

Recreation Vehicle Industry Association, Inc.

RVIA Asia Export InitiativeProject NarrativeI. Executive Summary

Applicant	Recreation Vehicle Industry Association, Inc. ("RVIA") Headquartered in Reston, VA www.rvia.org
ITA and other Federal Collaborators	John Vanderwolf/Charlie Rast/Rosemary Gallant Landon Loomis/Dale Wright/Daniel Green Mark Cooper/Koji Sudo
Federal share	\$300,000.00
Total project budget	\$1,463,621
Award period	July 1, 2012 – June 30, 2015
Exports: project period	\$ [REDACTED]
4 years after project period	\$ [REDACTED]
Foreign markets targeted	China and Japan
Current size	China \$150,000,000/Japan \$104,280,000
Current U.S. share	China \$20,000,000/Japan \$300,000
U.S. industry	Recreation Vehicles
Project description	<ol style="list-style-type: none"> 1. Form an RVIA subsidiary as a Chinese WFOE 2. Establish an RVIA office in Beijing 3. Pursue adoption of RV and campground industry-developed standards compatible with U.S. standards 4. Pursue the inclusion of RV definitions in the China motor vehicle code and the removal of regulatory obstacles 5. Pursue adoption of CCC requirements that take into account the unique issues faced by RV manufacturers 6. Pursue reduction of RV import duties and tariffs 7. Establish a website in Chinese and use Social Media and Trade Shows to promote RVing in China with an emphasis on U.S. products 8. Serve as a resource for growing the RV market and campground development in China 9. Demonstrate how to operate an RV and tow a trailer 10. Pursue opportunities to provide Japan with RVs for post-disaster assistance



II. Background of and Market Potential for Recreation Vehicles (“RVs”)

A. Historical Development and Current Competitive Position of the U.S. Recreation Vehicle Industry

(i) The RV Industry

Over a century ago, the popularization of the automobile, improving roads and America’s inexhaustible passion for exploration gave rise to mass-produced manufactured recreation vehicles and, with that, the RV industry was born.

In 1910 William Howard Taft was president, Ty Cobb won the American League batting title, Jack Johnson was heavyweight boxing champion of the world and the Boy Scouts of America was founded. There were few gas stations, few paved roads and no highway system, but still there were RVs. Through war and peace, booms and busts, fuel lines, fads and the cyber revolution, the RV lifestyle has endured and continues to flourish, even in today’s challenging economic climate. RVing has continued to thrive and grow, because people still cherish and enjoy the freedom the RV lifestyle affords. Its popularity is testament to the fact that it is one of the few remaining manufacturing industries in the United States.

Furthermore, RVs are part of the U.S. Department of Commerce’s newly-created “Recreational Transportation” category and a National Export Initiative (“NEI”) sector. Most of the companies in this category are small and medium-sized enterprises, as are most RV manufacturers.

(ii) What is a Recreation Vehicle or RV?

An RV is a vehicle that combines transportation and temporary living quarters for travel, recreation and camping. Two main categories of RVs are motorhomes (motorized) and towables (towed behind the family car, van or pickup). The basic motorhome entities are Type A motorhomes (generally the largest), Type B motorhomes or van campers (the smallest motorhomes) and Type C (usually fall in between the size of a Type A and C). The types of towables are folding camping trailers, truck campers, conventional travel trailers and fifth-wheel travel trailers. (See the RVIA brochure attached as Appendix I in the “Other” section for a picture and description of each RV type and information on why people RV. This brochure was translated into Chinese and distributed to Chinese governmental and other politically influential organizations during RVIA’s two trade missions to China.)

(iii) RV Manufacturers and Component Part Suppliers

There are over 70 RV manufacturers in the United States. While a few RV manufacturers such as Thor, Forest River and Winnebago would not meet the definition of a small or medium-sized enterprise (“SME”), the vast majority of the manufacturers and suppliers within the industry employ less than 500 people. There are well over 200 suppliers associated with the RV industry, and the vast majority of them also qualify as SMEs.

Historically, the RV industry has been very entrepreneurial and competitive in spirit. If there are opportunities emerging in a new market (such as China or Japan), rest assured the companies within the RV industry will fill that demand, and where necessary, even create the demand.



In many cases, RV manufacturers and suppliers are involved in related industries such as park trailer manufacturing, manufactured housing, boats and a variety of household products, to name but a few. With the success that is expected in exporting RVs to China and Japan, we are confident that interest in exporting will naturally extend to each company's related product offerings.

(iv) RVing Around the World

How does RV production in the U.S. compare to that of the rest of the world? Simply stated, the U.S. RV industry is dominant. According to statistics published in the 2010 edition of the *Caravanning Profile* (an RV industry market report published by the European RV industry), the U.S. produces more units on an annual basis than the rest of the world combined. The U.S. is followed by Europe and Australia.

B. RV Market Potential in China

"There exists great potential for RVs in China." This expression of confidence was made by a government official within China's Ministry of Transport during a meeting with RVIA last July. This same sentiment was echoed by all 10 of the governmental agencies and business enterprises with which RVIA met during its recent "Gold Key Service" trade mission. Knowledge and interest in RVs has grown dramatically since RVIA's last trade mission to China in 2008. It is also well-known and documented that China's relentless economic engine powers a steadily growing middle and upper class, along with steadily increasing discretionary incomes.

It is notable that within the last few years, the Chinese government has made a series of pronouncements related to its "12th 5-year plan" which are markedly beneficial for the RV industry. Set forth below are some of the highlights of the pronouncements:

1. In December of 2009, the State Council elevated the status of the tourism industry to a "strategic pillar industry" level, appointing the China National Tourism Administration ("CNTA") as its lead agency. CNTA's goal is to make tourism a major driving force for the Chinese economy;
2. The National Development and Reform Commission ("NDRC") and CNTA have drafted an outline related to civil tourism and leisure, which is expected to become effective this year. This document clarifies and legitimizes leisure and vacation time for China's citizens and provides provinces with guidelines for promoting leisure activities;
3. In June 2010 the State Council provided instructions with regard to promoting tourism in the Hainan Province. This is another central government document aimed at expanding the tourism industry. It allows the Hainan Province to provide special incentives for private investment in tourism, including RVs and campgrounds;
4. In March 2010 the State Council issued instructions related to growing and expanding China's sports industry. Similar to the other central government directives, it calls for the promotion of outdoor sports, sports travel and other sport tourism sectors;
5. Tourism, sports, leisure activities and recreation are all included under the umbrella of "cultural and leisure industry" and have been made a priority of the 12th 5 year plan;



6. According to the guidelines contained in the “China Tourism Development Guideline during the 12th 5-Year Plan Period” (publicized by CNTA, December 2011), it is expected that from now through 2015, sales for the travel and tourism industry will grow at an annual rate of 10%. There will be 600,000 jobs created each year, and tourism will account for 4.5% of the GDP. Expenditure on travel and vacation will account for 10% of consumer spending. In the same document, CNTA also calls for the growth and rapid development of campgrounds and campsites; and
7. Following the central government’s instructions, local governments have developed detailed plans to promote tourism. For example, last August the city of Beijing announced that its goal is to have the tourism industry account for 10% of its gross domestic product within 5 years. Among the specific measures stated is the development of campgrounds and RV tours.

The tourism policies being implemented by the central, provincial and local governments of China all create an unprecedented opportunity for the U.S. RV and campground industries. As a result of the unequivocally positive government pronouncements, RVIA and its manufacturer members have been virtually inundated with requests by Chinese government officials and businesses desiring to work with RVIA to establish and expand the RV market in China. RVIA has experienced a steadily increasing attendance of Chinese citizens at its National RV Trade show in Louisville, Kentucky. The Chinese presence at RVIA’s Trade Shows has increased so dramatically that RVIA has held a number of receptions specifically for Chinese attendees to facilitate business opportunities. A Commercial Service officer from Beijing has led trade missions to the RVIA Show for the last few years. RVIA and its manufacturer members are receiving regular delegations from China, with a number of Chinese companies seeking to form joint ventures. Numerous officials within the U.S. Department of Commerce have remarked to RVIA about the significant levels of activity within the Chinese RV industry.

It is noteworthy that all levels of the Chinese government have been proactive in their attempts to mainstream and grow the RV industry. In RVIA’s meeting with CNTA last July, they stated that they would like to partner with RVIA to develop a model campground outside of Beijing and work together more closely. The Chinese are seeking partners that have campground expertise because, according to RVIA’s sources, as of early last year there were only a couple dozen campgrounds in all of China and most of these were set up just for tent campers. In addition to Chinese enterprises, RVIA has received similar requests from provincial and local governments.

One well known Chinese company with whom we met stated that they plan to invest 3 billion RMB to build 8 to 12 campgrounds, with over 400 sites each, along the Silk Route in the Gansu province within the next few years. In a November 5, 2011 *China News* article it was reported that Guangdong China Trade Service will spend 4.6 billion RMB to build a network of 50 campgrounds in 5 years. These campgrounds will have the ability to accommodate 10 million visitors annually. A February 22, 2011 news article posted at the Shandong government website reported that Shandong province is master planning and developing 180 campgrounds based on the province’s general plan for motor tourism development. There are many other provinces and cities that are in the process of designing their master plans for campground development, including Shanghai, Guangxi, Sichuan, Jiangsu and Zhejiang.

As a direct result of China’s emphasis on tourism in its most recent 5 year plan, we were informed by some government officials that China would like to develop over 10,000 campgrounds with at least 250 sites at each campground. Several campground plans of which RVIA has become aware even provide for more than 400 sites. While 10,000 may appear to be a large number, there are over 20,000 campgrounds in the U.S. with a population less than one-third that of China’s.



As demonstrated by the construction of its toll roads, when the Chinese government declares a project as a national priority, it is brought to fruition very quickly. What could this mean for the U.S. RV industry? Exports! It appears from our discussions with CNTA, Chinese entrepreneurs and our members that because all levels of the Chinese government are advocating tourism, and specifically in our case campgrounds and RV rental tours, a destination camping and RV rental market is quickly developing. We also believe that as Chinese consumers are exposed to RVs through destination camping and renting, the traditional RV market will begin to thrive. This is expected to be followed closely by traditional RV purchasers.

The Chinese are developing campgrounds and buying travel trailers (and some park trailers) and placing them at individual sites in campgrounds, without any intention of moving them. A number of RVIA's member manufacturers have already been approached by campground owners with requests to provide units, and the manufacturers have been exporting product for this express purpose. According to reports by RVIA members and Chinese purchasers, some of the most recent campgrounds have populated their sites exclusively with RVs imported from the U.S. This is a very savvy way to initially develop the RV market in China, as there are a number of regulatory issues regarding towing that have yet to be addressed. (Addressing the towing issues is one of RVIA's top priorities when it opens an office in China). This destination camping approach avoids difficult issues surrounding towing, while still allowing Chinese citizens to enjoy the benefits of an RV. This strategy has the potential to be a boon for U.S. RV manufacturers. It is amazing to consider that if just 500 campgrounds were to open within the next three years, and the U.S. market only captured half of the projected available 250 campsites at each campground, the industry would generate approximately \$1,312,500,000 in export revenues. It is expected that sales of motorhomes for the rental market will also be substantial. The same companies who have expressed an interest in developing campgrounds have also expressed an interest in acquiring rental fleets designed for RV tours and company outings.

Set forth below are calculations of export revenue expected to be generated from China over the next seven years.

