

Grant Application Package

Opportunity Title:	Market Development Cooperator Program 2015
Offering Agency:	Department of Commerce
CFDA Number:	11.112
CFDA Description:	Market Development Cooperator Program
Opportunity Number:	ITA-INA-OPCM-2015-2004375
Competition ID:	2515595
Opportunity Open Date:	03/10/2015
Opportunity Close Date:	04/27/2015
Agency Contact:	Mr. Brad Hess, Director Market Development Cooperator Program Industry & Analysis ITA, U.S. Department of Commerce 1401 Constitution Avenue, N.W., Room 20025 Washington, D.C. 20230

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: Recreation Vehicle Industry Association, Inc.

Select Forms to Complete

Mandatory

[Application for Federal Assistance \(SF-424\)](#)

[Project Narrative Attachment Form](#)

[CD511 Form](#)

[Budget Narrative Attachment Form](#)

[Assurances for Non-Construction Programs \(SF-424B\)](#)

[Budget Information for Non-Construction Programs \(SF-424A\)](#)

Optional

☐ [Other Attachments Form](#)

☐ [Disclosure of Lobbying Activities \(SF-LLL\)](#)

Instructions

[Show Instructions >>](#)

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.

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*** 2. Type of Application:**

- ☐ New
☒ Continuation
☐ 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: V.P. of Int'l Business & 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-INA-OPCM-2015-2004375

*** Title:**

Market Development Cooperator Program 2015

13. Competition Identification Number:

2515595

Title:

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

Add Attachment

Delete Attachment

View Attachment

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

RVIA's Asia Export Initiative's goal is to increase exports to China, Japan and S. Korea, pursue adoption of RV and campground standards 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="1,349,517.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,649,517.00"/>

*** 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:

Project Narrative File(s)

* Mandatory Project Narrative File Filename:

Add Mandatory Project Narrative File

Delete Mandatory Project Narrative File

View Mandatory Project Narrative File

To add more Project Narrative File attachments, please use the attachment buttons below.

Add Optional Project Narrative File

Delete Optional Project Narrative File

View Optional Project Narrative File

CERTIFICATION REGARDING LOBBYING

U.S. DEPARTMENT OF COMMERCE

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

LOBBYING

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

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

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

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

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

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:

* First Name:

Middle Name:

Mr.

Craig

A.

* Last Name:

Suffix:

Kirby

* Title: V.P. of Int'l Business & General Counsel

* SIGNATURE:

* DATE:

Completed by Grants.gov upon submission.

Completed by Grants.gov upon submission.

Budget Narrative File(s)

* Mandatory Budget Narrative Filename:

Add Mandatory Budget Narrative

Delete Mandatory Budget Narrative

View Mandatory Budget Narrative

To add more Budget Narrative attachments, please use the attachment buttons below.

Add Optional Budget Narrative

Delete Optional Budget Narrative

View Optional Budget Narrative

ASSURANCES - NON-CONSTRUCTION PROGRAMS

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

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

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

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

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

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

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
Completed on submission to Grants.gov	V.P. of Int'l Business & General Counsel
APPLICANT ORGANIZATION	DATE SUBMITTED
Recreation Vehicle Industry Association, Inc.	Completed on submission to Grants.gov

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 06/30/2014

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. MDCP	11.112	\$	\$	\$ 300,000.00	\$ 1,349,517.00	\$ 1,649,517.00
2.						
3.						
4.						
5. Totals		\$	\$	\$ 300,000.00	\$ 1,349,517.00	\$ 1,649,517.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	MDCP				
a. Personnel	\$ 1,080,750.00	\$	\$	\$	\$ 1,080,750.00
b. Fringe Benefits	125,367.00				125,367.00
c. Travel	443,400.00				443,400.00
d. Equipment	0.00				
e. Supplies	0.00				
f. Contractual	0.00				
g. Construction	0.00				
h. Other	0.00				
i. Total Direct Charges (sum of 6a-6h)	1,649,517.00				\$ 1,649,517.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 1,649,517.00	\$	\$	\$	\$ 1,649,517.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$

Authorized for Local Reproduction

Standard Form 424A (Rev. 7-97)
Prescribed by OMB (Circular A-102) Page 1A

SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.		\$ 1,349,517.00	\$ 0.00	\$ 0.00	\$ 1,349,517.00
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$ 1,349,517.00	\$	\$	\$ 1,349,517.00

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 11.6%	22. Indirect Charges: 0
23. Remarks:	



I. Background of and Market Potential for Recreation Vehicles ("RVs")

This proposal focuses on ITA's priorities. It creates U.S. jobs (through exports), increases exports to China (as well as Korea and Japan), involves a transportation equipment industry (RV industry), helps U.S. businesses secure export financing (RVIA working with U.S. based lending institutions), engages more U.S. businesses in major international trade shows and other foreign outreach activities (i.e. RVIA educating its members and coordinating efforts for RV shows and rallies in China, Korea and Japan), helps current exporters to expand to more markets (RVIA educating its membership on China, Korea and Japan and making it easier for them to conduct business in those markets), addresses non-tariff barriers to U.S. exports such as regulatory and standard obstacles (there are currently many regulatory obstacles RVIA will be addressing because RVs are a new or relatively new product to the markets or categorized incorrectly) and encourages the adoption of standards that are industry-developed, market driven, science-based and internationally recognized (this will be pursued through RVIA's standards workshops).

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

(i) 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). Types of towables include folding camping trailers, truck campers, conventional travel trailers and fifth-wheel travel trailers. RVIA also represents Park Model RVs, which are meant more for seasonal camping and not designed to be towed on a daily basis. (See www.rvia.org and www.gorving.com for picture and description of each RV type.)

(ii) RV Manufacturers and Component Part Suppliers. There are approximately 70 RV manufacturers and over 300 suppliers associated with the RV industry 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.

(iii) 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 2014 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, South Korea and Japan

At the 3rd World RV Conference held in February 2015, a senior executive of the China Association of Automotive Manufacturers ("CAAM") made the bold claim that by 2020 the China RV market would be 350,000 units, with over 1 million RV units in operation. That kind of speculation seems very optimistic. However, as history demonstrates, China became the world's largest market for automobiles in less than 20 years. (Twenty-three million units were sold in 2014.) If we can learn anything from China's auto industry, it is that China's emerging economy harbors a great deal of potential for RVs. As the Chinese government's current policies make apparent, it is lending its full support to the RV and campground industries. This is increasing consumer awareness of the RV lifestyle, which in turn spurs market demand. All of these factors, compounded by China's continued economic growth, make us confident that China will become a major market for RVs.



Chinese government fully supports the RV and camping industries. Increasingly, RVIA has been met by very positive responses from government officials at both the national and provincial levels. During RVIA's most recent trade mission last November, RVIA met with a ministerial level official from the Ministry of Transport ("MOT"). The MOT official shared with RVIA that the **State Council's (China's cabinet) latest pronouncement called for growing the RV and camping industries.** He was very positive about MOT's role in implementing measures that will resolve existing regulatory issues faced by the industry. RVIA also learned that MOT is in the process of forming a national RV association to provide a unified voice for the industry. Over the past few years, RVIA has noticed significant progress in the Chinese government's policies with regard to its tourism economy, in general, and the RV and the camping industries, in particular. Set forth below are some highlights:

1. In February 2013, the National Development and Reform Commission ("NDRC") and China National Tourism Administration ("CNTA") published an outline related to civil tourism and leisure, the "National Vacation and Leisure Outline," which clarifies and legitimizes paid leave for vacations and leisure activities;
2. **In August 2014, the State Council asked "to develop campgrounds and campground standards [and to] update and complete measures for towing travel trailers."** This was the first time that China's cabinet gave specific instructions to the ministries regarding developing standards and measures to promote RVing and camping;
3. **In October 2014, at a cabinet session chaired by Premier Li Keqiang, the State Council appointed the RV and camping industry as one of the 6 economic growth areas the government is focusing on "promot[ing] consumer spending on tourism and leisure activities;"**
4. **As a direct result of the State Council's pronouncement, in April of this year the Ministry of Public Security (China's equivalent of police, sheriff, highway patrol, and DMV in the states) instructed its counterparts in all provinces to correct the mistake that had disallowed towing travel trailers on highways and in cities.** This could relax regulations related to the use of travel trailers and motorhomes and may allow a broader adoption of the RV lifestyle by Chinese tourists and vacationers; and
5. CNTA, working through its affiliate in the Standardization Administration of China (China's top agency for all standards), will publicize China's first national standard on campgrounds this May. The national standard will also serve as a framework for campground standards developed at the provincial level.

