U.S.-made products. Through this MDCP proposal, the Auto Care Association and Commerce's International Trade Administration can coordinate efforts and resources to make sure U.S. exporters take full advantage of the opportunities in these key emerging markets.

With the above referenced in mind, I wholeheartedly support Auto Care Association's Market Development Cooperator Project. I respectfully request full and fair consideration to their funding request utilizing your established review and selection protocols. Please direct any questions or correspondence to my Director of Economic Development Mr. Reginald Speight at 252-237-9816 or via email at reginald.speight@mail.house.gov.

Very truly yours,

G. K. Butterfield
Member of Congress

DISTRICT OFFICES

216 N.E. NASB STREET, STE. B
WILSON, NC 27893
TELEPHONE: (252) 237-9816
FACSIMILE: (252) 291-0356

309 WEST THIRD STREET
WELDON, NC 27890
TELEPHONE: (252) 538-4123
FACSIMILE: (252) 538-6516

Application for Federal Assistance SF-424

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|---|--|--|-------------------|---|----------------------|---|----------------|--|-----------------------|---|-----------------|--|------------------|---|---------------------|--|-----------------------------|--|--|--|----------------|---|--|--|--|--|---------------|--|--|--|--|--|------------------------------------|---|--|--|--|--|----------------------------|--|--------------------|--|--|--|-----------------|---|--|--|--|--|
| * 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application | | * 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision | | * If Revision, select appropriate letter(s): <div style="border: 1px solid black; height: 15px; width: 100%;"></div> * Other (Specify): <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * 3. Date Received: <div style="border: 1px solid black; padding: 2px;">Completed by Grants.gov upon submission.</div> | | 4. Applicant Identifier: <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5a. Federal Entity Identifier: <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | 5b. Federal Award Identifier: <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State Use Only: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Date Received by State: <div style="border: 1px solid black; width: 100px; height: 15px;"></div> | | 7. State Application Identifier: <div style="border: 1px solid black; width: 200px; height: 15px;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. APPLICANT INFORMATION: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * a. Legal Name: <div style="border: 1px solid black; padding: 2px;">Auto Care Association</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * b. Employer/Taxpayer Identification Number (EIN/TIN): <div style="border: 1px solid black; padding: 2px;">52-2172219</div> | | | * c. Organizational DUNS: <div style="border: 1px solid black; padding: 2px;">0935651530000</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d. Address: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%;"><tr><td style="width: 15%;">* Street1:</td><td><div style="border: 1px solid black; padding: 2px;">7101 Wisconsin Avenue, Suite 1300</div></td></tr><tr><td>Street2:</td><td><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>* City:</td><td><div style="border: 1px solid black; padding: 2px;">Bethesda</div></td></tr><tr><td>County/Parish:</td><td><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>* State:</td><td><div style="border: 1px solid black; padding: 2px;">MD: Maryland</div></td></tr><tr><td>Province:</td><td><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>* Country:</td><td><div style="border: 1px solid black; padding: 2px;">USA: UNITED STATES</div></td></tr><tr><td>* Zip / Postal Code:</td><td><div style="border: 1px solid black; padding: 2px;">20814-4866</div></td></tr></table> | | | | | | * Street1: | <div style="border: 1px solid black; padding: 2px;">7101 Wisconsin Avenue, Suite 1300</div> | Street2: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | * City: | <div style="border: 1px solid black; padding: 2px;">Bethesda</div> | County/Parish: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | * State: | <div style="border: 1px solid black; padding: 2px;">MD: Maryland</div> | Province: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | * Country: | <div style="border: 1px solid black; padding: 2px;">USA: UNITED STATES</div> | * Zip / Postal Code: | <div style="border: 1px