First Three Years - Export Dollars Generated

- 500 (estimated number of campgrounds to be developed) x 125 (50% of available sites at each campground for U.S. market) = 62,500 (sites for U.S. RVs)
- 62,500 (estimated number of towable RVs exported for destination camping) x \$21,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$1,312,500,000 (export revenue)
- In addition to the destination camping revenue, RVIA estimates that 2,000 motorhomes will be exported to China mostly for rental fleets initially.
- 2,000 (estimated number of motorhome exports) x \$114,000 (average price of Type A, B and C motorhomes according to current RVIA RV Industry Market Report) = \$228,000,000 (export revenue)
- \$1,540,500,000 (total estimated RV export revenue) / \$180,000 (export revenue needed to create one job according to DOC website) = 8,558 jobs



Following Four Years - Export Dollars Generated

- 1,000 (estimated number of campgrounds to be developed) x 125 (50% of available sites at each campground for U.S. market) = 125,000 (sites for U.S. RVs)
- 125,000 (estimated number of towable RVs exported for destination camping) x \$21,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$2,625,000,000 (export revenue)
- In addition to the destination camping RV revenue, RVIA estimates that 4,000 motorhomes will be exported to China. Some of these motorhomes will be replacements for the existing rental fleet.
- 4,000 (estimated number of motorhome exports) x \$114,000 (average price of Type A, B and C motorhomes according to current RVIA RV Industry Market Report) = \$456,000,000 (export revenue)
- \$3,081,000,000 (total estimated RV export revenue) / \$180,000 (export revenue needed to create one job according to DOC website) = 17,116 jobs

That is a total of \$4,621,500,000 in export dollars and 25,674 jobs over 7 years. The export dollars are additionally significant in that they help reduce the U.S. trade deficit with China.

It is certain that RVIA must take advantage of this burgeoning market opportunity by opening an office within China. Among many advantages, this will ensure that the United States is able to pursue standards compatibility more easily and with more direct access. If the United States is to capitalize on this incredible opportunity, RVIA must act now. Otherwise, we will quickly be overtaken by the European and/or the Australians.

C. RV Market Potential in Japan

In terms of the Initiative in Japan, RVIA can assist Japan with its disaster recovery by exporting RVs to Japan for post-disaster assistance. As Japan enters the recovery phase of its disaster response, RVIA believes that American manufactured RVs can play a critical role in the country's restoration. Over the next five years large numbers of public and private re-construction projects are anticipated. RVs can be used to facilitate these projects by providing temporary shelter and/or commercial space for use by private citizens, reconstruction workers, businesses, government entities, non-governmental organizations ("NGO") and others near and/or in the disaster areas. RVs can be used as mobile offices and medical clinics, command centers, classrooms, stores/shops or field kitchens to feed large groups. They can be outfitted to provide only bath and shower facilities or they can be configured as laundry rooms with multiple washing machines and dryers available on site in disaster areas. (See Appendix II attached in the "Other" section for photos of some of the types of vehicles available. Appendix II also shows the typical interior of a traditional Type C motorhome and travel trailer). Use of RVs in this manner will also speed the economic recovery of towns in and near the disaster areas; while permanent infrastructure is being re-built, RVs can be used to temporarily restore a functioning town thus allowing commerce to re-start.

RVs are well suited for these purposes because they are designed to travel down roads used by cars and to remain mobile for their lifetimes. They may contain full kitchens, bathrooms, bedrooms and living rooms or can be outfitted as described above. They can even be built so that half the unit provides living accommodations and the other half a garage or commercial space. RVs can be parked and put to use in very small spaces (from as small as 8x10 to as large as 16.5 X 45 depending on the size of the unit



selected). Some RVs are self-propelled and others are towable by crossovers, SUVs and pickup trucks. RVs are also “self-contained,” which means they provide potable, fresh water supplied from a holding tank in the unit, flush toilets and showers with an onboard water supply and holding tanks as well as 12 volt, LP gas and/or gasoline powered generators to power lighting, heat, A/C and refrigeration – all without the use of public utilities! Further, RVs are able to be temporarily located in flood plains because they are readily transportable either under their own motive power or by average size pickup trucks; this allows their timely removal if floods are anticipated. Finally, RVs are particularly useful for property owners who can temporarily site them on their devastated property and oversee the re-building of their homes or commercial buildings.

RVIA has learned (unofficially) that the federal government is considering requesting bids on contracts for upwards of 10,000 post-disaster assistance vehicles. The domestic Japanese RV market is quite limited and currently does not have the same capacity for manufacturing as enjoyed by the U.S. market. Over the course of its history, the U.S. RV industry has responded to myriad disasters and has the knowledge and capability to respond quickly to emergency situations. RVIA plans to work closely with the Japanese government to educate them on the U.S. manufacturers’ capability to produce a wide variety of quality products in a relatively short period of time.

Further, state and local governments, NGOs and commercial enterprises are expected to acquire units, as well.

Once U.S. manufacturers are securely involved in Japan vis-à-vis the manufacture and export of post-disaster assistance vehicles, we are confident that Japan will then pursue a more traditional variation of the RV market.

First Three Years - Export Dollars Generated

- 7,500 (estimated number of post-disaster assistance towable RVs exported) x \$21,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$157,500,000 (export revenue)
- 2,500 (estimated number of post-disaster assistance motorhome exports) x \$114,000 (average price of Type A, B and C motorhomes according to current RVIA RV Industry Market Report) = \$285,000,000 (export revenue)
- \$442,500,000 (total estimated RV export revenue) / \$180,000 (export revenue needed to create one job according to DOC website) = 2,458 jobs

Following Four Years - Export Dollars Generated

- 12,500 (estimated number of post-disaster assistance towable RV exports) x \$21,000 (average price of a travel trailer) = \$262,500,000 (export revenue)
- 5,000 (estimated number of post-disaster motorhome exports) x \$114,000 (average price of Type A, B and C motorhomes according to RVIA RV Industry Market Research Report) = \$570,000,000 (export revenue)
- \$832,500,000 (total estimated RV export revenue) / \$180,000 (export revenue needed to create one job according to DOC website) = 4,625 jobs



That is a total of \$1,275,000,000 in export dollars and 7,083 jobs over 7 years.

This volume of exports to China and Japan will be met not only by manufacturers who currently export to China but by many who have never exported. Certainly, Japan will be a new market for virtually every manufacturer.

D. RV Exports are Critical to Job Recovery

While the RV industry has historically thrived, it has also endured its share of economic difficulty. Before the most recent economic downturn, the industry produced approximately 400,000 units per year. While the industry has begun its rebound from the recent recession, in 2011 the industry produced only 252,300 units, still significantly lower than its better days.

According to an RVIA survey of the industry and a U.S. Census Bureau survey, prior to the recession the RV industry employed approximately 530,000 people. (The survey included RV manufacturers, component part suppliers, retail dealers and campground owners in the RV industry.) By November 2008 that number had been sharply reduced to approximately 249,000 people.

While the entire U.S. has suffered high unemployment rates, Elkhart County, Indiana (where the vast majority of RV production is centered) had *the highest unemployment rate in the country*. In February 2009, President Obama made a historic visit to Elkhart to highlight the crisis faced by RV workers. (This was his first trip as President and the first of three trips so far to the Elkhart area.) It was there that he revealed his plan to help workers get back on their feet. In that speech, President Obama said "...[T]his area [Elkhart] has lost jobs faster than anywhere else in the United States of America, with an unemployment rate of over 15% when it was 4.7% just last year. When we talk layoffs in companies like Monaco Coach and Keystone RV and Pilgrim International, companies that have sustained this community for years, we're not just talking numbers." While things have begun to improve, as of October 2011, RV industry employment was estimated at 375,000 people, still almost 30% lower, or 155,000 fewer people employed, than just a few years previously. According to U.S. Bureau of Labor Statistics, Elkhart County today has an unemployment rate approximately 3% higher than the average U.S. rate. While RVIA expects RV shipments to continue to grow, the domestic shipment numbers, and correspondingly the RV worker unemployment numbers, are not likely to change dramatically within the next few years. As a result, the industry is focused on increasing shipment, and thus employment, rates through innovative ideas such as expanding into foreign markets (China being a primary target).

Generally speaking, RV production is not automated as is the automotive industry. In fact, it is very labor intensive. Increases in production can only be met through hiring additional labor; and experienced labor is anxiously awaiting industry success with RVIA's Asia Export Initiative.

(i) Local and Third-Country Competitors in China and Japan

China

There are approximately 20 Chinese manufacturers who offer very limited choices of RV products. Most of these companies are primarily engaged in other industries (i.e., automobiles, military vehicles, etc.). RVIA has had an opportunity to inspect many domestically-produced RVs during trade missions to China. All of the units were very expensive, and, compared with U.S.-built RVs, technologically deficient and poorly constructed. The product is also not being built to any kind of established standard, so safety is a concern. The campground and RV rental fleet owners understand that they need quality-built products that can endure heavy usage if they are to establish profitable destination



camping and rental vehicle businesses. Chinese RV manufacturers are not yet sophisticated enough to build a quality, relatively inexpensive product as are U.S. manufacturers. Moreover, many Chinese manufacturers are seeking partnerships with U.S. manufacturers in order to upgrade their RV products to accommodate the growing demand. There are also industry newcomers who see the market opportunity and are getting ready to invest in the industry. The current situation has created opportunities for U.S. manufacturers to step in and establish themselves in China's emerging RV market to secure long-term benefits. RVIA's China office will help facilitate these opportunities.

Third-country competitors include Germany, as well as other European nations and Australia. Germany has been exporting to China for a few years. In fact, one German RV manufacturer received the China Compulsory Certification approval for one of its models, although the approval has since lapsed. At this time, the actual number of German and Australian units exported to China remains quite small, although it is difficult to obtain accurate statistics on RVs in China. The best statistical reporting source RVIA has encountered is the China Association of Automobile Manufacturers ("CAAM"). CAAM represents automobile and specialty vehicle manufacturers, which include a few RV manufacturers. During a meeting between CAAM, RVIA and U.S. Commercial Service officers last July, CAAM estimated that as of 2010 there were 4,500 RVs in China. Of the 4,500, CAAM believed that 70% were domestically produced and 30% imported, mostly from Germany. With the number of exports to China campgrounds by U.S. manufactures within the last year, the U.S. is now likely the largest RV exporter into China. However, if we hesitate at this juncture and fail to actively pursue the Initiative, Germany and the remaining European competitors could capitalize on their initial head start in the country and leave the U.S. wanting. (See Appendix III regarding a recent article on a European trade mission to China in the "Other" section.)

Japan

As mentioned earlier, the domestic Japanese RV market is still quite limited and does not have the same capacity for production as enjoyed by U.S. manufacturers. The U.S. RV industry has responded to disaster recovery efforts many times in the past and has the know-how and capacity to respond quickly in circumstances such as Japan's recent natural disaster.

E. China and Japan Market Economic Conditions and the Likelihood that Potential Buyers will Purchase U.S. RVs

China

Today, the world is quite familiar with the powerful economic engine that is China, which shows no sign of slowing its forward economic march. According to a December 2010 report by HSBC entitled, "Inside the Growth Engine," by 2020 China is expected to have 6 provinces that will have a gross domestic product of over \$1 trillion U.S. dollars. China has now become the number one automobile market in the world and the middle and upper classes continue to grow with discretionary income to spend.

With the increase in the number of motor vehicle owning households in China there has been a corresponding increase in the number of so called "motor tourists." Motor tourists are people who prefer to drive to their vacation destinations. The 2010 China Leisure Green Book reports there are an estimated 50 million motor tourists. According to a speech made by Jiang Qikang, Secretary General, China Tourism Association, at the "4th China Camping and Tourism Forum" held in October 2011, motor tourists would prefer to stay close to the outdoors and enjoy natural sceneries but lodges and RVs are not available.



But what makes the market conditions especially favorable for the RV industry? The fact the central government has made tourism, including camping and RVing, such a high priority in its latest 5 year plan, as discussed in section 2. (1) of this application. This has created a buzz about the RV industry that advertising cannot buy. Chinese companies with deep pockets are looking to invest in campgrounds and set them up with RVs. Many companies and individuals have become rich in China in the past by investing in government favored sectors and scores of Chinese see the same opportunity with campgrounds and RVs. This is a great time for the American RV industry to become a big player in the China market.