Large numbers of campgrounds are being developed across the country. Encouraged by the central government, an increasing number of provinces have introduced financial incentives to subsidize the development of campgrounds and other infrastructure projects to accommodate RVing and camping. These provinces have either designated monies, or are in the process of setting an annual budget, to subsidize campground owners and developers. The State Council has also demanded that local governments designate land for tourism projects, including campgrounds. According to media reports, last year alone, approximately 50 campgrounds became operational. As the trend for destination camping continues in China, we expect that even more campgrounds will open for business in the near future. As claimed by the CAAM official mentioned previously, China will have over 10,000 campgrounds by 2020. Clearly, the time is now to ensure that the campground standards being developed in China will accommodate U.S. RVs.

Increasing consumer awareness of the RV lifestyle and the rapid growth of market demand. The Chinese government's progressive policies on RVing and camping reflect its strong motivation to grow



the tourism economy, in response to demands by Chinese consumers for more discretionary spending alternatives. According to CNTA, for the past 3 years more Chinese tourists and vacationers have taken trips by self-driving than by guided tours. Consumers are purchasing SUVs and pickup trucks in an effort to “upgrade” from their first car. Still more are considering RVs as a better option for road trips, as more of the population becomes aware of the lifestyle. Since 2014, RV rallies, self-guided RV tours and other camping activities have emerged in many provinces in China. RV enthusiasts have been taking road trips crossing Asia into Europe. Tour operators have started offering RV tours in Europe, Australia, New Zealand and the U.S. As reported by one campground franchise in New Zealand, the number of Chinese RVers has increased dramatically in recent years and is now ranked at number 5, after Australia, Germany, UK and the U.S. These Chinese RVers will certainly become the “ambassadors” of RVing and camping in China and will undoubtedly help disseminate the culture and lifestyle.

The expanding market demand is reflected in China’s imports of RVs. According to statistics (travel trailers only) provided by China Customs, from 2011 through 2014, China’s RV imports increased at an average rate of 75% annually, the U.S. being the number one country of origin. According to the Department of Commerce, U.S. RV exports to China amounted to \$67,941,000 for 2013 and 2014. The current business model for most Chinese campgrounds places travel trailers and park model RVs as rental units in campgrounds. U.S.-made RVs, particularly travel trailers and park model RVs, have been a favorite of Chinese campground owners due to their luxury and comfortable features. As the issue of towing travel trailers on highways is resolved, RVIA believes U.S. exports will continue to grow.

South Korea - The Korean RV market is growing. There are now over 4 million Korean campers utilizing the over 2000 campgrounds throughout Korea. A popular Korean television show featured a family using an RV, which has created broad consumer awareness of the RV lifestyle.

U.S. motorhomes cannot currently pass the Korean emission standards so they are not being imported. Motorhomes need to have their own vehicle classification created with less stringent emission requirements. RVIA plans to address this important issue as outlined in this proposal.

U.S. RV exports to Korea last year were \$8,720,000, up almost 25% over the prior year. These are strong numbers considering the Europeans currently dominate the market and to this point RVIA has not really focused on Korea.

Korea has a strong RV association called the Korean Caravanning and Camping Federation (“KCCF”). KCCF is a member of the International Federation of Camping and Caravanning (“FICC”), a European organization. There are basically no campground regulations in Korea and campgrounds are being constructed without any uniform standards. Korea’s Ministry of Culture, Sports & Tourism (“MCST”) is currently considering adopting FICC standards, designating KCCF as the certifying authority. For this reason, it is imperative that we work with the U.S. government now through this MDCP to ensure that the campground standards developed accommodate U.S. RVs.

Due to the existing free trade agreement between Korea and the U.S. and the ever increasing interest in RVs, Korea is an excellent market to pursue.

Japan - RVIA can assist Japan with its disaster recovery by exporting RVs to Japan for post-disaster assistance. RVs can provide temporary shelter and/or commercial space for use by private citizens, reconstruction workers, businesses, government entities, non-governmental organizations and others near and/or in the disaster areas. As self-contained units, 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. 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. Likely purchasers of these products would be the central and local governments.

As the use of RV disaster relief products grows, we are confident that such exposure will also help grow the traditional RV market.

C. RV Exports are Critical to Job Growth

JOBS. JOBS. JOBS. That is what will be created under a new MDCP as the industry ships more products to Asia. Generally speaking, RV production is not automated as is the automotive industry. In fact, it is very labor intensive. The Department of Commerce personnel that have taken plant tours are always surprised to see that the units are hand built, from the custom cabinets to the wiring, plumbing, floors, walls and roof; it is all done by hand. Remember, these are houses on wheels so you have all of the same components of your home, and in the case of a motorhome, the same components you find in a motor vehicle.

Increases in production can only be met through hiring additional labor. Through RVIA's research and automotive studies, RVIA has determined that on average a new RV manufacturing job is created for every 6.3 units exported. (This number was arrived at by dividing the number of full time employees in the industry by the number of units produced in the industry and the fact that manufacturers are currently running at full capacity.) In addition, there is the "indirect jobs" multiplier. All of the suppliers providing components to the final stage manufacturer need to hire more people to meet the extra demand for their components. RVIA used a study that determined the "indirect job" multiplier for the automotive industry is 3.7. So for every new job created at the RV manufacturing level, 3.7 additional jobs are created at the component manufacturing level. This multiplier number is likely to be even higher for the RV industry due to the sheer volume of components in an RV as compared to a car. **The bottom line is that for every 1,000 RVs exported, 746 jobs are created – 159 at the final stage RV manufacturer level and 587 at the component manufacturer level.**

D. Local and Third-Country Competitors in China, Korea and Japan

China - Back in 2012 when RVIA received the initial MDCP award and started pursuing our agenda in China, there were approximately 20 Chinese manufacturers who offered very limited choices of RV products. Most of these companies were primarily engaged in other industries (i.e., automobiles, military vehicles, etc.). RVIA had opportunities to inspect many domestically-produced RVs during trade missions to China. All of the units were expensive, and, compared with U.S.-built RVs, technologically deficient and poorly constructed. The product was also not being built to any kind of established standard, so safety was a concern.

Today, we see a different competitive landscape in China. First of all, there are a lot more domestic manufacturers. China now has 56 manufacturers with over 150 models. Most of these models are motorhomes that lack features, functions and build quality found in U.S.-made motorhomes. However, these locally produced motorhomes are sold for a quarter of the import price. China's heavy import duties and taxes really add to the cost of imports, making imported motorhomes close to 3 times the prices paid in the U.S. For travel trailers, local manufacturers are offering barebone units to campgrounds. However, the campground and RV rental fleet owners understand that they need quality-built products that can endure heavy usage if they are to establish a 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. Chinese campground owners also see the build quality and luxury



features in U.S.-made travel trailers and park model RVs as their selling points. They also want to have U.S.-made RVs in their campgrounds, because Chinese consumers highly value American products.

To combat local competition, the U.S. RV industry needs to educate the public, Chinese dealers and campground owners about the quality, durability and safety of U.S. RVs. RVIA also needs to assist campground owners in securing financing and obtaining campground management training. Most importantly, the U.S. government needs to pressure the Chinese government to lower or eliminate import duties and taxes on RVs because import duties and taxes is the only factor that hurts the competitiveness of U.S.-made RVs in China. Another effective strategy to assure the competitiveness of RVIA members is to set up knock-down assembly operations in China because knock-down kits are subject to much lower import duties and taxes.

In terms of third-country competitors, the U.S. manufacturers' major threat is European manufacturers (mainly Germany although France and Slovenia are increasing exports too). Germany has been exporting to China for a few years and has shown a significant increase in 2014 (a 63% increase over 2013 in terms of the number of travel trailers according to China Customs), which makes RVIA's Initiative even more critical. If we scale back RVIA's efforts in China now, we are risking being overtaken by the Europeans and losing the ground we have gained over the past few years.