solid black; padding: 2px;">20814-4866</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Street1: | <div style="border: 1px solid black; padding: 2px;">7101 Wisconsin Avenue, Suite 1300</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Street2: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * City: | <div style="border: 1px solid black; padding: 2px;">Bethesda</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| County/Parish: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * State: | <div style="border: 1px solid black; padding: 2px;">MD: Maryland</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Province: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Country: | <div style="border: 1px solid black; padding: 2px;">USA: UNITED STATES</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Zip / Postal Code: | <div style="border: 1px solid black; padding: 2px;">20814-4866</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| e. Organizational Unit: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Department Name: <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | Division Name: <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| f. Name and contact information of person to be contacted on matters involving this application: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%;"><tr><td style="width: 30%;">Prefix:</td><td><div style="border: 1px solid black; padding: 2px;">Ms.</div></td><td style="width: 30%;">* First Name:</td><td colspan="3"><div style="border: 1px solid black; padding: 2px;">Susan</div></td></tr><tr><td>Middle Name:</td><td colspan="5"><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>* Last Name:</td><td colspan="5"><div style="border: 1px solid black; padding: 2px;">Medick</div></td></tr><tr><td>Suffix:</td><td colspan="5"><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>Title:</td><td colspan="5"><div style="border: 1px solid black; padding: 2px;">Chief Financial and Operations Officer</div></td></tr><tr><td>Organizational Affiliation:</td><td colspan="5"><div style="border: 1px solid black; height: 15px; width: 100%;"></div></td></tr><tr><td>* Telephone Number:</td><td><div style="border: 1px solid black; padding: 2px;">240-333-1040</div></td><td>Fax Number:</td><td colspan="3"><div style="border: 1px solid black; padding: 2px;">301-654-3299</div></td></tr><tr><td>* Email:</td><td colspan="5"><div style="border: 1px solid black; padding: 2px;">susan.medick@autocare.org</div></td></tr></table> | | | | | | Prefix: | <div style="border: 1px solid black; padding: 2px;">Ms.</div> | * First Name: | <div style="border: 1px solid black; padding: 2px;">Susan</div> | | | Middle Name: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | * Last Name: | <div style="border: 1px solid black; padding: 2px;">Medick</div> | | | | | Suffix: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | Title: | <div style="border: 1px solid black; padding: 2px;">Chief Financial and Operations Officer</div> | | | | | Organizational Affiliation: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | * Telephone Number: | <div style="border: 1px solid black; padding: 2px;">240-333-1040</div> | Fax Number: | <div style="border: 1px solid black; padding: 2px;">301-654-3299</div> | | | * Email: | <div style="border: 1px solid black; padding: 2px;">susan.medick@autocare.org</div> | | | | |
| Prefix: | <div style="border: 1px solid black; padding: 2px;">Ms.</div> | * First Name: | <div style="border: 1px solid black; padding: 2px;">Susan</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Middle Name: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Last Name: | <div style="border: 1px solid black; padding: 2px;">Medick</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suffix: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Title: | <div style="border: 1px solid black; padding: 2px;">Chief Financial and Operations Officer</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Organizational Affiliation: | <div style="border: 1px solid black; height: 15px; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Telephone Number: | <div style="border: 1px solid black; padding: 2px;">240-333-1040</div> | Fax Number: | <div style="border: 1px solid black; padding: 2px;">301-654-3299</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Email: | <div style="border: 1px solid black; padding: 2px;">susan.medick@autocare.org</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