“The Chinese prefer the luxurious styling of American RVs compared to the European look.” RVIA first heard this statement in 2008 from the General Manager of Zoeco, a Chinese motorhome manufacturer located outside of Shanghai. We have since heard similar sentiments from a variety of sources within the Chinese RV industry. This statement is supported by the fact so many Chinese are coming to the United States to learn about the industry, discuss joint ventures and purchase product. According to RVIA’s contacts within the European caravanning associations, Europeans are not experiencing this same level of interest from the Chinese at this juncture.

Further, the Chinese have demonstrated their voracious appetite for American-made products and lifestyles. According to a U.S.-China Business Council Report, China is now the world’s fastest growing destination for American exports. American exports to China have grown by 468% over the past decade, and last year China imported a record \$91.9 billion in goods from the U.S. Considering the U.S. RV industry has over 100 years of experience, a technical and engineering knowledge that the Chinese lack and a sense of style that the Chinese appreciate, U.S.-produced RVs will certainly be in demand. This does not even take into account the wealthy Chinese who will want to own an American RV for status reasons.

Japan

See section II C and D(1)

F. U.S. Industry Resources that can be brought to bear upon China and Japan

RVIA represents almost 300 U.S. RV manufacturers and suppliers that produce approximately 98% of the RVs produced in the United States. RVIA also represents several Canadian manufacturers. Additionally, RVIA has an Associate Membership category that includes several Chinese RV manufacturers. Associate Members enjoy no voting privileges and receive limited materials from the Association.

RVIA has a staff of 49 employees and is located in Reston, Virginia. The Association is made up of five departments, Standards & Education, Government Affairs, Public Relations & Advertising, Meetings & Shows and Legal. All of these departments are staffed with seasoned professionals who are available as a resource to the Initiative. The Standards Department will be critical in the Initiative’s pursuit of development of Chinese RV and campground standards compatible with the U.S. models. Government Affairs and Legal will be active in addressing regulatory issues within China. Public Relations & Advertising will be used to help increase awareness of RVing, generally, and in the promotion of U.S. RVs, in particular. The Meetings & Shows Department will be called upon to lend their expertise in the creation of a China RV trade show. RVIA’s current annual operating budget is approximately \$13 million, and it has over \$14 million in reserve. These are significant resources, which can be directed toward the industry’s export objectives.

In addition to this trade association, a number of the manufacturers also have available resources to take advantage of the China market. Thor is the industry’s largest RV manufacturer and is a Fortune



1000 company. It owns the iconic American brand “Airstream.” Forest River, the second largest RV manufacturer, is a Berkshire Hathaway company. Winnebago Industries is known around the world for its “Winnebago” name. There are many more companies of all sizes, all successful and determined to have their company become the next Buick or Coca-Cola in China.

G. U.S. RV industry’s ability to meet potential demand in China and Japan

The U.S. industry’s ability to meet market demand will not be an obstacle, when taking into account that until recently the industry was producing 400,000 units annually. In 2011 the industry produced 252,300 units. Industry manufacturers have the existing and available manufacturing plants and capacity that can accommodate significantly more production. However, considerably more labor will be necessary to meet increased product demand. Because of the high unemployment rate in the Elkhart area (centered around unemployed RV industry workers) experienced labor is locally available and could be hired quickly in order to meet demand. The same holds true in communities surrounding other RV manufacturing locales around the country.

The RV industry has long been recognized as one that can promptly respond to orders with quality work. It has produced as many as 100,000 post-disaster assistance units in 4 months-time while simultaneously supplying units to its traditional camping customers.

H. U.S. RV industry’s After-Sales Service Capability in China and Japan

China

As the China RV market grows, the after-sales service capability will grow. In the case of a motorhome, there are two servicing issues. A motorhome consists of a truck chassis, which includes the engine and drivetrain, and the living facilities portion that sits on top of the chassis. Initially, in the case of motorhomes, many chassis manufacturers already have service facilities in China to service their chassis being used by trucks. Many engine manufacturers are operating service facilities in China, as well. These same facilities could be used by motorhome operators, as they are in the U.S. Because many of the components found in motorhome living facilities and in trailers are common to ordinary households in China (i.e. appliances, plumbing fixtures, lighting), some suppliers have service operations in China. To the extent there is not a manufacturer designated service facility available, consumers could use local trade-specific repairmen. For example, a local carpet layer to fix a buckled carpet, a plumber to fix a leak, an electrician to fix a lighting issue. In today’s world with the ease of communication, it is not a problem to call or e-mail a manufacturer about a particular issue and to have the manufacturer send a part or offer the best way to perform a repair.

With regard to the destination camping units sited in campgrounds, each campground will likely have a service technician on staff to address issues. Being responsible for a hundred or more units, the technician will quickly develop the skills necessary to keep the units operating properly. Manufacturers also would be willing to provide training.

Eventually, RVIA would like to establish an RV technician training program in China like it has in the United States. The training program in the U.S. is internet based making it easy to reach technicians anywhere in the world. The training content for China could be modified as necessary and translated into Chinese. Market demand in China for U.S. products will dictate how quickly this program is developed.

Further, as the industry grows, manufacturers will likely establish a dealer network for sales and service throughout the country. Independent service centers will also service the market as they do in the U.S.



Japan

In addition to the service options described above for Chinese consumers, Japan has an RV dealer network that is capable of servicing the post-disaster assistance units.

III. Project Description, Timeline and Performance Measurement

RVIA's internal Strategic Plan includes a specific, stated objective to pursue and develop opportunities for RVIA's members to expand the industry market globally. To realize this goal, RVIA has embarked on several fact finding missions to China since 2007. The conclusion of these trips was that the country has unlimited potential but there are numerous obstacles that must first be overcome. As a result of these findings, RVIA's Board directed that work begin on resolving impediments facing the U.S. in expanding the RV market in China. In response, RVIA formed a China Committee and became a more proactive force in its efforts to resolve international roadblocks to growth.

It became clear that another visit to the country was necessary. The most recent Gold Key Service mission took place in July 2011. By any measure the trip was a success. RVIA met with eight Chinese governmental agencies, all of which are involved in some manner with the development of the RV industry. Just as importantly, we met with key people within these agencies, the actual individuals who will be working on specific issues related to the RV industry. We also had meetings with influential private citizens and large corporations who are supportive of our efforts. All of these parties could play a critical role in persuading the Chinese government to remove certain barriers that are currently hindering the growth of the industry.

There were some significant common themes that recurred throughout our meetings. First, it is the consensus among those with whom we spoke that RVing in China will become very popular. Currently, as discussed herein, the Chinese government is actively promoting tourism, including camping and RVing. Some factors in the government's decision to promote tourism include that discretionary income among Chinese citizens has increased, they have more vacation time, desire to spend more time with their families and want to see more of their own country.

Second, we need to work with the government agencies to make addressing the RV and campground standards and regulatory issues the same high priority as the government has done for tourism in general even though the industry is relatively small at this juncture. Unfortunately, we have also been informed by organizations familiar with the RV industry in China that the lack of substantive standards and RV-specific motor vehicle and road use regulations are hindering industry growth. RVIA is of the belief that by working with ITA and industry stakeholders it can successfully persuade the government agencies to make industry standards and regulations a higher priority.

Third, it is also imperative that campgrounds be developed so that people have RV-friendly vacation destinations. Fortunately, as discussed earlier, because of the emphasis on tourism in the latest 5 year government plan, the central, provincial and local governments have made the development of campgrounds a priority. RVIA can help facilitate this effort by providing campground expertise. This is especially critical to RVIA's export initiative since it appears China will initially focus on destination camping utilizing on-site RVs. RVIA believes all of these issues must be addressed in order to fully develop the China RV market and maximize the industry's export potential. Further, a delay could provide the Europeans with an opportunity to enact their RV and campground standards thus putting the U.S. at a systemic competitive disadvantage. RVIA has worked to resolve regulatory issues to the extent that we are able from abroad, but it has become apparent that a more permanent, high profile presence



within China is necessary. As a result, RVIA believes it is the appropriate time for it to become more proactive in China and take the following actions:

A. Form an RVIA subsidiary as a Chinese Wholly Foreign Owned Enterprise (“WFOE”)

As a WFOE, RVIA would have sole control over the management and direction of the company and be permitted to conduct for profit activities such as trade shows.

Project Timeline: July 1, 2012 – December 31, 2012

Applicant Performance Measure: RVIA has formed a WFOE

(i) Establish an RVIA office in Beijing – Locate Office Space and Hire One Full-time Employee/Consultant

RVIA has determined that in order for it to successfully reach its Initiative goals, it will be required to open an office in China. RVIA has made a concerted effort to be perceived as the “RV expert in China” and has already developed critical relationships within the country among like-minded organizations. An office presence within the country will allow RVIA to spend the time necessary to organize the campground and RV industries work in tandem to remove the regulatory barriers currently impeding the industry’s growth.

Because of the need to work closely with the central government regarding RVIA’s objectives, it has been determined that the office should be located in Beijing. However, the China Office Director will be required to travel to various provinces to gather support for the Initiative.

The Office Director (“OD”) should possess the following skills:

1. In-depth understanding of the inner workings of government agencies in China;
2. Knowledge of China’s culture, business and market environment;
3. Business management experience;
4. Excellent communication abilities and possess a team-player approach;
5. Knowledge of the RV industry preferred; and
6. Fluent in written and spoken English and Chinese

Office Director responsibilities will include:

1. Locating and establishing an office in Beijing;
2. Managing the Initiative and providing monthly progress reports;
3. Coordinating and working with ITA in China and Japan;
4. Serving as a resource to RVIA members about the China and Japan markets;
5. Traveling to central, provincial and local government agency meetings in China;
6. Traveling to United States twice a year to report developments; and
7. Hiring an office assistant at the appropriate time.

Project Timeline: July 1, 2012 – December 31, 2012

Applicant Performance Measure: RVIA has opened an office and hired an Office Director



(ii) Pursue Adoption of RV and Campground Industry-Developed Standards Compatible with U.S. Standards to Ensure Market Access for U.S. Built RVs

RVIA staff met with the Standardization Administration of China (“SAC”) and the China Automobile Technology and Research Center (“CATARC”) in July 2011. SAC has the overall responsibility for drafting, reviewing, updating and implementing standards in China. Once SAC elects to develop an automotive standard, it is CATARC which actually drafts and implements the standard. CATARC is the Chinese governmental agency that drafted the first RV standard, which is a minimal, voluntary standard. It is notable that CATARC has an RV task force. During our meeting, we met the individual who would be responsible for drafting a more comprehensive, updated RV standard. The CATARC official stated that a new standard has not yet been developed, because the industry is small, and therefore, it is not yet a high priority. CATARC made it clear, however, that they would be willing to work with RVIA on RV standards. RVIA would like to take CATARC up on that offer.

China has adopted many European standards in other unrelated industries. Therefore, RVIA is rather concerned that if it does not respond immediately, the Europeans will successfully usurp American standards with their own. It is imperative that Chinese RV standards are compatible with U.S. RV standards, otherwise the U.S. will be at a very serious competitive disadvantage. Further, RVIA has been informed by several organizations knowledgeable with the RV industry in China that a comprehensive, mandatory standard must be developed to lend more credibility to the RV industry and help RVs become more accepted in the marketplace.

Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: China has adopted RV and campground standards compatible with U.S. standards

(iii) Pursue the Inclusion of RV Definitions in the China Motor Vehicle Code, Develop Reasonable RV Road Use Regulations and Address Licensing and Registration Issues

RVIA staff met with the Ministry of Transport (“MOT”) last year. MOT is responsible for highway construction, maintenance, operations and related policies and regulations. Additionally, MOT is responsible, along with SAC, CAAM, the Ministry of Industry and Information Technology (“MIIT”) and the Ministry for Public Safety (“MPS”) for vehicle specifications and licensing requirements. As such, they would be involved with any potentially related RV regulations.