Korea - There are approximately 5 Korean RV manufacturers. The domestic units are very expensive because they are primarily built with German components. Overall, the Korean market is mostly made up of European RVs. There are 10 Korean importers of European brands. However, the European products tend to be significantly more expensive than U.S. built RVs. Because U.S. RVs are so price competitive and tend to be larger than the domestic or European products, they should be able to capture a majority of the destination camping market. Destination camping is relatively new in Korea, but the infrastructure and campgrounds are in place. RVIA believes it can significantly grow the market because Korean RVs tend to be less desirable due to their lack of features. Korean campground owners are now exploring the opportunity of importing U.S.-made travel trailers and park model RVs for campground rental application. This trend will continue as outdoor and camping culture is becoming popular among the Koreans. U.S. motorhomes should also prove to be popular once the emission requirements are lessened.

Japan - The domestic Japanese RV market is quite limited and does not have the same capacity for production as enjoyed by U.S. manufacturers. Additionally, RVIA does not know of any competitors in Japan that build the types of disaster relief and recovery units that RVIA's members produce. 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, South Korea and Japan Market Economic Conditions and the Likelihood that Potential Buyers will Purchase U.S. RVs

China - For over 30 years, China's economy has seen rapid growth. GDP growth averaging about 10% a year has helped China become the second largest economy in the world. The increase in China's economic size means that slower growth now generates as much additional demand as its turbo-charged growth did just a short time ago. According to Nielsen Holdings, a leading global information and measurement company, China could see household consumption rise from the current level of 35% of GDP to between 45 and 50% by 2020. The upper end of this range amounts to additional spending of approximately 26.9 trillion yuan (approximately \$4.33 trillion) over 2012 levels – more than 18,500 RMB of additional consumption per capita, doubling consumption per capita in 2012. China is the number one automobile market. 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 2012 China Self-Driving Tourism Development:



Analysis and Forecast reports there were an estimated 1.36 billion people who took road trips to tourist destinations and vacations by driving, which accounted for almost 50% of the total number of tourists for the year of 2012. The growing trend of motor tourists is the prelude to the growing numbers of RVers.

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. The Chinese love the luxury and comfort American RVs provide. Campgrounds in China like to have U.S.-made RVs sited as rental units. Many first time Chinese campers get the taste of camping in an American RV and are hooked.

South Korea - South Korea over the past four decades has demonstrated incredible growth and global integration to become a high-tech industrialized economy. South Korea is currently the world's 12th largest economy. The US-Korea Free Trade Agreement went into effect in March 2012 minimizing import duties and tariffs for U.S. manufacturers. There are 13 natural recreational forests and over 2,000 campgrounds in South Korea. The camping culture started taking roots in recent years and currently there are 4 million campers in South Korea. As reported by the Wall Street Journal, "Camping is something South Koreans take very seriously... Koreans' love of the outdoors has kept the nation spending on camping products... There is also a trend towards harmony with nature and well-being... that has made people interested in camping." Korean people love American brands. RVs represent the American lifestyle and love of the great outdoors, which appeals to Korea's growing population of campers. As more American RVs are introduced to the market and more Korean campers are "upgrading" from tent camping to RV camping, American RVs will become the top choice due to build quality, comfort and competitive pricing not offered by European imports and locally produced RVs.

Japan. See sections I B and D.

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

RVIA represents approximately 400 U.S. RV manufacturers and component part suppliers that produce approximately 98% of the RVs produced in the United States. RVIA also represents several Canadian manufacturers.

RVIA has a staff of 54 employees. The Association is made up of five departments, Standards & Education, Government Affairs, Public Relations & Advertising, Meetings & Shows and Legal and International. All of these departments are staffed with seasoned professionals who are available as a resource to the Initiative. RVIA's current annual operating budget is approximately \$14 million, and it has over \$20 million in reserves. These are significant resources, which can be directed toward the industry's export objectives.

In addition to this trade association, the RV manufacturers and suppliers also have available resources to take advantage of foreign markets.

G. U.S. RV industry's ability to meet potential demand in China, South Korea and Japan

The U.S. industry's ability to meet market demand will not be an obstacle, when taking into account that prior to the 2008 downturn, the industry was producing over 400,000 units annually. 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. Labor is locally available and could be hired quickly in order to meet demand.



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, South Korea and Japan

China - As the China RV market grows, the after-sales service capability will grow. For motorhomes, services cover the chassis and the living quarters on top of the chassis. Many chassis manufacturers already have service facilities in China. These same facilities could be used by motorhome operators. Components found in living quarters of motorhomes and trailers (i.e. appliances, plumbing, lighting) are common to ordinary households in China. Services can be obtained through suppliers' service facilities or local trade-specific repairmen. 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. Some manufacturers have already established a dealer network for sales and service in the country and those dealers for the most part have been trained in the U.S. Eventually, RVIA would like to establish an RV technician training program in China like it has in the United States. The Internet-based training program in the U.S. makes it easy to reach technicians anywhere in the world.

Korea and Japan - In addition to the service options described above for Chinese consumers, Korea and Japan have existing RV dealer networks that are capable of servicing RVs and post-disaster assistance units.

II. Project Description, Timeline and Performance Measurement

A. Project Description.

As has been outlined herein, China, South Korea and Japan all have huge potential for RVs and RV related disaster relief and recovery products. RVIA is concluding its final year of its initial MDCP award, which began on October 1, 2012. By all accounts, RVIA has had many successes during this initial effort. However, without maintaining this momentum, many of our successes will likely be lost for the reasons described herein. The timing is perfect now because as described in this proposal, the Chinese government is focused on RVing and camping. Consequently, the potential for export growth is too large and the corresponding job growth too significant to drop the ball now. RVIA needs to continue its partnership with the International Trade Administration for both of us to reach our goals.

China - The primary focus of the initial MDCP has been China. Back in 2012, not only was there basically no RV industry in China and only a couple of tent style campgrounds, virtually nobody had ever even heard of an RV. RVIA has been trying to create an industry that is uniquely American from scratch. There were and to this day there are no equivalent organizations in China that RVIA could partner with to develop a market. RVIA has had to go into each meeting educating the audience on what exactly is an RV, how is it used in the U.S. and how could it be used in China, what are the standards and regulations that need to be developed or changed in order for the industry to grow, what kind of campgrounds need to be built, why should the government even care about establishing and growing the RV market to name just a few of the topics that always need to be addressed. Clearly, we are not a simple widget industry trying to break into a foreign market. We have a lot more ground to cover and obstacles to overcome when trying to establish an unknown product that requires so many governmental regulations in a country that is focused on higher priorities. All of this takes time. Despite these challenges, with the support of our partners from the Department of Commerce, we have accomplished a great deal during our initial MDCP. RVIA has been able to determine and meet with the government agencies and officials responsible for standards, road use regulations, campground development and other agencies that impact



the development and growth of the RV industry in China. We have even entered into Memorandum of Agreements with key government agencies. The most exciting news is that the government has now made the RV industry a priority. With the new government edicts, the various government agencies are just beginning to develop standards and regulations and the provinces are beginning to focus on campground development. The next three years will be critical to make sure the RV and campground standards that are developed do not lock RVIA out of the market. **It is imperative at this decisive juncture to have the resources, support and backing of the U.S. government for RVIA to have the necessary influence with all of these Chinese agencies to succeed. This is especially true for our industry because most of the standards that are being developed and regulations being addressed are safety related.** Having the U.S. government by our side adds to the legitimacy of RVIA being the expert on all things RV related.

Of concern, is that the Europeans are now aware of what is going on in China. Because their RV market is soft, they see China and other Asian markets as critical markets to their survival. We have recently learned that Caravanning Industrie Verband (“CIVD”) is considering hiring a representative in China to work their issues. CIVD is the lead RV association in Europe. The Chinese already have a proclivity toward European standards and products so it is critical that RVIA remain intimately involved during this developmental period.