X: Other (specify)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

IRS Section 501(c)(06)

* 10. Name of Federal Agency:

Department of Commerce

11. Catalog of Federal Domestic Assistance Number:

11.112

CFDA Title:

Market Development Cooperator Program

* 12. Funding Opportunity Number:

ITA-INA-OPCM-2015-2004375

* Title:

Market Development Cooperator Program 2015

13. Competition Identification Number:

2515595

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

Assist U.S. companies to export automotive aftermarket parts to Latin America.

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

* a. Applicant

MD-008

* b. Program/Project

MD-a11

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date:

12/01/2015

* b. End Date:

11/30/2018

18. Estimated Funding (\$):

| | |
|---------------------|------------|
| * a. Federal | 299,345.00 |
| * b. Applicant | 696,953.00 |
| * c. State | 0.00 |
| * d. Local | 0.00 |
| * e. Other | 0.00 |
| * f. Program Income | 0.00 |
| * g. TOTAL | 996,298.00 |

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**☐ a. This application was made available to the State under the Executive Order 12372 Process for review on☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.☒ c. Program is not covered by E.O. 12372.*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix:

Ms.

* First Name:

Susan

Middle Name:

* Last Name:

Medick

Suffix:

* Title:

Chief Financial and Operations Officer

* Telephone Number:

240-333-1040

Fax Number:

301-654-3299

* Email:

susan.medick@autocare.org

* Signature of Authorized Representative:

Completed by Grants gov upon submission

* Date Signed:

Completed by Grants gov upon submission

BUDGET INFORMATION - Non-Construction Programs

SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|---|--|-----------------------------|--------------------|-----------------------|--------------------|--------------|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. MDCP | 11.1112 | \$ | \$ | 299,345.00 | 696,953.00 | 996,298.00 |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. Totals | | \$ | \$ | 299,345.00 | 696,953.00 | 996,298.00 |

SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM, FUNCTION OR ACTIVITY | | | | Total (5) |
|--|-------------------------------------|---------------|-----|-----|--------------|
| | (1) MDCP | (2) | (3) | (4) | |
| a. Personnel | \$ 0.00 | \$ 385,087.00 | \$ | \$ | 385,087.00 |
| b. Fringe Benefits | 0.00 | 118,991.00 | | | 118,991.00 |
| c. Travel | 194,345.00 | 87,708.00 | | | 282,053.00 |
| d. Equipment | 0.00 | 0.00 | | | |
| e. Supplies | 0.00 | 0.00 | | | |
| f. Contractual | 105,000.00 | 14,595.00 | | | 119,595.00 |
| g. Construction | 0.00 | | | | |
| h. Other | 0.00 | 0.00 | | | |
| i. Total Direct Charges (sum of 6a-6h) | 299,345.00 | 606,381.00 | | \$ | 905,726.00 |
| j. Indirect Charges | 0.00 | 90,572.00 | | \$ | 90,572.00 |
| k. TOTALS (sum of 6i and 6j) | \$ 299,345.00 | \$ 696,953.00 | \$ | \$ | 996,298.00 |
| 7. Program Income | \$ | \$ | \$ | \$ | \$ |

SECTION C - NON-FEDERAL RESOURCES

| (a) Grant Program | | (b) Applicant | (c) State | (d) Other Sources | (e) TOTALS |
|-------------------------------|------|---------------|-----------|-------------------|------------|
| 8. | MDCP | \$ 696,953.00 | \$ | \$ | 696,953.00 |
| 9. | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. TOTAL (sum of lines 8-11) | | \$ 696,953.00 | \$ | \$ | 696,953.00 |

SECTION D - FORECASTED CASH NEEDS

| | | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|------------------------------------|--|--------------------|-------------|-------------|-------------|-------------|
| 13. Federal | | \$ | \$ | \$ | \$ | \$ |
| 14. Non-Federal | | \$ | | | | |
| 15. TOTAL (sum of lines 13 and 14) | | \$ | \$ | \$ | \$ | \$ |

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

| (a) Grant Program | | FUTURE FUNDING PERIODS (YEARS) | | | |
|----------------------------------|--|--------------------------------|------------|-----------|------------|
| | | (b) First | (c) Second | (d) Third | (e) Fourth |
| 16. | | \$ | \$ | \$ | \$ |
| 17. | | | | | |
| 18. | | | | | |
| 19. | | | | | |
| 20. TOTAL (sum of lines 16 - 19) | | \$ | \$ | \$ | \$ |

SECTION F - OTHER BUDGET INFORMATION

| | | | |
|---------------------|-----------------------------|-----------------------|---|
| 21. Direct Charges: | Dom fringe benefits: 30.90% | 22. Indirect Charges: | Applied to total direct charges: 10.00% |
| 23. Remarks: | | | |

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ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

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|--|---------------------------------------|
| SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL | TITLE |
| Completed on submission to Grants.gov | President |
| APPLICANT ORGANIZATION | DATE SUBMITTED |
| American Society of Transportation and Logistics | Completed on submission to Grants.gov |

CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, 'New Restrictions on Lobbying.' The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

* NAME OF APPLICANT

Auto Care Association

* AWARD NUMBER

ITA-INA-OPCM-2015-2004375

* PROJECT NAME

Market Development Cooperator Program 2015

Prefix:

Ms.

* First Name:

Susan

Middle Name:

* Last Name:

Medick

Suffix:

* Title: Chief Financial and Operations Officer

* SIGNATURE:

Completed by Grants.gov upon submission.

* DATE:

Completed by Grants.gov upon submission.