The MOT officials at the meeting commented that they believe there is great potential for RVs in China. One official made it clear that RVs must have their own category within the motor vehicle regulations, rather than being inappropriately classified under one of the eight automobile categories already in existence. This would make it simpler to define RVs and address the current road use regulations that are impeding the growth of the industry, such as the prohibition against towing trailers on the highways. This particular regulation, like many others, was created at a time when there were no RVs in China and was never intended to address our products.

The MOT officials pledged to work with RVIA to address the relevant regulations. With a relationship already established, RVIA believes it can work with the requisite government agencies to create a separate RV motor vehicle category to include more appropriate regulations for RVs, as suggested by the MOT official.



Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: Regulations impeding the growth of the RV market have been removed

- (iv) Pursue Adoption of China Compulsory Compliance (“CCC”) requirements that take into Account the Unique Issues Encountered RV Manufacturers

RVIA met with the Certification and Accreditation Administration (“CNCA”) in 2011 to learn about the China Compulsory Certification (“CCC”) process. The China Quality Certification Center (“CQC”), which implements the CNCA policy for vehicles, was also present at the meeting. The CCC requirements for the automotive industry are similar to the U.S. Federal Motor Vehicle Safety Standards (“FMVSS”). Any RV produced for the China market, whether produced domestically or imported, is required to have a CCC mark before it can be sold.

As part of the CCC process, manufacturers must comply with all of the vehicle-specific CCC requirements. Unfortunately, the CCC requirements were drafted with automobiles, buses and trucks in mind and do not take into account the unique issues faced by RV manufacturers, as is the case with U.S. FMVSS. The CQC staff indicated that an important step would be to create an RV motor vehicle category, which could lead to RV-specific CCC requirements. Otherwise, certain requirements developed for other vehicle types would apply making it more difficult and costly for an RV to receive CCC approval. Because of the high cost of compliance and, as compared to the automobile industry, the relatively low volume, it is critical that these issues are addressed for the industry to prosper. RVIA would like to start this process.

Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: CCC requirements take into account the unique issues faced by RV manufacturers

- (v) Pursue Reduction of Import Duties and Tariffs Imposed on RVs

The import duty for motorhomes is 25%, plus a 17% value added tax and a consumption tax up to 40%. The import duty on towable RVs is 15% plus a 17% value added tax. In RVIA’s discussions with the Ministry of Commerce (“MOFCOM”), the MOFCOM representative suggested that RVIA pursue a new commodity or Harmonized Tariff Schedule (“HTS”) code for RVs because they are not commercial vehicles and are used much differently than commercial vehicles or even automobiles. A new code reflecting the non-commercial use of RVs could lead to reduced tariffs and duties. This project will likely take some time to accomplish and, consequently, efforts need to begin immediately.

In the meantime, if the import duty becomes an obstacle to the U.S. becoming a dominant player in the China market, RVIA will educate its members about the potential to ship complete knock-down kits and assemble the products in China. This would reduce import taxes and duties as well as shipping costs.

Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: Import duties imposed on RVs have been reduced

- (vi) Establish a website in Chinese and use Social Media and Trade Shows to Promote RVing in China with an Emphasis on U.S. Products

RVIA has a very successful public relations and advertising campaign promoting RVs in the U.S. We have found one of the most successful tools to reach consumers is the internet and social media. A



Chinese website and social media detailing the RV lifestyle with an explanation of the types of products would be an effective and economical way to educate Chinese consumers about the joys of RVing.

The China Office Director will directly help promote the industry by obtaining a booth at key trade shows in China to raise awareness of RVing and the quality craftsmanship and forward-thinking design of the American RV product. Further, RVIA plans on researching the potential for an annual RVIA Trade Show in China. As the recognized RV leader in the world, an RVIA trade show would garner significant media attention, which could be used to promote RVing and U.S. products. Such a show would also be an excellent marketing opportunity for U.S. manufacturers. In the long term, this show could also serve as a major source of revenue to support RVIA's China operations.

Project Timeline: January 1, 2013 – December 31, 2013

Applicant Performance Measure: An RVIA website in Chinese is established promoting RVing. The Office Director has participated in two trade shows during this year.

(vii) Serve as a Resource for Growing the RV Market and Campground Development in China

As mentioned earlier, many key industry players in China already realize that RVIA has tremendous experience and resources when it comes to RVing. By working with government officials, private enterprises and sharing our experiences, RVIA can ensure that the China RV industry takes the most efficient and speedy route toward developing a robust RV market. Recently, RVIA has retained the services of a campground development expert to provide any needed assistance to hasten the development of campgrounds in China. These relationships will also serve to promote U.S. RV manufacturers as the leaders in the RV industry.

Additionally, RVIA plans to serve as a resource to its members involved in the Initiative both in the U.S. and when they travel to China. RVIA will make its members aware of China and Japan trade show opportunities, available market research, coordinate with ITA on educational webinars and seminars on exporting, available financing (such as the Export-Import Bank), how to research potential joint venture partners and protect your intellectual property, inform members of business opportunities as they are presented, provide names of ITA contacts and generally assist with any joint venture projects.

Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: RVIA is viewed as the RV industry expert in China and is consulted by government officials as well as RVIA members.

(viii) Demonstrate how to Operate an RV and Tow a Trailer

There are many misperceptions and needless safety concerns pertaining to RVs. Through product demonstrations for the appropriate government officials, RVIA believes these concerns will be alleviated, thereby making it easier to address regulatory issues. Furthermore, when consumers realize how easy RVs are to operate and tow, it should assuage any apprehension.

Project Timeline: July 1, 2012 – June 30, 2015

Applicant Performance Measure: RVIA will have performed at least two demonstrations annually.



(ix) Pursue opportunity to Provide Japan with RVs for Post-Disaster Assistance

RVIA has recently learned that the Japanese government may seek to purchase thousands of RVs, or units similar to RVs, for post-disaster assistance. RVIA believes this is a tremendous opportunity for its members. RVIA plans to have the RVIA China Office Director, along with RVIA staff from its headquarters, pursue this opportunity by meeting with Japanese government officials. The RVIA office in China will be able to quickly respond to any issues that might arise in Asia.

Project Timeline: July 1, 2012 – December 31, 2013

Applicant Performance Measure: RVIA members submit contract proposals to Japanese government to provide post-disaster assistance vehicles

All of the above projects are an integral part of RVIA's Asia Export Initiative. Many aspects of the initiative are policy-driven, however, policy changes are critical to the short and long term success of the U.S. RV industry in China. RVIA's expertise and the quality relationships it has already developed in China will lead to a collaborative effort to solve these policy issues. While these activities are being pursued, exports should grow exponentially through destination camping, rental fleet and post-disaster assistance vehicles. The traditional RV market will follow closely.

(x) RVIA to Use Seal Sales to Track Exports

Currently, all of RVIA's manufacturer members are required to apply an RVIA-issued seal to each unit shipped. RVIA tracks industry shipments through seal sales to its membership. There is also a cost associated with the seal that provides income to RVIA. If a member is found not to have been applying seals they can be expelled from the Association. RVIA now plans to develop an export seal. As a membership requirement, every unit exported would be required to have the RVIA export seal attached. It is anticipated that the cost of the export seal would be the same as the domestic seal and that the funds could be used to support the Initiative. This will not only help fund the project but provide accurate statistics on the number of units being exported. The seal statistics and export information provided as part of the Success Agreement will illustrate an accurate picture of the Initiative's success. RVIA will report the effect of the MDCP project activity on the dollar value of RV exports quarterly.

(xi) RVIA to Continue to Work Closely with ITA

RVIA has been working closely with ITA regarding its interests in China since 2007. In 2008 and 2011, RVIA utilized ITA's Gold Key Service for its trade missions to China. The Shanghai and Beijing Foreign Service officials arranged governmental meetings for our group. We also received an excellent briefing on the appropriate way to conduct business in China. Over the last five years, we have worked closely with a number of ITA officials including, but not limited to, Craig Allen and James Pruitt (discussed Joint Commission on Commerce and Trade and other industry issues), John Vanderwolf (established a new Recreational Transportation category for RVs that is a NEI sector), Charlie Rast (attended RVIA's National RV Trade Show last year), Kellie Holloway Jarman (has provided extensive China resources for the industry), Rosemary Gallant and Landon Loomis (attended Chinese government meetings with RVIA and strategized with us on how to approach our China objectives) and Dale Wright and Daniel Green (strategized with us on how to approach our China objectives). RVIA envisions continuing this close working relationship to reach our RVIA Asia Export Initiative goals. RVIA and its members rely on ITA to help them better understand how the Chinese and Japanese governments work, to explain critical customs and business practices, provide advice on how to protect intellectual property and select joint venture partners, assist in the development of export strategies, provide introductions to key government agencies and officials, participate in critical meetings, interpret government actions, educate



RVIA on how the central, provincial and local governments interact and the political issues that arise, as well. While this list is long, it is by no means exhaustive.

Mark Cooper in the Department of Commerce's Indiana office can serve as an important resource for the Indiana manufacturers to help them take full advantage of the China and Japan export opportunities available, including the numerous export related seminars and webinars. This is true for all of the Department of Commerce officials located in a state where there is an RV manufacturing facility.

John Vanderwolf and Charlie Rast developed a webinar specifically for the Recreational Transportation sector. One of the topics was financing available for export projects through the U.S. Export-Import Bank. Because so many RV manufacturers are new to exporting and financing is so critical, especially when dealing with foreign buyers, it would be worthwhile to have a live seminar on the topic in Elkhart, Indiana and make it available as a webinar.

Rosemary Gallant, Landon Loomis, Koji Sudo and other foreign commercial service officers can educate RVIA and its members on the key trade shows to attend in China and Japan to promote the industry and, specifically, to sell U.S. made RVs. RVIA has already applied to have its 2013 National RV Trade Show participate in the International Buyer Program and hopes many foreign buyers, including ones from China and Japan, will attend.

RVIA views ITA as a critical partner to the success of its initiative and is confident we will continue to find many new ways to work together.

B. Credentials

Many of the credentials have already been addressed in section II F. The resumes of the key project personnel and the amount of staff time it is anticipated they will spend on the project is set forth below:

Resumes of Key Personnel

Richard A. Coon, President

For the last six years, Richard Coon has served as president of the RVIA. RVIA is the national association representing manufacturers and component suppliers who produce approximately 98% of all RVs made in the United States and over 95% of the product sold in Canada.

An accomplished and articulate industry advocate, Mr. Coon has been an RVIA member for three decades and has been involved in association leadership positions and numerous committees throughout his tenure. He served on RVIA's Executive Committee of the Board of Directors for five years, holding the offices of treasurer and first and second vice chairman. He also chaired RVIA's Strategic Planning Committee. Richard most recently was director of RV business for Cummins Power Generation, Onan Products, where he directed every aspect of design, sales, marketing and distribution during his 30-year affiliation with the Minnesota-based company.

Mr. Coon is a graduate of Brigham Young University.

Mr. Coon will spend 5% of his time on the Initiative



Craig A. Kirby, Vice President & General Counsel

For the last sixteen years, Mr. Kirby has served as Vice President & General Counsel of RVIA. He is an innovative and personable business leader and practicing attorney with extensive experience in law, corporate governance, industry relations and lobbying in nonprofit and law-firm settings. Mr. Kirby's areas of legal expertise include corporate and employment law, government relations, transportation law, crisis management, international business, policy development, among many others.

Successfully teamed with state legislators, consumer groups, and business leaders, Mr. Kirby helped develop the Nation's first RV-specific lemon law in Florida ensuring that consumer interests were protected while taking into account the unique issues faced by motorhome manufacturers. Subsequently, he successfully led an industry effort to develop the first national model RV lemon law working with state lemon law administrators from throughout the country and RV consumer groups.

Mr. Kirby is a graduate of the University of Virginia and University of Southern California Law Center.