Goal: Pursue Adoption of RV and Campground Industry-Developed Standards that do not lock U.S. Built RVs out of the China Market:

(i) RVIA Conducts RV Standards Seminars with CATARC, RIOH, Hanyang Institute and other Standard Setting Organizations in China. CATARC is the standards developing organization that drafted the first RV standard, which is a minimal, voluntary standard. It is notable that CATARC has an RV task force. RVIA has even entered into a Memorandum of Agreement with CATARC to work together to develop RV standards. CATARC plans on developing an overall framework within which a series of more comprehensive RV standards are to be written in the immediate future. It is critical for RVIA to continue working with CATARC and to make sure the standards framework and the relevant standards are not developed in a way that will lock U.S. products out of the China market.

China has adopted many European standards as its motor vehicle standards. (China has RV standards under its motor vehicle standards regime.) Therefore, RVIA is concerned that if it does not respond immediately, the Europeans will successfully establish European RV standards in China. 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: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has held at least one RV standards seminar annually in China

(ii) RVIA Conducts Campground Standard Seminars. Campground standards are now being developed at the provincial level. There is no one national mandatory campground standard being developed at this point in time. RVIA must be proactive and meet with the campground standard developers in the different provinces. RVIA is aware that the Europeans are actively promoting the European standard. It is critical that the U.S. campground standard be adopted because it accommodates U.S. style products and



European products, while the European standard could make it difficult to site many U.S. products due to size differences.

Additionally, RVIA will pursue a U.S. government to China government campground standard workshop with U.S. Forest officials and the Chinese equivalent. It is RVIA's understanding that China plans to work with U.S. Forest Service officials to develop an equivalent agency and personnel in China.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has held at least two campground standard seminars annually in China.

(iii) RVIA will work with Shanghai Motor Vehicle Inspection Center ("SMVIC") to address the unique China Compulsory Certification ("CCC") issues faced by RV manufacturers and develop a plan approval process. 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. Federal Motor Vehicle Safety Standards. RVIA has met with SMVIC, which is responsible for customs compliance at the Shanghai port, and they have said they are willing to work with RVIA on RV specific issues. Eventually, this could lead to RV-specific CCC requirements.

A key component of the SMVIC project is working to develop a RV plan approval process. Currently, manufacturers make their best guess as to how to comply with the CCC requirements. Unfortunately, if they guess wrong their vehicle could be held up at customs, potentially forever. RVIA and SMVIC have agreed to develop diagrams of all of the RV product types with notations on applicable CCC requirements highlighted on each vehicle diagram. RV manufacturers will then use those diagrams as a basis for developing the right product for China. The manufacturer will prepare schematics with all of the relevant dimensions and requirements of the CCC and email the plan to SMVIC for approval. In this way, SMVIC will have the opportunity to suggest changes or "approve" the plan before the unit is built and shipped to China. The "approved plan" will travel with the vehicle to China and should make for a more efficient and less costly customs process.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has created a plan approval process with SMVIC.

(iv) Invite Key Chinese Officials to a Dinner and Camping Event Hosted by Ambassador Baucus to Promote U.S. Standards, RVing and U.S. RVs. Ambassador Baucus is an avid RVer. It is our understanding that he takes an RV vacation every year. RVIA has been informed by the Ambassador's staff that he would be open to such an event.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has held at least one dinner and camping event with Ambassador Baucus.

Goal: Pursue the Inclusion of RV Definitions in the China Motor Vehicle Code, Develop Reasonable RV Road Use Regulations, Address Licensing and Registration Issues and Remove Regulatory Obstacles.

(v) RVIA Conducts an RV road use workshop with the Ministry of Transport and other applicable government agencies to address licensing, tolls, towing and other vehicle related issues. MOT is responsible for highway construction, maintenance, operations and related policies and regulations.



Additionally, MOT is responsible, along with other agencies, for vehicle specifications and licensing requirements. As such, they would be involved with any potentially related RV regulations. 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.

The MOT officials have 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: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has held at least one road use workshop a year.

Goal: Increase demand for U.S. RVs and post-disaster relief and recovery type products.

(i) Develop a simple standard U.S. RV purchase order form in Chinese and provide a resource for the translation of U.S. product brochures into Chinese. RVIA has heard complaints from the Chinese that U.S. RV purchase order forms are complicated and require a lot of specific information due to all the options in an RV. U.S. manufacturers complain that they think they have made a sale to the Chinese only to have many want to start everything over from scratch when they receive the purchase order form or they just walk away. RVIA will develop a simpler purchase order form that educates prospective Chinese purchasers on the sales process that manufacturers can provide to potential customers at the beginning of the sale. In this way, the purchase order can be completed during the sales process and make it easier on both parties.

Project Timeline: October 1, 2015 – September 30, 2016

Applicant Performance Measurement: RVIA has developed a simpler, standard U.S. RV Purchase Order form in Chinese.

(ii) Pursue reduction of tariffs and duties through the Joint Commission on Commerce and Trade (“JCCT”) and other available avenues. 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. It is clear from our discussions with many Chinese that the number of U.S. RV exports would increase dramatically if the tariffs and duties could be significantly reduced. RVIA will pursue placing RV tariffs and duties, as well as other issues, on the JCCT agenda.

In the meantime, RVIA will educate its members about using knock-down kits and assembling the products in China. This would reduce import taxes and duties as well as shipping costs.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA petitioned to have RV issues placed on the JCCT agenda at each JCCT meeting or until such time RVs are on the agenda.

(iii) RVIA will meet with finance companies to encourage the development of a finance program for U.S. RV exports on terms that are competitive with those received by European RV manufacturers. Based on discussions with Chinese RV purchasers, the Europeans have an advantage over the Americans because they will process an order with as little as 10% down with the final payment not being due until after delivery. Right now, U.S. manufacturers require full payment up front before selling to China. Because



of the cost of the products, including tariffs and duties, that is a significant sum due at signing. If U.S. manufacturers could provide flexible financing they would be more competitive with the Europeans. RVIA will work with the finance companies that are already financing U.S. RVs to develop a finance program for exports. Additionally, RVIA will educate the manufacturers about the Export/Import Bank.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have met with finance companies at least twice a year to educate them about the U.S. RV export market and the need for an export financing program.

(iv) RVIA will meet with Chinese National Tourism Administration (“CNTA”) and provincial tourism officials to promote RVing (including destination camping) and campgrounds as a way to improve the local tourism economy. As a result of the recent Chinese government edicts previously discussed that focus on the tourism economy and RVing and camping in particular, tourism officials welcome RVIA’s insights on developing campgrounds and learning generally about RVing. RVIA has a power point presentation in Chinese that is an overview of the RV industry and its products, the need for RV and campground standards, how to develop a campground and the impact it can have on the local economy. The RV industry cannot grow without campgrounds. Also, the industry is beginning in China through destination camping. RVs are being sited on campgrounds and then rented out to campers visiting the campground. As more campgrounds are developed, more U.S. units will be sold to campgrounds for destination camping.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have made at least 4 presentations a year to tourism officials on how RVs can benefit their local economy and promote U.S. products.

(v) RVIA will meet with the China Sports Administration (“CSA”) and its provincial counterparts in developing sports tourism around campgrounds for outdoor youth activities. RVIA has been approached by the CSA for help in developing campgrounds and programs bringing outdoor youth activities such as camping and sports together. According to a recent China Daily article, Chinese youth are starting to become obese in part due to a lack of exercise. This is an excellent opportunity to tie camping to healthy outdoor living. Additionally, a survey conducted by Coleman, the camping equipment company, found that if a child goes camping by age 6, they are very likely to continue to camp throughout their whole life. This project has strong potential to create demand for RVs for years to come.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have made 1 to 2 presentations annually to CSA officials on developing campgrounds and how camping can be an important part of a healthy, happy lifestyle.

(vi) RVIA will inform its members on key industry trade shows and RV rallies in China and organize a U.S. pavilion where appropriate. As the RV industry in China grows, RVIA can help steer its members to the best RV shows and RV rallies where their products can be on display and sold. It can also help negotiate a reduced rate for a U.S. pavilion.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will at least semi-annually notify its members of high quality RV shows and rallies that hold excellent potential for vehicle sales.

(vii) RVIA will develop B2B and B2C micro sites on China’s mobile platforms such as WeChat and Weibo to promote U.S. products and the RV lifestyle.



Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have developed B2B and B2C micro sites on WeChat and Weibo.

(viii) RVIA will promote RVs for use in post-disaster relief and recovery efforts with government officials.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have promoted RVs for use in post-disaster relief and recovery efforts in every one of its government meetings, where appropriate.

(ix) RVIA will promote U.S. RVs at the RV World Conference to be held in China in 2018. China has been awarded the next RV World Conference to be held in 2018. This event will receive lots of attention from the media and will provide an excellent opportunity to promote RVing in China and specifically, U.S. RVs.

Project Timeline: October 1, 2017 – September 30, 2018

Applicant Performance Measurement: RVIA will have promoted U.S. RVs at the RV World Conference.

Goal: RVIA will educate the Chinese on RVing and camping and its members on exporting and the Chinese market

(i) RVIA will establish campground management training in China as the lack of expertise is an obstacle to the growth of the industry. Campgrounds are a critical component of developing the RV market. If the campgrounds that are developed are not managed correctly they will fail like any business. These type of failures would also discourage others from entering into the business. A campground training program is necessary in order for campgrounds to be managed profitably and grow. As the campgrounds grow, they will need more U.S. units for destination camping.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have established a campground management training program.

(ii) RVIA will hold webinars for its members on the China RV market, market entry strategies, including joint ventures, CCC requirements and other relevant information. RVIA, in cooperation with its ITA partner, will work to develop webinars that will educate RVIA's members on the benefits of exporting, the resources available through ITA, the latest information on the China market, strategies on how to enter the market, CCC requirements and other relevant information.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have conducted at least one webinar annually.

South Korea. South Korea was not initially part of RVIA's current MDCP but in fact it was added well into our effort because of its potential. What we have learned is that camping is becoming very popular and the Korean RV market has great potential. RVIA feels so strongly in the Korean RV market that while China will remain RVIA's number 1 priority under a new MDCP, Korea will be priority 1A. The Korean initiatives identified in this proposal are all new compared to RVIA's current MDCP, the only common theme is our effort to increase exports to South Korea.



(vii) RVIA will promote U.S. RVs at the RV World Conference to be held in China in 2018. China has been awarded the next RV World Conference to be held in 2018. This event will receive lots of attention from the media and will provide an excellent opportunity to promote RVing in China and specifically, U.S. RVs.

Project Timeline: October 1, 2017 – September 30, 2018

Applicant Performance Measurement: RVIA will have promoted U.S. RVs at the RV World Conference.

Goal: Pursue Adoption of RV and Campground Industry-Developed Standards that do not lock U.S. Built RVs out of the Korean Market

(i) RVIA Conducts campground and RV standards seminars with standard setting organizations in Korea. RVIA has learned that there are over 2,000 campgrounds in South Korea. From RVIA's discussions with the Commercial Service and people in the RV industry in South Korea, there are virtually no campground regulations governing the development and use of those campgrounds. Recently, there was a much publicized fire in at a campground where an entire family was killed. As a result, the Korean government is now looking into establishing campground standards. It is important for RVIA to be involved in the development of any standards because the European campground standard can effectively keep many U.S. products out of a campground. European units, however, could be accommodated in campgrounds built to the U.S. standard. The Korean Camping and Caravanning Federation ("KCCF"), which is the lead RV organization in Korea, has close ties with the European RV organizations. This is because RVIA has not had a presence in Korea. In RVIA's opinion, we will see European campground standards in Korea if RVIA does not become actively involved. Campgrounds are critical to the growth of the U.S. RV industry in Korea and we need to make sure that they can accommodate U.S. vehicles.

RVIA is still learning what standards apply to RVs in Korea. RVIA has a trip planned to Korea in May and will hopefully learn more. As RVIA meets with the appropriate Korean government agencies, it will educate them on the U.S. standard. RVIA will highlight the fact that the vast majority of the products in the world are built to the U.S. standard and U.S. products have an excellent safety record.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have conducted at least one standards workshop/seminar annually.

(ii) RVIA holds government to government workshops hosted by U.S. Ambassador and attended by Korean government officials Ministry of Environment, Ministry of Land, Infrastructure and Transportation, U.S. EPA officials, engine manufacturer and RV and campground experts to discuss emissions, RVing and campground standards. Currently, there are a number of dealers in Korea that want to import U.S. motorhomes. However, Korean regulations classify motorhomes as passenger vehicles. As a passenger vehicle, motorhomes have to meet emission requirements that are much stricter than those required of trucks. U.S. motorhomes do not meet the passenger vehicle emission requirements in Korea and it would be very costly for manufacturers to comply. In the U.S. motorhomes are classified as either light or medium duty vehicles and as such have different requirements than those vehicles classified as passenger vehicles. RVIA would like to hold government to government meetings in Korea to have motorhomes reclassified to meet a lesser, more appropriate emission standard.

KCCF and others hold annual RV rallies and camping events. The Commercial Service in Korea believes it can arrange workshops at these events to be hosted by the U.S. Ambassador and attended by the Korean Ministry of Environment, Ministry of Land, Infrastructure and Transportation, a U.S. EPA official, a



representative from an engine manufacturer and RV and campground experts to discuss emissions, RVing and campground standards. Subsequent meetings could be held between RVIA and the applicable Korean government agencies.

RVIA will also use the annual rallies and camping events to promote U.S. products and encourage U.S. manufacturers to exhibit their products.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have conducted at least one government to government workshop.

Goal: Increase demand for U.S. RVs and post-disaster relief and recovery type products

(i) Pursue opportunities with Korean Olympic officials for the 2018 Winter Olympics. According to the Commercial Service in Korea, there is a shortage of hotel rooms for the 2018 Winter Olympics to be held in South Korea and the government has expressed an interest in using RVs as temporary living quarters.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have met at least once with the Korean Olympic officials and followed up with any opportunities.

(ii) Pursue destination camping with campground owners and promote traditional RVing. Because Koreans are active, like to be outdoors, hike and camp, and the fact there are already 2000 campgrounds, Korea has the foundation in place to be a very good market for U.S. RVs. Because most Koreans live in the cities and there is a lack of RV storage facilities, destination camping should be very popular in Korea. With the campgrounds already in place, RVIA can show campground owners how destination camping can make them more profitable. RVIA will also look for opportunities to promote traditional RVing.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA will have met at least twice annually with campground owners to discuss destination camping and followed up with any opportunities.

Japan. In Japan, RVIA's main focus is trying to develop a narrow but potentially very good market in disaster relief and recovery products. This requires numerous meetings with a variety of government officials both at the central government and local level. Most importantly, it requires patience and persistence because the government officials in this area are very deliberate and cautious in their movements due to the seriousness of the subject. In RVIA's opinion this effort would have virtually zero chance of success without the support and backing of the U.S. Government we receive through the MDCP. Additionally, when RVIA is successful in sending disaster relief products to Japan, we have been told that it will open up that market for RVIA's members throughout Asia since many follow Japan's lead. This proposal has new ideas on how RVIA can achieve its goals in Japan.

Goal: Provide Japan with RVs for Post-Disaster Relief and Recovery

RVIA meet with key Japanese government agencies including Tokyo Metropolitan Government, 2020 Tokyo Olympic Committee, Cabinet Officer (disaster management) and others to pursue RVs for disaster relief. Use the Interagency Commercial Task Force and Ambassador Kennedy to arrange the meeting and promote the effort. Japan has the misfortune of suffering many natural disasters. RVIA's members produce many RV related products that could be extremely beneficial in the event of a natural disaster



including mobile command centers, mobile medical clinics, mobile restrooms and shower trailers to name a few. Additionally, Japan is trying to determine how it would handle a natural disaster during the 2020 Tokyo Olympics and RVs could play a critical role. RVIA has been told that the Interagency Commercial Task Force could play a role in arranging these meetings. RVIA may also partner with other relevant U.S. groups that would make the meeting very desirable to attend from the Japanese standpoint.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has met at least annually with government officials responsible for disaster management.

