

HOUSE BILL REPORT

HB 2257

*As Passed House
February 15, 1992*

Title: An act relating to the center for international trade in forest products.

Brief Description: Modifying the duties and delaying the sunset termination of the center for international trade in forest products.

Sponsor(s): Representatives Ogden, Chandler, H. Sommers, Locke, Fuhrman, Brekke, Ludwig, Jones, Winsley, McLean, H. Myers, Rasmussen, Nealey and R. King; by request of Legislative Budget Committee.

Brief History:

Reported by House Committee on:
Trade & Economic Development, January 30, 1992, DP;
Appropriations, February 9, 1992, DP;
Passed House, February 15, 1992, 88-0.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *Do pass.* Signed by 11 members:
Representatives Cantwell, Chair; Sheldon, Vice Chair;
Forner, Ranking Minority Member; Betrozoff, Assistant
Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer;
Rasmussen; Riley; and Roland.

Staff: James Thurston (786-7349).

**HOUSE COMMITTEE ON
APPROPRIATIONS**

Majority Report: *Do pass.* Signed by 24 members:
Representatives Locke, Chair; Inslee, Vice Chair; Spanel,
Vice Chair; Silver, Ranking Minority Member; Morton,
Assistant Ranking Minority Member; Appelwick; Belcher;
Bowman; Brekke; Carlson; Dorn; Ebersole; Hine; Lisk; Mielke;
Nealey; Peery; Pruitt; Rust; D. Sommers; H. Sommers; Valle;
Vance; and Wang.

Minority Report: *Do not pass.* Signed by 1 member:
Representative May.

Staff: Susan Nakagawa (786-7145).

Background:

The Legislature created the Center for International Trade in Forest Products (CINTRAFOR) on a provisional basis in 1984, and then permanently in 1985. CINTRAFOR's statutory responsibilities include researching, coordinating information, and providing graduate education in order to expand forest-based international trade.

In 1991, the Legislative Budget Committee (LBC) reviewed CINTRAFOR under the sunset process. The LBC report finds that CINTRAFOR has generally carried out its responsibilities consistent with its statutory mandate. However, CINTRAFOR's activities have not led to the results expected by the Legislature or the forest products industry. The LBC report cites several reasons for this outcome and states that CINTRAFOR has begun to address some of them. The LBC makes eight specific recommendations concerning the management process and statutory mandate of CINTRAFOR: (1) The Department of Trade & Economic Development should take a more active role in administering its CINTRAFOR contract; (2) CINTRAFOR should continue to enhance the management and effectiveness of its activities; (3) CINTRAFOR should develop specific agreements for cooperation with other university entities; (4) CINTRAFOR should be continued until June 30, 1997, subject to modifications to its enabling statute and sunset review; (5) CINTRAFOR's statutory mandate should be changed to require a focus on the international trade of secondary manufacturing products; (6) An Executive Policy Board should be created to advise on policy direction and activities; (7) Working groups should be required for each area of research focus; and (8) CINTRAFOR's data responsibilities should be narrowed.

Summary of Bill: CINTRAFOR is reauthorized with modifications and remains in the sunset process until June 30, 1997. The modifications include: (1) CINTRAFOR's research, analysis, and dissemination duties are redefined to include a major focus on secondary manufacturing in the international trade of forest products; (2) CINTRAFOR'S database responsibilities are limited to support for its own research functions; (3) CINTRAFOR's duty to monitor the status of the state's forest products industry in international markets is expanded to include a focus on small and medium-sized secondary manufacturing firms; (4) CINTRAFOR's duty to cooperate with specific schools at the University of Washington is expanded to include the Northwest Policy Center at the Graduate School of Public Affairs; (5) An Executive Policy Board is created to provide advice on policy direction and program priorities; and (6)

Advisory or technical committees are required for each research program area to advise on priorities and dissemination.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: (Trade & Economic Development) CINTRAFOR's activities are a major part of the state's efforts to expand Washington's role in the international trade of forest products. The center has already begun to address the weaknesses outlined in the LBC report. This bill implements some of the Legislative Budget Committee's recommendations; CINTRAFOR has implemented others already.

(Appropriations) The legislation addresses weaknesses in the CINTRAFOR Program, based on recommendations from the Legislative Budget Committee review. The center is involved in actively promoting exports of Washington products and assisting the forest products industry.

Testimony Against: (Trade & Economic Development) None.

(Appropriations) None.

Witnesses: (Trade & Economic Development) Bruce Lippke, CINTRAFOR (Pro); and Kay Gabriel, Department of Trade and Economic Development (Pro).

(Appropriations) Representative Val Ogden; and Bruce Lippke, CINTRAFOR.