Mr. Kirby will spend 20% of his time on the Initiative.

Bruce A. Hopkins, Vice President Standards & Education

Mr. Hopkins has worked in the area of RV standards for 39 years, 33 of these with RVIA. He has been directly associated with the RV industry for over 45 years.

Mr. Hopkins' principal responsibilities are the association's standards programs for RVs and the direction of the educational efforts aimed at developing and strengthening the skills and knowledge of RV service technicians. The standards activities encompass standards maintenance, the development and publication of various handbooks that detail program safety positions for the standards, and the management of a staff of employees who conduct in-plant audits.

Prior to his lengthy tenure with RVIA, Mr. Hopkins was also employed by several RV manufactures and an RV dealership.

Mr. Hopkins will spend 10% of his time on the Initiative.

Dianne Farrell, Vice President of Government Affairs

Dianne Farrell has held her current position with RVIA since 1985. In her current position, Ms. Farrell is responsible for directing the association's government relations program to ensure that the business interests of RV manufacturers and suppliers are promoted effectively to state and federal lawmakers, regulators and other trade associations.

She has successfully orchestrated 50 state and federal legislative campaigns on issues such as driver license requirements, maximum vehicle dimensions, warranty laws, franchise laws, tax issues, rural tourism, public lands, and RV standards. She is skilled in negotiating compromises with diverse/opposing parties, coalition building, mobilizing grassroots, and establishing and maintaining persuasive relationships with key policy makers, government officials, and legislators in order to assure prompt and favorable action on a wide array of industry issues.




She holds a BA degree from the Pennsylvania State University.

Ms. Farrell will spend 5% of her time on the Initiative.



(i) Evidence Supporting RV Manufacturers and Suppliers Desire to Participate in RVIA Asia Export Initiative

Copies of just two of the many letters RVIA has received from RV manufacturers and suppliers supporting the Initiative are set forth below:

February 28, 2012



Richard A. Coon,
President
RVIA
1896 Preston White Drive
Reston, VA 20196

Dear Richard:

It is my pleasure to write in support of RVIA's Asia Export Initiative. We look forward to an expanded Asian market for the benefit of our company and the industry.

We look forward to participating in RVIA's planned trade initiatives in Asia.

Sincerely,



February 15, 2012



Richard A. Coon
President
RVIA
1896 Preston White Drive
Reston, VA 20196

Dear Mr. Coon,

I am pleased to support RVIA's Asia Export Initiative. I am vested and actively interested in developing the recreational vehicle market in Asia. This initiative offers our members a great deal of potential and opportunity for our industry.

We look forward to participating in RVIA's planned market expansion initiatives in Asia.

Sincerely,

(ii) Use of ITA Emblem

RVIA will proudly display the ITA emblem on its website, as shown below, and on its informational materials.



(iii) Success Agreement

All companies participating in the Initiative will sign RVIA's proposed Success Agreement, which is set forth below:

RVIA Asia Export Initiative

Success Agreement

One of the most effective ways for the recreation vehicle industry to grow and thrive in the future is to look beyond the U.S. market. The Recreation Vehicle Industry Association (RVIA) has identified China and Japan as promising new markets for many of our members. We want to help you to capitalize on some upcoming opportunities in these markets.

RVIA's Asia Export Initiative helps its member companies to export to China and Japan. The U.S. Commerce Department's International Trade Administration (ITA) has agreed to pay for \$300,000 of the \$1,095,000 project cost through its Market Development Cooperator Program (MDCP).

Agreement to Participate in RVIA's Asia Export Initiative

Benefits of the RVIA Asia Export Initiative ("Initiative") and your responsibilities as a participant are set forth below. Send completed forms as soon as possible to the attention of RVIA's Vice President & General Counsel, Craig Kirby at ckirby@rvia.org, via fax at 703-620-5071 or via mail at RVIA, 1896 Preston White Drive, P.O. Box 2999, Reston, Virginia 20195-0999. Please note that some of the benefits listed below are contingent on when you sign up to participate. We will assign time-sensitive benefits in the order that we receive completed participation agreements.



1. Benefits

Thanks to the \$300,000 MDCP partnership with ITA, we can act as a one-stop portal for entering China's and Japan's recreation vehicle market. Here are a few of the benefits available to RVIA Initiative participants:

a. Start Up Questions and Answers

Thanks to our MDCP partnership, ITA industry specialists, market access professionals and Commercial Service officers based in the U.S., China and Japan will be available to help you get answers to many vexing questions. Initiative participants can submit inquiries and receive responses that, thanks to our partnership, usually come more quickly and are more accurately targeted than would otherwise be the case.

b. Organized Trade Missions

Upon request, RVIA will organize trade mission visits to key cities in China and Japan and arrange for meetings with potential Chinese and Japanese joint venture partners for Initiative participants

c. Pre-Mission Briefing by China and Japan Industry Specialists

To help you decide whether you wish to participate in a RVIA Initiative trade mission or a trade show in China or Japan, we will arrange with ITA for a China and Japan trade experts to meet with interested RV industry companies at one or more U.S. based briefing events.

d. One-on-One Counseling Sessions with Industry Specialists on China and Japan

The first twenty firms that sign up for the briefing events will receive one-on-one sessions following the briefing with ITA's China and Japan trade experts. This is a great opportunity to fine-tune your business plan for the China and Japan markets before even going to China and Japan.

e. Identification and Standardization of Applicable Regulations

A critical mission of the RVIA Initiative will be an effort to encourage adoption of RV product standards based substantially on those currently being used in the U.S. Through our MDCP partnership, RVIA and ITA specialists will help to identify those standards and government regulations that are applicable to your market expansion efforts.

f. Facilitation of Initial Contacts With Government Officials

In cooperation with ITA, RVIA will assist you in identifying and initializing contact with the appropriate national and local Chinese and Japanese government officials.

2. Keeping Track of How We Are Doing

Our partner, ITA, is tasked by the U.S. Congress to help U.S. companies be more competitive internationally. Perhaps the most straight-forward indication of competitiveness is a company's export data. In order to help you and U.S. industry generally, ITA needs to know how well it is doing.



a. Sharing the Good News With ITA

Each quarter, RVIA Initiative participants share the following information with ITA: The dollar value and number of China and Japan-bound export sales (deliveries or contracts for recreation vehicles ("RVs)). Please share any additional information such as the type of RV, steps and procedures you took to make the sale, etc. This gives ITA a better idea of how U.S. firms are succeeding at exporting and how ITA can best continue to provide help.

b. Confidentiality With ITA

Your success information is submitted directly to ITA. Your competitors do not see it unless you specifically give ITA permission to release it publically. Only information aggregated from multiple participants will be reported publically. ITA professionals who have access to your success data have security clearances. They are accustomed to handling classified diplomatic cables and other media and transmissions that contain sensitive information. ITA will not share individual company success information with RVIA unless you expressly agree to do so.

c. Public Highlighting of Your Successes

If ITA wants to publicize any of your successes, it will always show you what it proposes to publish or publicize and secure your prior approval in writing.

d. Sharing the Good News With RVIA

We are structuring the Initiative so that all we receive at RVIA will be consolidated and aggregated totals from ITA. We will know the total number of exports and transactions but we will not have the individual company information you share with ITA. Of course, we would love to know of your individual success stories and invite you to share them; but we understand if you prefer not to.

e. Optional Information to Share With RVIA

In addition to the information you report to ITA, we would appreciate your helping us to keep track of RVIA's performance on the Initiative by reporting to us the number of occurrences of each of the following, every quarter:

- 1) Other examples of your success developing the China and Japan markets.
- 2) Export-related agreements you conclude, such as signing an agent or distributor.
- 3) Any trade complaints you are able to resolve with help from RVIA or ITA.
- 4) The general value of export-related investments you make in China and Japan.

3. U.S. Product or Service Certification Statement

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. produced 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 the termination of participation in such activity.

Information provided to the International Trade Administration 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 hereby agree to the terms of this Success Agreement with RVIA as set forth above.

Company name

Email/Phone

Address

Name (print)

Title

Signature

Date

3. Budget Narrative

a. and b.

See attached Budget for Project Award Period, Personnel Expenses, Non-Personnel Direct Expenses and Indirect Expenses Worksheets

c. Financial Systems.

The included RVIA worksheets detail the RVIA Asia Export Initiative (“Initiative”) Budget. The total budget for three years is \$1,463,621. As shown on the Budget, approximately \$268,000 or 81% of the \$300,000 cash match is attributed to salary. The balance of \$32,000 is applied toward travel. The cash match amount is \$100,000 each year of the project. For RVIA, the \$300,000 cash match will be easily absorbed as part of the \$1,135,510 budget for salary and travel.

The budget will be funded entirely from RVIA’s reserves, which were \$14,187,442 as of September 30, 2011, and MDCP funding in the amount of \$300,000. Funds can be drawn down from the reserves on an as needed basis over the term of the Initiative. Additionally, RVIA plans on collecting income to further support the project through a mandatory RVIA seal program (as explained in the Project Narrative) and organizing an RVIA Trade Show in China on an annual basis. The seal income and any trade show revenue are not necessary to sustain the Initiative.

d. Other Financial Assistance Awards.

RVIA has not received any grants or similar financial assistance awards over the last five years.

e. Financial Statements.

RVIA’s audited Financial Statements for the years ended September 30, 2011 and 2010 are attached.

f. Any Additional Evidence of Financial Responsibility.

RVIA’s financial responsibility is well documented on its audited financial statements and the fact that even through the most recent economic downturn the Association used very little of its reserves.

BUDGET FOR PROJECT AWARD PERIOD

	Total for all Years											
	Non-Fed Share			1st Year			2nd Year			3rd Year		
	Fed Share	Pgm Income	Other	Fed Share	Pgm Share	Other	Fed Share	Pgm Share	Other	Fed Share	Pgm Share	Other
<u>Direct Expense</u>												
Personnel												
Domestic	268,000	18,000		84,000	9,000	9,000	84,000	9,000	9,000	100,000		
International		528,000			160,000			160,000				208,000
Fringe Benefits												
Domestic		30,411			10,137			10,137		10,137		10,137
International		64,200			19,200			19,200		19,200		25,800
Trade Shows		30,000			10,000			10,000		10,000		10,000
Office Supplies		1,500			500			500		500		500
Travel	32,000	289,510		16,000	91,170		16,000	91,170		16,000		107,170
Entertainment		15,000			5,000			5,000		5,000		5,000
Create Website		25,000								25,000		
Website Maintenance		5,000										5,000
Office equipment		10,000			10,000							
Subtotal	300,000	1,016,621		100,000	315,007		100,000	330,007		100,000		371,607
<u>Indirect Expense</u>												

PERSONNEL EXPENSES									
Org.	Position	Project Work Description	% of time	Explanation & Calculation		1st year	2nd year	3rd year	
				Annual salary	Allocated Salary				
RVIA	President	Oversight, strategic planning, advisory			18,000	18,000	18,000	18,000	
RVIA	V.P. & General Counsel	Project director, strategic planning, government affairs strategies and implementation, general oversight, member relations and MDCP and China committee staff liason			45,000	45,000	45,000	45,000	
RVIA	V.P. Standards	Standards development and implementation			20,000	20,000	20,000	20,000	
RVIA	V.P. Gov Affairs	Government affairs strategies and implementation			10,000	10,000	10,000	10,000	
RVIA Asia	Director	Primary project coordinator, includes planning and implementing objectives, events, and meetings			160,000	160,000	160,000	160,000	
RVIA Asia	Administrative Assistant	Administration, budgeting, communications			55,000			55,000	
		Subtotal			308,000	253,000	253,000	308,000	
		Domestic Salary			985,000	93,000	93,000	93,000	
		International Salary			215,000	160,000	160,000	215,000	
		Total over 3 years			3,490,000	814,000			
		Domestic			2,955,000	279,000			
		International			535,000				
		Grand Total			3,490,000	814,000			

RVIA Asia Export Initiative

Expenses	3 Year Total Program		
	Total	Indirect	Direct
Trade Show expenses	30,000		30,000
Salaries	814,000		814,000
Fringe benefits	94,611		94,611
Travel	321,510		321,510
Office supplies	1,500		1,500
Entertainment	15,000		15,000
Create Website	25,000		25,000
Website Maintenance	5,000		5,000
Office equipment	10,000		10,000
Rent, utilities, etc.	75,000	75,000	
Insurance	5,000	5,000	
Depreciation	6,000	6,000	
Incorporation	16,000	16,000	
WFOE Corporate Taxes	45,000	45,000	
Total	1,463,621	147,000	1,316,621

Fringe Benefits Rate Calculation

Domestic

Fringe benefits	<u>30,411</u>		
Salaries	279,000	equals	10.90%

International

Fring benefits	<u>64,200</u>		
Salaries	535,000	equals	12%

Indirect Cost Rate Calculation

Indirect Cost	<u>147,000</u>		
Direct cost	1,316,621	equals	11.1%

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Recreation Vehicle Industry Association, Inc.
Reston, Virginia

We have audited the accompanying statements of financial position of the Recreation Vehicle Industry Association, Inc. (the "Association") as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Recreation Vehicle Industry Association, Inc. as of September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Arlington, Virginia
December 1, 2011

(1)

RVIA Budget Narrative
RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

See accompanying Notes to Financial Statements.