Goal: Pursue destination camping

(i) Encourage local officials to develop campgrounds at roadside stations. Roadside stations are heavily used in Japan and campgrounds could be very successful at these locations. Travelers could stay in U.S. trailers sited at the campground. This would promote RVing and camping generally and the products could be moved to a disaster area and used as temporary living quarters in the event of a natural disaster.

Project Timeline: October 1, 2015 – September 30, 2018

Applicant Performance Measurement: RVIA has met at least annually with local government officials to pursue destination camping.

Where appropriate, certain initiatives mentioned in one country will also be pursued in other markets even though they are not specifically mentioned in each market. One example is seeking competitive financing terms for exports.

Goal: Ensure that the United Nations Economic Commission for Europe (“UNECE”) World Forum for Harmonization of Vehicle Regulations (which uses the designation “WP.29”) will not effectively lock U.S. RVs out of countries adopting the standard

(i) RVIA will seek to have Bruce Hopkins, RVIA’s Vice President, Standards, seek membership on WP.29 or at least participate in UNECE activities. Standards activities play a pivotal role in the overall effort to expand export opportunities for U.S. RVs. Depending on how technical standards are written or adopted in a particular jurisdiction, export opportunities can be blocked, hindered or enhanced.

The first step is identifying the existing standards of other countries that apply or could apply to RVs and comparing them to U.S. standards. In circumstances where no foreign RV standards exist, there is an opportunity to either encourage the adoption of U.S. standards or to influence the development of new standards that will be substantially compatible with our own. The adoption of U.S. standards provides a significant advantage to U.S. RV manufacturers vis-à-vis foreign competitors. We need to work hard to ensure that the RV standards a country does adopt are broad enough so as not to preclude the importation of U.S.-made RVs. These efforts are ongoing and are regularly addressed during visits to countries targeted for RV exports.

Over the past several years, our industry has been working to facilitate export markets for recreation vehicles in China, Japan, South Korea, Australia and most of Europe. In recent months, however, we have become aware of a more complex situation in the international standards arena that will require a concentrated focus by the U.S. RV industry; the work of WP.29.

The United Nations Economic Commission for Europe (“UNECE”) World Forum for Harmonization of Vehicle Regulations (which uses the designation “WP.29”) is a regulatory forum of the UNECE Inland

RVIA Asia Export Initiative



Transport Committee. Participants include delegates from those nations that are signatories to the various implementing agreements. Overall, the regulatory framework developed by World Forum WP.29 is designed to allow the market introduction of innovative vehicle technologies while continuously improving global vehicle safety through international standards.

While the WP.29 is engaged in harmonizing global automotive standards -- and these standards are adopted by the signatory countries -- U.S. RV industry interests are unrepresented. The United States is not a signatory to these agreements, does not participate in the formation of these global standards and has no domestic working group protecting the interests of the RV industry. In contrast, European RV manufacturers (e.g. the German RV association, CIVD) do provide direct input to WP.29. Without representation, it is difficult for the U.S. RV industry to react after these regulations have been adopted. In fact, a UNECE brake regulation has been developed that could keep U.S. products out of those markets adopting the standard if it is not addressed by RVIA.

RVIA plans to have Bruce Hopkins, Vice President, Standards seek membership on WP.29, or at least be an active participant in UNECE activities. RVIA believes it must take a more active role at WP.29 meetings if the U.S. is to maintain access to foreign markets and grow RV exports.

B. Credentials

Many of the credentials have already been addressed in section I 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 nine years, Richard Coon has served as president of the RVIA. 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. Mr. Coon is a graduate of Brigham Young University. Mr. Coon will spend [REDACTED] of his time on the Initiative.

Craig A. Kirby, Vice President of International Business & General Counsel

For the last 21 years, Mr. Kirby has served as Vice President & General Counsel of RVIA. For the last 7 years he has also been responsible for growing the U.S. RV export market with a focus on Asia. 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 transportation law, government relations, international business, policy development, among many others. Mr. Kirby is a graduate of the University of Virginia and University of Southern California Law Center. Mr. Kirby will spend [REDACTED] of his time on the Initiative.

Bruce A. Hopkins, Vice President of Standards

Mr. Hopkins has worked in the area of RV standards for 42 years, 36 of these with RVIA. He has been directly associated with the RV industry for over 48 years. His principal responsibilities are the association's standards programs for RVs. 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. Mr. Hopkins will spend [REDACTED] of his time on the Initiative.

RVIA Asia Export Initiative



Edward Han, Director of Asia Affairs

RVIA hired Mr. Han in 2012 to pursue its Asia Export Initiative. Prior to RVIA, Mr. Han had been serving as a consultant to the RV industry since 2006. Mr. Han has over 30 years of business experience through his employment in both China and the U.S. Mr. Han is responsible for implementation of RVIA's initiatives in Asia including lobbying governments, promoting U.S. RV and campground standards, promoting U.S. RV products and assisting members in their business activities in Asia. Mr. Han is a graduate of the University of International Business and Economics in Beijing and the University of Texas Pan American. Mr. Han will spend [REDACTED] of his time on the Initiative.

(i) Evidence Supporting RV Manufacturers and Suppliers Desire to Participate in RVIA Asia Export Initiative. RVIA had approximately 20 members participating in its initial MDCP and expects even more going forward. Please note that 3 of the companies involved in the MDCP produce over 85% of the entire RV market in the U.S. Copies of just two of the many letters RVIA has received from RV manufacturers and suppliers supporting this Asia Initiative are set forth below:



April 23, 2015

Mr. 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, at Winnebago Industries, look forward to an expanded Asian market for the benefit of this Company and the industry as a whole.

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

Sincerely,

Niles Whitehouse
Director of Sales

L1 22m



923 South Main Street • P.O. Box 440 • Abilene, TX 79601 • (817) 622-3961 • Fax (817) 622-7504

April 9, 2015

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 at Jayco look forward to an expanded Asian market for the benefit of this company and the industry as a whole.

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

Sincerely,

Wilbur L. Bontrager

Wilbur L. Bontrager
Chairman of the Board & CEO



RVIA Asia Export Initiative



(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, South Korea 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 Asia Initiative 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 of International Business & 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, South Korea'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, South Korea 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, Korea and Japan and arrange for meetings with potential Chinese, Korean and Japanese joint venture partners for Initiative participants.

c. Pre-Mission Briefing by China, Korea 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, Korea or Japan, we will arrange with ITA for a China, Korea 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, Korea 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, Korea and Japan trade experts. This is a great opportunity to fine-tune your business plan for the China, Korea and Japan markets before even going to China, Korea 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, Korean 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, Korea 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, Korea 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, Korea 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. See attached "Executive Summary."
- b. See attached "Performance Measurement"
- c. See attached Budget for Project Award Period, Personnel Expenses, Non-Personnel Direct Expenses and Indirect Expenses Worksheets

The included RVIA worksheets detail the RVIA Asia Export Initiative ("Initiative") Budget. The total budget for three years is \$1,649,517. As shown on the Budget, \$300,000 or 100% of the \$300,000 cash match is attributed to salary. 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 \$1,649,517 budget for personnel expenses and travel.

- d. Financial Systems.

The budget will be funded entirely from RVIA's reserves, which were \$20,469,444 as of September 30, 2014, 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.

- e. Other Financial Assistance Awards.

RVIA has not received any grants or similar financial assistance awards over the last five years, other than an MDCP award in the amount of \$300,000 for China and Japan for the period October 1, 2012 through September 30, 2015.

- f. Financial Statements.

RVIA's audited Financial Statements for the years ended September 30, 2014 and 2013 are attached.

- g. 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.

- h. See attached "Project Comparison Table"

RVIA Asia Export Initiative



Recreation Vehicle Industry Association, Inc.

