

STEP U.S. Content Definition/Formula

How to Determine U.S. Content for STEP Assistance

In accordance with the Funding Opportunity Announcement No. OIT-STEP-2022-01, to be eligible for STEP, the ESBC (Eligible Small Business Concern) must be an export-ready U.S. company seeking to export goods or services that are EITHER:

1. Of U.S. origin; OR
2. Have at least 51% U.S. content

OIT follows the U.S. Commercial Service definition of U.S. content, as defined below.

U.S. content or manufactured goods = (ex-factory price of a good) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Example:

Ex-factory price of good		\$100
- aggregate value contributed by non-U.S. or foreign sources	Manufacturing costs (payment to foreign contract manufacturer)	-\$25
	Value of all foreign-supplied parts/inputs/materials	-\$20
	Foreign administrative costs	-\$2
	Foreign transportation and logistics costs (up to factory door)	-\$2
	Licenses, royalties, and fees paid for foreign intellectual property	-\$0
= U.S. content		\$51

U.S. content for services = (contract value of the service, whether delivered in the U.S. or overseas) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Example:

Contract value of the service		\$100
- aggregate value contributed by non-U.S. or foreign sources	Staffing costs of foreign subcontractor	-\$25
	Value of foreign inputs/materials used to execute contract	-\$15
	Foreign based legal and administrative costs	-\$9
= U.S. content		\$51