(3)

RVA Budget Narrative
RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

See accompanying Notes to Financial Statements.

(4)

RVIA Budget Narrative
RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010

See accompanying Notes to Financial Statements.

(2)

What is RVIA?

RVIA is the national trade association representing more than 550 manufacturers and component suppliers producing approximately 98 percent of all RVs manufactured in the United States. RVIA has a staff of 61 employees and is located in Reston, Va., a 30-minute drive from Washington, D.C. The association's major activities include:

- Meeting with government representatives regarding state and national legislation and regulation affecting the RV industry. Current issues include energy, franchise laws, financial or credit restraints, licensing, titling and registration procedures, highway use rules and the development of more scenic byways.
- Working with national regulatory bodies including the National Highway Traffic Safety Administration, the Federal Highway Administration and the United States Park Service regarding regulations affecting the RV industry.
- Adopting plumbing, heating/cooling, electrical, and fire and life safety standards for RVs and maintaining an inspection program to periodically audit RV manufacturers' compliance with the NFPA 1192 RV Standard. Also, RVIA provides an ongoing Federal Motor Vehicle Safety Standards (FMVSS) educational program for its members.
- Representing the RV industry and serving as the chief source for shipment statistics, market research and technical data.
- Developing industry service technician training programs to build a strong base of trained RV service technicians. National efforts include directing the National RV Technical Institute, conducting four annual Trouble Shooter Clinics, developing RV service technician textbooks and shop training manuals, administering the RVEDA/RVIA Certification Test, and coordinating the National Satellite-Delivered Distance Learning Program.
- Working to promote RV travel by providing information to the media and general public.
- Sponsoring the California RV Show (open to the public) and the National RV Trade Show.



INTERNATIONAL
TRADE
ADMINISTRATION



1896 Preston White Drive Reston, VA 20191-4325
Tel: 703/620-6003 Fax: 703/620-5071 www.rvia.org



What is a Recreation Vehicle or "RV"?

An RV is a vehicle that combines transportation and temporary living quarters for travel, recreation and camping. Two main categories of RVs are motorhomes (motorized) and towables (towed behind the family car, van or pickup). Type A motorhomes are generally the largest; Type B motorhomes or van campers are the smallest and Type C motorhomes generally fall in between. Types of towable RVs are folding camping trailers, truck campers, conventional travel trailers and fifth-wheel travel trailers.

Types of RVs



Motorhome (Type A) — The living unit is built on a specially designed motor vehicle chassis. State-of-the-art living, kitchen, sleeping and bathroom facilities are accessible from driver's area. Sleeps two to six people. Price range is \$75,000 - \$1.3 million.



Van Camper (Type B) — This RV is a panel-type truck to which the manufacturer adds sleeping, kitchen and/or bathroom facilities. Also offers a top extension to provide more headroom. Most sleep two to four people. Price range is \$40,000 - \$75,000.



Motorhome (Type C) — Built on an automotive manufactured van frame with an attached cab section, this RV offers living, kitchen, sleeping and bathroom facilities. The living area is behind and above the cab. Sleeps up to 10 people. Price range is \$50,000 - \$300,000.



Conventional Travel Trailer — Built to be towed by a car, van or pickup, this RV provides kitchen, bathroom, dining and living facilities. Ranges from 12 to 35 feet in length. Sleeps four to eight people. Price range is \$8,000 - \$80,000.



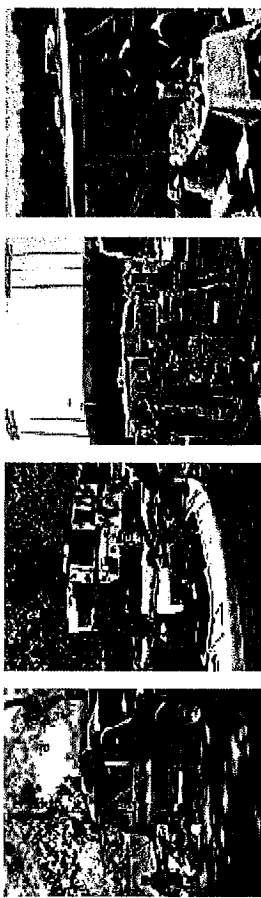
Fifth-Wheel Travel Trailer — This RV can be equipped the same as a conventional travel trailer but is constructed with a raised forward section that allows a bi-level floor plan. This style is designed to be towed by a pickup truck equipped with a device known as a fifth-wheel hitch. Sleeps up to eight people. Price range is \$10,000 - \$120,000.



Folding Camping Trailer — A lightweight RV with collapsible sides for towing by typical family vehicles. Set up, it provides kitchen, dining, sleeping and often bathroom facilities for up to eight people. Price range is \$4,000 - \$13,000.



Truck Camper — An RV designed to be loaded onto the bed or chassis of a truck. Most have kitchen, dining, sleeping and bathroom facilities. Typically sleeps two to six people. Price range is \$5,000 - \$45,000.



Why People RV:

There are many reasons why people RV. Primarily, they use RVs to enhance their enjoyment of their favorite activities. RVs allow people to pursue their passions. Here are some other reasons why people like to RV.

Lure of the outdoors — RVers can enjoy the mountains, beaches, parks, popular tourist attractions and small towns whenever they want, with all the comforts of home.

Versatility — In addition to travel, camping and outdoor recreation, RVs are used year-round for a wide variety of other purposes, like shopping, tailgate parties at sporting events, pursuing special interests like horse, dog and antique shows and other hobbies.

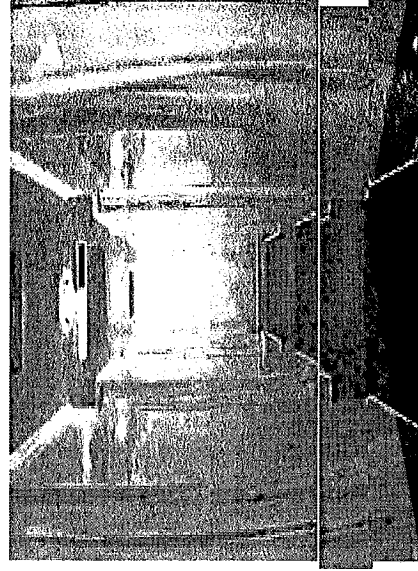
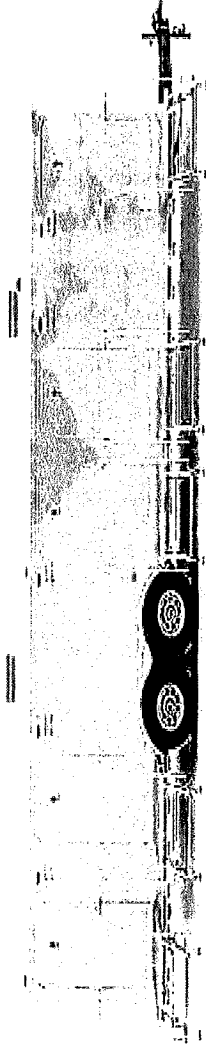
Family appeal — RVing is a uniquely enjoyable way to travel as a family. In fact, families that frequently vacation by RV say it fosters an increased sense of togetherness and helps improve family communication. RV owners say that strengthening family relationships is important for their pleasure trips.

Flexibility and convenience — RVs offer a convenient, hassle-free way to travel. RV travelers enjoy the freedom and flexibility to go where they want, when they want—without the worry and stress of inflexible schedules, advance reservations, airport waits and luggage restrictions.

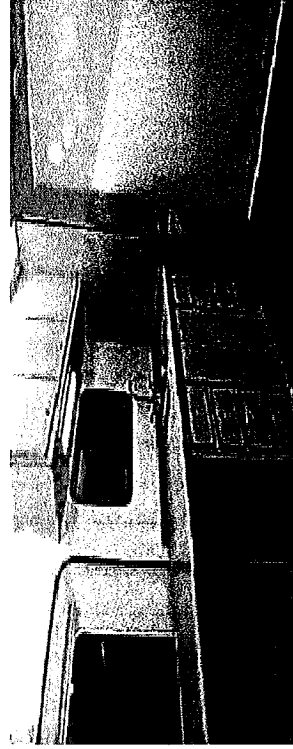
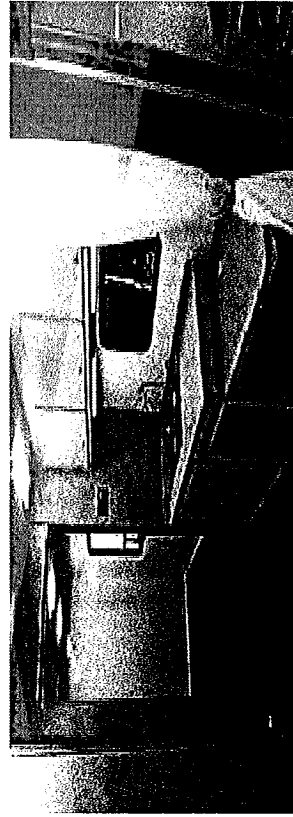
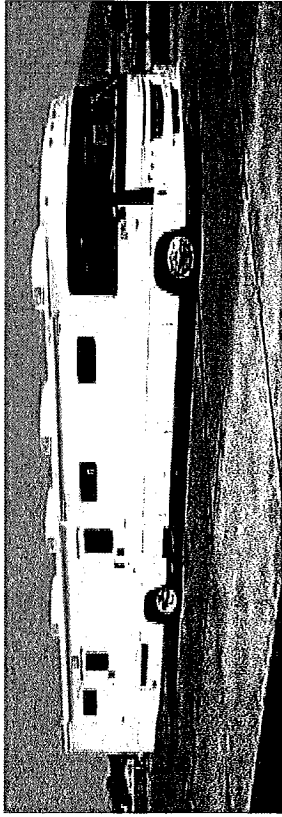
Comfort — With fully-equipped kitchens and baths, rooms that slide out at the touch of a button, central air and heat, flat-screen TVs, surround-sound stereos, washers/dryers and more, today's RVs provide travelers with all the amenities of home while on the road.

Affordability — RV vacations are more affordable than travel by personal car, commercial airline or cruise ship, according to vacation cost-comparison studies. Even factoring in RV ownership costs, and considering resulting tax benefits, a family of four can spend up to 74 percent less when traveling by RV.