RVIA Asia Export Initiative

Project Narrative

Executive Summary

Applicant	Recreation Vehicle Industry Association, Inc. ("RVIA") Headquartered in Reston, VA www.rvia.org
ITA and other Federal Collaborators	Jim Rice/John Vanderwolf/Charlie Rast/Mark Cooper Joshua Halpern/Cathy Feig/Keenton Chiang/Jessica Son Koji Sudo
Federal share	\$300,000.00
RVIA match	\$1,349,517.00
Total project budget	\$1,649,517.00
Award period	October 1, 2015 – September 30, 2018
Exports: project period 4 years after project period	China: \$280.1mm / South Korea: \$43.4mm / Japan: \$32.6mm China: \$979.2mm / South Korea: \$87.9 mm / Japan: \$152.6mm
Foreign markets targeted	China, South Korea and Japan
Current size	China: \$183 mm / South Korea: \$66.4mm / Japan: \$409mm
Current U.S. share	China: 19% / South Korea: 12% / Japan: 1.1%
U.S. industry	Recreation Vehicles
Project description	<ol style="list-style-type: none">1. Pursue adoption of RV and Campground Industry-Developed Standards that do not lock U.S. built RVs out of the China and Korean markets2. Pursue the inclusion of RV definitions in China and Korean Motor Vehicle Code, develop reasonable road use regulations, address licensing and registration issue and remove regulatory obstacles3. Increase demand for U.S. RVs and post-disaster relief and recovery products4. Educate Chinese and Koreans on RVing and camping and RVIA members on exporting5. Ensure the United Nations Economic Commission for Europe World Forum for Harmonization of Vehicle Regulations will not effectively lock U.S. RVs out of countries adopting the standard



Performance Measurement

Set forth below are the methods for calculations of revenue expected to be generated from exports to China, South Korea and Japan over the next seven years. The number totals from these calculations are on the Executive Summary page.

China

First Three Years - Export Dollars Generated***

- 500 (estimated number of campgrounds to be developed) x 20 (50% of available sites at each campground for U.S. RVs) = 10,000 (sites for U.S. RVs)
- 10,000 (estimated number of towable RVs exported for destination camping) x \$24,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$240,000,000 (export revenue)
- 1,000 (estimated number of travel trailers exported for individual consumers) x \$14,300 (average price of a smaller travel trailer according to current RVIA RV Industry Market Report) = \$14,300,000 (export value)
- In addition to the towables revenue, RVIA estimates that 300 motorhomes will be exported to China mostly for rental fleets initially.
- 300 (estimated number of motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$25,800,000 (export revenue)
- \$280,100,000 in estimated revenue from 11,300 RV exports
- Jobs created (see Project Narrative IC for job formula):
 - 11,300 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 1,797 jobs
 - 11,300 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 6,633 jobs
 - Total RV manufacturer and component supplier jobs created = 8,430

Following Four Years - Export Dollars Generated

- 1,200 (estimated number of campgrounds to be developed) x 20 (50% of available sites at each campground for U.S. market) = 24,000 (sites for U.S. RVs)
- 24,000 (estimated number of towable RVs exported for destination camping) x \$24,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$576,000,000 (export revenue)
- 5,000 (estimated number of travel trailers exported for individual consumers) x \$14,300 (average price of a smaller travel trailer according to current RVIA RV Industry Market Report) = \$71,500,000 (export value)

RVIA Asia Export Initiative



- In addition to the destination camping RV revenue, RVIA estimates that 600 motorhomes will be exported to China. Some of these motorhomes will be replacements for the existing rental fleet.
- 600 (estimated number of motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$51,600,000 (export revenue)
- \$699,100,000 in revenue from 29,600 RV exports
- Jobs created:
 - 29,600 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 4,706 jobs
 - 29,600 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 17,375 jobs
 - Total RV manufacturer and component supplier jobs created = 22,081

That is a total of \$979,200,000 in export dollars and 30,511 jobs over 7 years.

*** The estimated export dollars shown here are based on the assumption that China's import duties and taxes will be reduced.

South Korea

First Three Years - Export Dollars Generated

- 135 (estimated number of campgrounds to add rental units) x 5 (50% of available sites at each campground for U.S. market) = 675 (sites for U.S. RVs)
- 675 (estimated number of towable RVs exported for destination camping) x \$24,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$16,200,000 (export revenue)
- 1,000 (estimated number of travel trailers exported for individual consumers) x \$14,300 (average price of a smaller travel trailer according to current RVIA RV Industry Market Report) = \$14,300,000 (export value)
- In addition to the towables revenue, RVIA estimates that 150 motorhomes will be exported to South Korea.
- 150 (estimated number of motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$12,900,000 (export revenue)
- \$43,400,000 in revenue from 1,825 RV exports
- Jobs created:
 - 1,825 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 290 jobs
 - 1,825 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 1,071 jobs
 - Total RV manufacturer and component supplier jobs created = 1,361



Following Four Years - Export Dollars Generated

- 315 (estimated number of campgrounds to add rental units) x 5 (50% of available sites at each campground for U.S. market) = 1,575 (sites for U.S. RVs)
- 1,575 (estimated number of towable RVs exported for destination camping) x \$24,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$37,800,000 (export revenue)
- 2,000 (estimated number of travel trailers exported for individual consumers) x \$14,300 (average price of a smaller travel trailer according to current RVIA RV Industry Market Report) = \$28,600,000 (export value)
- In addition to the towables revenue, RVIA estimates that 250 motorhomes will be exported to South Korea.
- 250 (estimated number of motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$21,500,000 (export revenue)
- \$87,900,000 in revenue from 3,825 RV exports
- Jobs created:
 - 3,825 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 608 jobs
 - 3,825 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 2,245 jobs
 - Total RV manufacturer and component supplier jobs created = 2,853

That is a total of \$131,300,000 in export dollars and 4,214 jobs over 7 years.

Japan

First Three Years - Export Dollars Generated

- 1,000 (estimated number of post-disaster assistance towable RVs exported) x \$24,000 (average price of a travel trailer according to current RVIA RV Industry Market Report) = \$24,000,000 (export revenue)
- 100 (estimated number of post-disaster assistance motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$8,600,000 (export revenue)
- \$32,600,000 in revenue from 1,100 post-disaster assistance products and RV exports
- Jobs created:
 - 1,100 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 175 jobs



- 1,100 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 646 jobs
- Total RV manufacturer and supplier jobs created = 821

Following Four Years - Export Dollars Generated

- 6,000 (estimated number of post-disaster assistance towable RV exports) x \$24,000 (average price of a travel trailer) = \$144,000,000 (export revenue)
- 100 (estimated number of post-disaster assistance motorhome exports) x \$86,000 (average price of Type C motorhomes according to current RVIA RV Industry Market Report) = \$8,600,000 (export revenue)
- 152,600,000 in revenue from 6,100 post-disaster assistance products and RV exports
- Jobs created:
 - 6,100 (total estimated number of RVs to be exported) x 15.9% (159 jobs created at the RV manufacturer level per 1,000 RVs exported) = 970 jobs
 - 6,100 (total estimated number of RVs to be exported) x 58.7% (587 jobs created at the component manufacturer level per 1,000 RVs exported) = 3,581 jobs
 - Total RV manufacturer and component supplier jobs created = 4551

That is a total of \$185,200,000 in export dollars and 5,371 jobs over 7 years.

RVIA Manufacturer Members are Required to Provide Export Details

All of RVIA's manufacturer members are required by RVIA's Bylaws to report to RVIA all RV shipments, including exports, on a monthly basis. Failure to provide such information can lead to a member being kicked out of the association. The shipment information includes company name, country shipped to, number and type of unit and sale price of unit. RVIA has been collecting information in this manner for China, South Korea and Japan for several years without a problem and will continue to collect the data.

Quarterly Report Part A and Part B

As part of RVIA's initial MDCP, RVIA is already collecting the additional information required by Quarterly Report Part A and Part B. RVIA will continue to collect and report all of the information required for Part A and Part B and file the information quarterly.

Additionally, Part B measurements are included in Section II of the Project Narrative. Further, RVIA has a performance goal (i) that it will take six trade missions to China, South Korea and Japan over the three year project period; (ii) RVIA's Director of Asia Affairs will spend at least eight months a year in China, South Korea and Japan; and, (iii) RVIA's V.P. of Standards will participate in six UNECE WP.29 activities over the three year project period.

RVIA Asia Export Initiative

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	300,000		780,750	100,000		260,250	100,000		260,250	100,000		260,250
International	0		0	0		0	0		0			0
Fringe Benefits												
Domestic			125,367			41,789			41,789			41,789
International			0			0			0			0
Travel	0		443,400	0		147,800	0	0	147,800	0		147,800
Subtotal	300,000		1,349,517	100,000		449,839	100,000		449,839	100,000		449,839
<u>Indirect Expense</u>												
Subtotal	0		0	0		0	0		0	0		0
Grand total	<u>300,000</u>		<u>1,349,517</u>	<u>100,000</u>		<u>449,839</u>	<u>100,000</u>		<u>449,839</u>	<u>100,000</u>		<u>449,839</u>

Page 1

RVIA Asia Export Initiative

Non-Personnel Direct Expenses									
		Explanation & Calculation							
Cat.	Activity	Days	Airfare	Per Diem	Travelers	Frequency per year	1st year	2nd year	3rd year
Travel & Lodging	V.P. Standards, V.P. International Business and President meet with government officials concerning RV standards, RV related regulations, attend show, meet with industry OEMs and suppliers throughout China, South Korea and Japan	17	6,800	6,500	3	2	79,800	79,800	79,800
	Director trip from Beijing to Washington, D.C.	2	6,200	600	1	2	13,600	13,600	13,600
	Director's China, Japan and South Korea travel to various provinces to address RV regulations and promote U.S. RVs (destinations undetermined at this point in time)	240	8,000	33,000	1	1	41,000	41,000	41,000
	VP Standards to participate in United Nations Economic Commission for Europe ("UNECE") World Forum for Harmonization of Vehicle Regulations in Geneva, Switzerland	7	2,400	4,300	1	2	13,400	13,400	13,400
Grand Total							<u>147,800</u>	<u>147,800</u>	<u>147,800</u>

RVIA Asia Export Initiative

[illegible]

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Recreation Vehicle Industry Association, Inc. (the "Association"), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Directors
Recreation Vehicle Industry Association, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Recreation Vehicle Industry Association, Inc. as of September 30, 2014 and 2013 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
December 1, 2014

RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,372,254	\$ 6,058,928
Current Certificates of Deposit	1,933,930	3,267,456
Accrued Investment Income	55,382	44,113
Accounts Receivable	72,898	170,181
Inventory	41,724	36,623
Prepaid Expenses	1,370,326	1,246,853
Total Current Assets	<u>10,846,514</u>	<u>10,824,154</u>
LONG-TERM INVESTMENTS	22,514,981	18,836,077
PROPERTY AND EQUIPMENT, NET	921,513	876,166
DEFERRED COMPENSATION PLAN INVESTMENTS	<u>915,291</u>	<u>799,570</u>
Total Assets	<u>\$ 35,198,299</u>	<u>\$ 31,335,967</u>
LIABILITIES AND MEMBERSHIP EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 234,524	\$ 261,843
Accrued Expenses	644,161	606,428
Current Portion of Capital Lease	44,553	29,700
Go RVing Liability	5,993,334	4,879,349
Deferred Revenue:		
Show Revenue	5,473,426	5,532,570
Park Model RV Deferred Assessment	467,142	257,775
Membership Dues	394,303	363,389
Other	98,062	87,859
Total Deferred Revenue	<u>6,432,933</u>	<u>6,241,593</u>
Total Current Liabilities	<u>13,349,505</u>	<u>12,018,913</u>
DEFERRED COMPENSATION OBLIGATION	915,291	799,570
CAPITAL LEASE, NET OF CURRENT PORTION	24,654	62,061
OTHER LONG-TERM LIABILITIES	<u>439,405</u>	<u>402,238</u>
Total Liabilities	14,728,855	13,282,782
MEMBERSHIP EQUITY - UNRESTRICTED	<u>20,469,444</u>	<u>18,053,185</u>
Total Liabilities and Membership Equity	<u>\$ 35,198,299</u>	<u>\$ 31,335,967</u>

See accompanying Notes to Financial Statements.

RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
REVENUE		
Association Sponsored Shows	\$ 5,807,954	\$ 5,494,585
Membership Dues	1,525,138	1,489,288
Seals Sales	5,530,240	5,347,200
Investment Income	1,626,864	1,186,514
Park Model RVs	364,964	341,414
Publication Sales	182,731	132,673
Special Assessment	276,622	288,977
Clinics and Seminars	54,566	52,906
Asia Initiative	150,000	-
Other Income	16,392	10,888
Total Revenue	<u>15,535,471</u>	<u>14,344,445</u>
EXPENSES		
Program Services:		
Association Sponsored Shows	2,620,466	2,737,915
Public Relations/Communications/Publications	2,098,825	2,029,172
Education and Standards	2,556,371	2,093,539
Government Affairs	2,199,455	2,068,564
Shows and Meetings Department	515,890	546,089
Clinics	42,237	103,903
Membership Services	422,539	403,447
Cost of Sales-Seals	107,829	95,633
Park Model RVs	345,708	309,634
Asia Initiative	257,888	226,005
Total Program Services	<u>11,167,208</u>	<u>10,613,901</u>
Supporting Services:		
Management and General	1,914,837	2,172,080
Total Expenses	<u>13,082,045</u>	<u>12,785,981</u>
INCREASE IN MEMBERSHIP EQUITY BEFORE OTHER REVENUE (EXPENSES)	<u>2,453,426</u>	<u>1,558,464</u>
Other (Expenses) Revenue	<u>(37,167)</u>	<u>103,854</u>
INCREASE IN MEMBERSHIP EQUITY	<u>2,416,259</u>	<u>1,662,318</u>
Membership Equity - Beginning of Year	<u>18,053,185</u>	<u>16,390,867</u>
MEMBERSHIP EQUITY - END OF YEAR	<u><u>\$ 20,469,444</u></u>	<u><u>\$ 18,053,185</u></u>

See accompanying Notes to Financial Statements.

RECREATION VEHICLE INDUSTRY ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Membership Equity	\$ 2,416,259	\$ 1,662,318
Adjustments to Reconcile Increase in Membership Equity to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	134,611	93,028
Realized Gain on Sales of Investments	(849,556)	(385,758)
Unrealized Gain on Investments	(358,541)	(441,211)
Gain on Disposal of Equipment	(4,200)	-
Changes in Assets and Liabilities:		
Accounts Receivable	97,283	(88,796)
Accrued Investment Income	(11,269)	5,434
Inventory	(5,101)	4,486
Prepaid Expenses	(123,473)	(82,183)
Accounts Payable	(27,319)	(123,103)
Accrued Expenses	37,733	119,757
Go RVing Liability	1,113,985	698,059
Deferred Revenue	191,340	660,295
Other Long-Term Liabilities	37,167	(103,854)
Net Cash Provided by Operating Activities	<u>2,648,919</u>	<u>2,018,472</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(9,697,298)	(12,937,680)
Sales and Maturities of Investments	8,560,017	10,098,889
Purchases of Property and Equipment	(175,758)	(139,800)
Net Cash Used in Investing Activities	<u>(1,313,039)</u>	<u>(2,978,591)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(22,554)	(25,940)
Net Cash Used in Financing Activities	<u>(22,554)</u>	<u>(25,940)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,313,326	(986,059)
Cash and Cash Equivalents - Beginning of Year	<u>6,058,928</u>	<u>7,044,987</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,372,254</u>	<u>\$ 6,058,928</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid on Capital Lease	<u>\$ 19,388</u>	<u>\$ 26,149</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Trade-In Value of Exchanged Vehicle	<u>\$ 4,200</u>	<u>\$ 5,500</u>

See accompanying Notes to Financial Statements.



Project Comparison Table

Description		Previously funded project	Current application
		2012	2015
Industry		Recreational Vehicle	
Markets		China Japan S. Korea	China Japan S. Korea
Activity	Form an RVIA subsidiary as a Chinese WFOE	\$16,000	
	Establish an RVIA office in Beijing	\$131,000	
	Establish a website in Chinese; use social to promote RVing in China with an emphasis on U.S. products	\$30,000	
	Participate in trade shows in China	\$30,000	
	Pursue opportunities to provide Japan with RVs for post-disaster assistance	\$26,000	\$26,000
	Personnel and travel expenses to China and Japan to pursue RVIA's interests related to developing compatible standards, RV definitions, removal of regulatory obstacles, CCC requirements and a reduction of RV import duties and tariffs	\$1,230,621	1,623,517