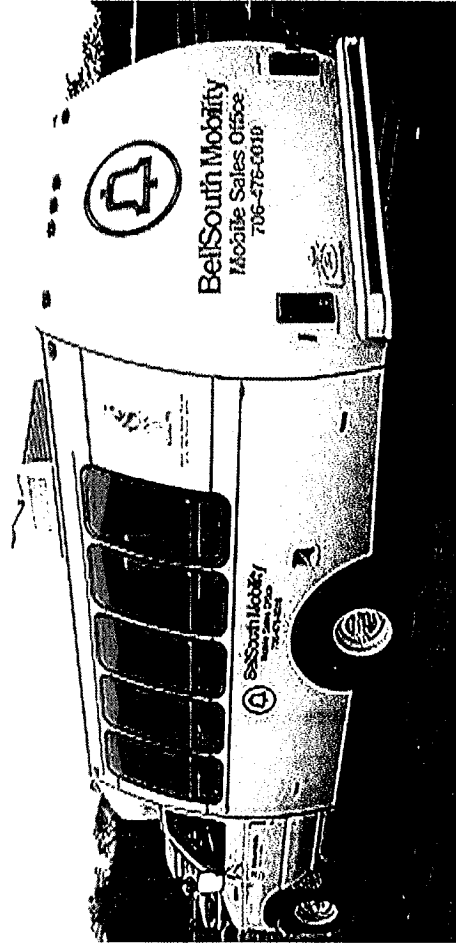
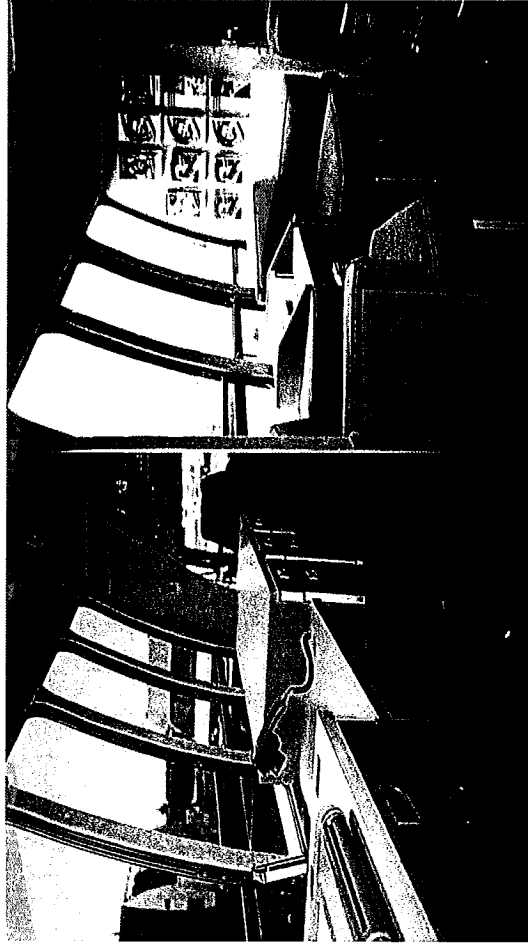
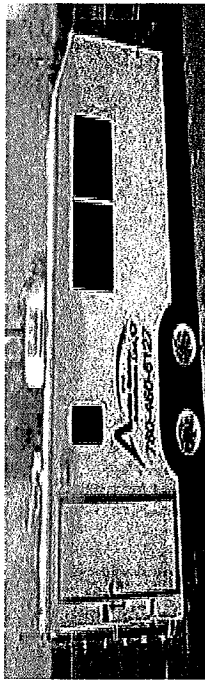
Shower Trailers



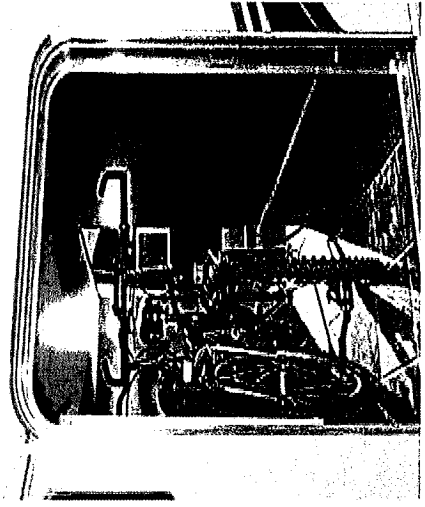
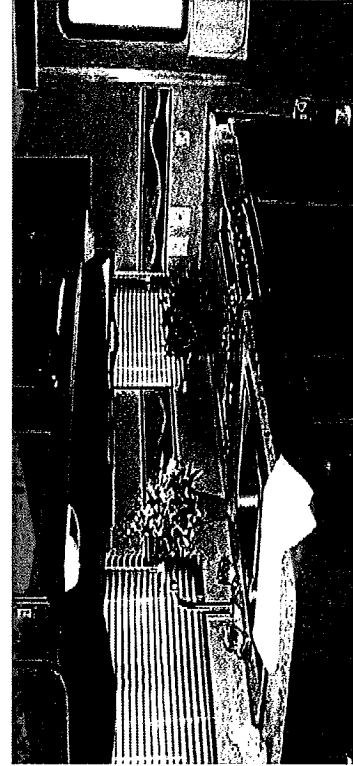
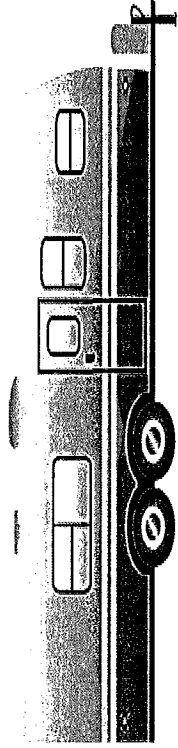
Medical & Dental Clinics



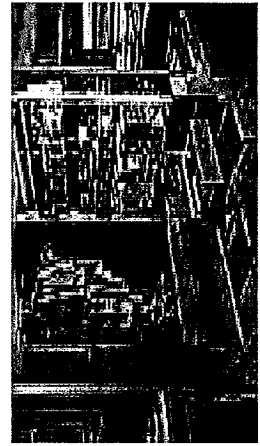
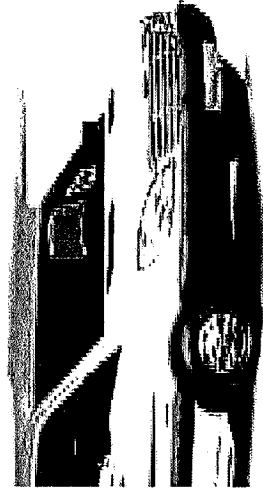
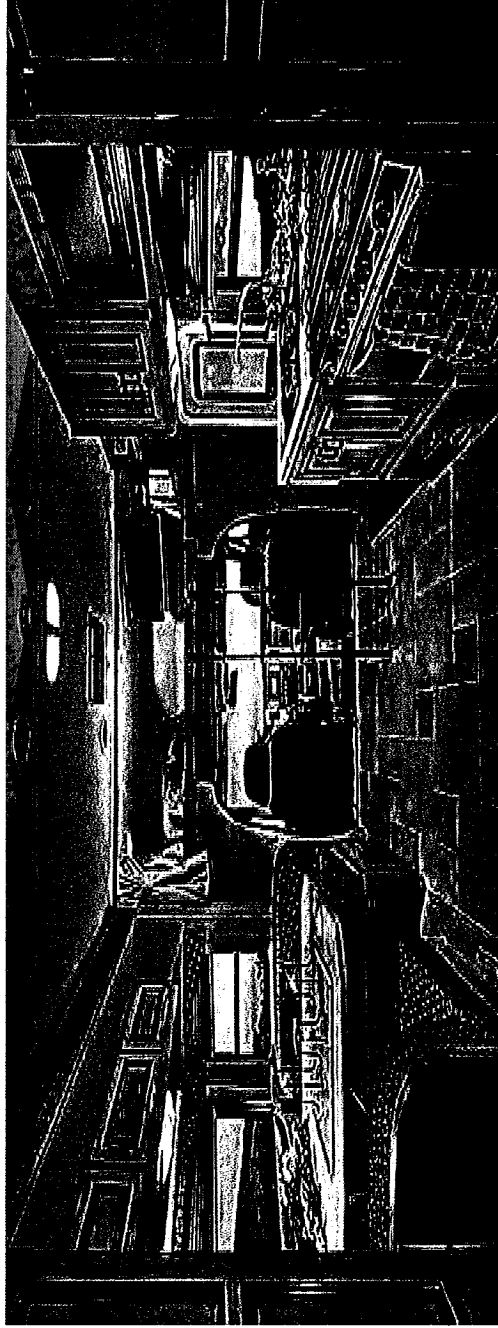
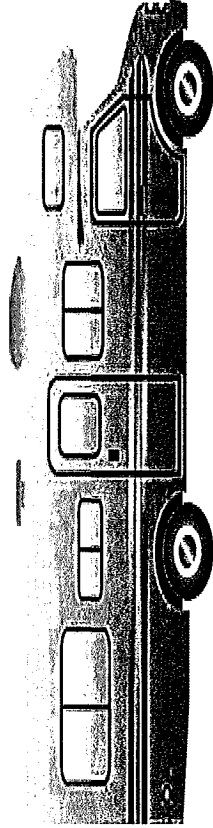
Offices



Temporary Shelter Travel Trailer



Temporary Shelter Type C Motorhome



中国第一家汽车露营主题网站

旅居时代 汽车露营网

WWW.RACCC.COM (RV, AutoCamping, Campsites in China)

中文 English



CIVD Delegation of Highest Level Visited China in 2012

From February 7 to 13, 2012, a distinguished delegation of eight core member of CIVD (Caraning Industrie Verbandes Deutschland) visited China.

The visiting members include CEO of big RV companies with 80-90% of market share in Germany, marking the unprecedented presence of CIVD in China this time. Racc. Com escorted the delegation as an official inviting media.

Eight CIVD members are as below:

Hans-Klaus Förtsch: Managing Director of Fendt-Caravan GmbH/ CIVD President

Hermann Anton Pfaff: President of Hymer AG / CIVD Vice President

Hans-Karl Sternberg: Director General of CIVD/ Secretary General of the European Caravan Federation (ECF)

Michael Tregner: Managing Director of Knaus Tabbert GmbH/ board members of CIVD/ CIVD Board Member

Jürgen Albert Vöhringer: Managing Director of Vöhringer GmbH/ board members of CIVD

Markus Winter: Managing Director of LMC Caravan GmbH & Co. KG / board member of CIVD

Daniel Onggowinarso: Technical Manager of CIVD/ Member of the ECF's Technical Committee

Thomas Fritz: Managing Director of Dethleffs GmbH & Co. KG

Concerning the major purpose to visit China this time, Hans-Karl Sternberg, the secretary general of CIVD said that, "In Europe, the annual production of 150,000 RV creates the production value of 5.8 billion euro (\$ 7.5 billion). It is only the production value of new RVs. Before the financial crisis in 2008, the RV industry in the Europe had done well. Yet the development in recent years is not quite satisfactory. We hope that the annual sales of 200,000 in the past can be recovered. Of course, Europe is still a major market for RV. But other countries are also important for the realization of the value-added

performance. There are two objectives of the delegation: 1, communicate with representatives of Chinese governmental functionaries and partners and learn about the status quo of the policy and market environment for the access of European RV into China; 2, China Automobile Trading Co., Ltd (CATA) intends to acquire RVs from Germany. This time we will have a further talk with CATA. We believe that the European products and performance features fit needs of Chinese and hope to make a good preparation for the entry of our products into China.”

From February 7 to 13, the CIVD delegation held seminars with raccc.com, Begap, CTS, Zoemo, Centech and CATC respectively to learn more about the current status of the RV market in China.



Group Photo of CIVD with CTS(starting from left:)

- Fan Dongsheng**, Director of Development department of CTS (first from left)
- Jürgen Albert Vöhringer**: Managing Director of Vöhringer GmbH(second from left)
- Markus Winter**: Managing Director of LMC Caravan GmbH & Co. KG (third from left)
- Tian Qun**, Deputy general manager of CTS (fourth from left)
- Michael Tregner**: Managing Director of KnausTabbert GmbH (fifth from left)
- Hans-Klaus Förtsch**, Managing Director of Fendt-Caravan GmbH (sixth from left)
- Wang Dongping**, General manager of CTS (seventh from left)
- Hans-Karl Sternberg**: Director General of CIVD/ Secretary General of the European Caravan Federation (sixth from right)
- Hermann Anton Pfaff**: President of Hymer AG (fifth from right)
- Thomas Fritz**: Managing Director of Dethleffs GmbH & Co. KG (fourth from right)
- Daniel Onggowinarso**: Technical Manager of CIVD / Member of the ECF's Technical Committee(third from right)
- Seering Xing** , Publisher of raccc.com(China first cars camping web media), (second from right)
- Zhang Yuhong**, vice director of Division Two of CTS (first from right)

Will Chinese Market Be a Hope for the Recovery of European RV Industry?

China Travel Service Group (CTS) announced for the first time its ten-year development plan of RV business during the delegation's visit that 50 RV campsites will be built by 2015; 500 RV campsites will be created through various operation modes by 2020 with the annual sales of 40,000 in China. The company will go to Germany to acquire the first batch of RVs in March 2012.

CATC will gradually purchase German RV for the preliminary exploration of the Chinese market.

Hans-Klaus Förtsch, Managing Director of Fendt-Caravan GmbH noted that, this trip to China allowed them to realize a huge market potential in China. His comments are echoed by Hans-Karl Sternberg, the secretary-general of CIVD by saying that the Chinese market has broad prospects. However, they hold that in the short run the set-up of joint ventures for RV production in China would not be considered due to the current RV ownership of thousands of RV in China. The timing of launching the joint venture depends on the size of RV ownership.

Numerous outstanding issues to be resolved for the large-scale RV entry into China

1, In the short run, high tariffs remain obstacles

In the short term, Europe remains the main market of the European RV, as the China's high tariffs remain a headache for European RV producers. Michael Tregner, the Managing Director of KnausTabbert GmbH noted that they are also more concerned about the high import tariffs.

2, The VIN of most European motorhome does not meet standards of the Chinese motor vehicle entry inspection.

Since March 1, 2008, the "Notice on the Entry Verification Administration on Vehicle Inspection Number (VIN) of Imported Motor Vehicles" has been put into effects in China. It stipulates that the VIN of imported motor vehicles shall comply with the requirements of the national mandatory standards set forth in the "Road Vehicle-Vehicle Identification Number"(GB16735-2004). Motor vehicles failing to meet above standards will be banned by the agency of inspection and quarantine and will be prohibited from the registration formalities by the public security organs. There are similar EU regulations on VIN which are less strict than rules in North America, as the VIN in Europe does not include the data on production year, plants or vehicle attributes.

In addition, many motorhome manufacturers in Europe remodel vehicles based on the semi-finished chassis with VIN or make the terminal production of Leisure Vehicle. This means that they can not change the original VIN at will. And it does not comply with the entry inspection criteria for imported vehicles.

CIVD has realized above issues and expects to work with Chinese partners to resolve them gradually before the maturation of European Leisure Vehicle market.

3, The boom of private car travel will promote the development of RV business and the concepts of holiday remain to be cultivated.

Hans-Klaus Förtsch, Managing Director of Fendt-Caravan GmbH believes that in a populous country like China, the short-term tours within 100 km are going to popular; In addition, if people prefer to travel by own cars, it is a great opportunity for RV market development. The RV market in Europe also went through a development process from self-drive excursions, long-distance and global travel and to nature camping vacation. However, the holiday concepts of Chinese people who just step into the automobile society need to be guided and gradually cultivated.

According to the CIVD data, in the fiscal years of 2010/2011, the total sales of European RV (self-propelled RV+ towed RV) came to 154,800, a slight increase of 1.1% on yearly basis. Now it is still at the moderate development stage in Europe. The European RV industry has paid attention to and made its first step of exploration into the Chinese market, which is emerging at the initial stage in its bid to maintain its dominance in the global industry. (reported by racc.com)

Opportunity Title:	Market Development Cooperator Program 2012
Offering Agency:	Department of Commerce
CFDA Number:	11.112
CFDA Description:	Market Development Cooperator Program
Opportunity Number:	ITA-MAS-OPCM-2012-2003089
Competition ID:	2243137
Opportunity Open Date:	01/03/2012
Opportunity Close Date:	02/21/2012
Agency Contact:	The agency contact is Mr. Brad Hess, Director, Market Development Cooperator Program, Manufacturing and Services, ITA, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Room 3215, Washington, D.C. 20230. The email and telephone contacts are as follow: Brad.Hess@trade.gov and 202-482-2969

This electronic grants application is intended to be used to apply for the specific Federal funding opportunity referenced here.

If the Federal funding opportunity listed is not the opportunity for which you want to apply, close this application package by clicking on the "Cancel" button at the top of this screen. You will then need to locate the correct Federal funding opportunity, download its application and then apply.

This opportunity is only open to organizations, applicants who are submitting grant applications on behalf of a company, state, local or tribal government, academia, or other type of organization.

* Application Filing Name:

Mandatory Documents

- Budget Narrative Attachment Form
- Project Narrative Attachment Form
- Budget Information for Non-Construction Program CD511 Form
- Assurances for Non-Construction Programs (SF-42)

Move Form to Complete

Move Form to Delete

Mandatory Documents for Submission

-

Optional Documents

- Other Attachments Form
- Disclosure of Lobbying Activities (SF-LLL)

Move Form to Submission List

Move Form to Delete

Optional Documents for Submission

-

Instructions

- 1** Enter a name for the application in the Application Filing Name field.

 - This application can be completed in its entirety offline; however, you will need to login to the Grants.gov website during the submission process.
 - You can save your application at any time by clicking the "Save" button at the top of your screen.
 - The "Save & Submit" button will not be functional until all required data fields in the application are completed and you clicked on the "Check Package for Errors" button and confirmed all data required data fields are completed.
- 2** Open and complete all of the documents listed in the "Mandatory Documents" box. Complete the SF-424 form first.

 - It is recommended that the SF-424 form be the first form completed for the application package. Data entered on the SF-424 will populate data fields in other mandatory and optional forms and the user cannot enter data in these fields.
 - The forms listed in the "Mandatory Documents" box and "Optional Documents" may be predefined forms, such as SF-424, forms where a document needs to be attached, such as the Project Narrative or a combination of both. "Mandatory Documents" are required for this application. "Optional Documents" can be used to provide additional support for this application or may be required for specific types of grant activity. Reference the application package instructions for more information regarding "Optional Documents".
 - To open and complete a form, simply click on the form's name to select the item and then click on the => button. This will move the document to the appropriate "Documents for Submission" box and the form will be automatically added to your application package. To view the form, scroll down the screen or select the form name and click on the "Open Form" button to begin completing the required data fields. To remove a form/document from the "Documents for Submission" box, click the document name to select it, and then click the <= button. This will return the form/document to the "Mandatory Documents" or "Optional Documents" box.
 - All documents listed in the "Mandatory Documents" box must be moved to the "Mandatory Documents for Submission" box. When you open a required form, the fields which must be completed are highlighted in yellow with a red border. Optional fields and completed fields are displayed in white. If you enter invalid or incomplete information in a field, you will receive an error message.
- 3** Click the "Save & Submit" button to submit your application to Grants.gov.

 - Once you have properly completed all required documents and attached any required or optional documentation, save the completed application by clicking on the "Save" button.
 - Click on the "Check Package for Errors" button to ensure that you have completed all required data fields. Correct any errors or if none are found, save the application package.
 - The "Save & Submit" button will become active; click on the "Save & Submit" button to begin the application submission process.
 - You will be taken to the applicant login page to enter your Grants.gov username and password. Follow all onscreen instructions for submission.

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): _____ * Other (Specify): _____
* 3. Date Received: Completed by Grants.gov upon submission.	4. Applicant Identifier: RVIA	
5a. Federal Entity Identifier: MAS, ITO, DOC	5b. Federal Award Identifier: _____	
State Use Only:		
6. Date Received by State: _____	7. State Application Identifier: _____	
8. APPLICANT INFORMATION:		
* a. Legal Name: Recreation Vehicle Industry Association, Inc.		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 381776441	* c. Organizational DUNS: 0748326680000	
d. Address:		
* Street1: 1896 Preston White Drive	_____	
Street2:	_____	
* City: Reston	_____	
County/Parish: Fairfax	_____	
* State:	VA: Virginia	
Province:	_____	
* Country:	USA: UNITED STATES	
* Zip / Postal Code: 20191-0000	_____	
e. Organizational Unit:		
Department Name: N/A	Division Name: N/A	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Mr.	* First Name: Craig	_____
Middle Name: A.	_____	
* Last Name: Kirby	_____	
Suffix:	_____	
Title: Vice President & General Counsel		
Organizational Affiliation: N/A		
* Telephone Number: 703-620-6003 x312	Fax Number: 703-620-5071	
* Email: ckirby@rvia.org		

Application for Federal Assistance SF-424

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

N: Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 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-MAS-OPCM-2012-2003089

* Title:

Market Development Cooperator Program 2012

13. Competition Identification Number:

2243137

Title:

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

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

RVIA's Asia Export Initiative's goal is to increase exports to China and Japan, pursue adoption of RV and campground standards in China compatible with U.S. standards and remove regulatory obstacles

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

b. Program/Project

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

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="300,000.00"/>
* b. Applicant	<input type="text" value="1,163,621.00"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="1,463,621.00"/>

* 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

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: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative:

* Date Signed:

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. MDCCP	11.112	\$	\$	300,000.00	1,163,621.00	1,463,621.00
2.						
3.						
4.						
5. Totals		\$	\$	300,000.00	1,163,621.00	1,463,621.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
a. Personnel	\$ 814,000.00	\$	\$	\$	814,000.00
b. Fringe Benefits	94,611.00				94,611.00
c. Travel	321,510.00				321,510.00
d. Equipment	10,000.00				10,000.00
e. Supplies	1,500.00				1,500.00
f. Contractual					
g. Construction					
h. Other	75,000.00				75,000.00
i. Total Direct Charges (sum of 6a-6h)	1,316,621.00				1,316,621.00
j. Indirect Charges	147,000.00				147,000.00
k. TOTALS (sum of 6i and 6j)	\$ 1,463,621.00	\$	\$	\$	1,463,621.00
7. Program Income	\$ 0.00	\$	\$	\$	

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. MDCE	\$ 1,163,621.00	\$ 0.00	\$ 0.00	\$ 1,163,621.00	
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)	\$ 1,163,621.00	\$	\$	\$ 1,163,621.00	

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:	Domestic Fringe Benefits 10.9%
22. Indirect Charges:	Compared to Direct Charges 11%
23. Remarks:	Foreign Fringe Benefits 12%

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.

<p>* SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p><i>[Handwritten Signature]</i></p> <p>Completed on submission to Grants.gov</p>	<p>* TITLE</p> <p>Vice President & General Counsel</p>
<p>* APPLICANT ORGANIZATION</p> <p>Recreation Vehicle Industry Association, Inc.</p>	<p>* DATE SUBMITTED</p> <p>2/21/12</p> <p>Completed on submission to Grants.gov</p>

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

Statement for Loan Guarantees and Loan Insurance

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:

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.

(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.

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.

(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.

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

* NAME OF APPLICANT

Recreation Vehicle Industry Association, Inc.

* AWARD NUMBER

* PROJECT NAME

RVIA Asia Export Initiative

Prefix:

Mr.

* First Name:

Craig

Middle Name:

A.


* Last Name:

Kirby

Suffix:

* Title: Vice President & General Counsel

* SIGNATURE:

Completed by  upon submission.

* DATE:

2/21/97
Completed by Grants.gov upon submission.