

HOUSE BILL REPORT

HB 2256

As Reported By House Committee On:
State Government
Appropriations

Title: An act relating to international trade.

Brief Description: Creating the office of Washington State Trade Representative.

Sponsors: Representatives Valle, Shin, Sheldon, Flemming, Springer, Johanson, Wineberry, Campbell, Veloria, Conway, J. Kohl and Morris.

Brief History:

Reported by House Committee on:
State Government, January 27, 1994, DPS;
Appropriations, February 3, 1994, DPS(SG-A APP).

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; L. Thomas, Assistant Ranking Minority Member; Campbell; Conway; Dyer; King; and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: Due to the recent passage of the North American Free Trade Agreement (NAFTA), the recent Asian Pacific Economic Cooperation (APEC) conference in Seattle, and the conclusion of the General Agreement of Tariffs and Trade (GATT) negotiations, Washington State is increasing its efforts to expand its international markets.

In 1993 the Legislature established a 15 member council on international trade. The council was established to coordinate the various state programs promoting international trade, among other duties. Some of these programs include the market development activities of the Department of Agriculture and the Department of Trade and Economic Development, including their trade offices in Tokyo, Taipei, Paris and Vladisvostok. Other state programs include the Small Business Export Finance Assistance Center, the Washington State International Trade Fair Program, the

International Marketing Program for Agricultural Commodities and Trade (IMPACT) at Washington State University, and the Center for International Trade in Forest Products (CINTRAFOR) at the University of Washington.

Summary of Substitute Bill: The position of the Washington State Trade Representative is created within the Governor's Office. The purposes of the trade representative are to: (1) strengthen the state's overseas marketing activities; (2) respond to industry complaints over foreign trade barriers; (3) expand export opportunities for small and medium-sized businesses; and (4) participate in the development of international agreements.

The trade representative is directed to: (1) consult with the Department of Agriculture and the various agricultural commissions on the promotion of Washington commodities overseas; (2) consult with the Department of Community, Trade, and Economic Development on the promotion of Washington manufacturing and service industries overseas; (3) chair the Governor's advisory committee on international trade; (4) organize and participate in export promotion events; (5) develop a long-term international trade strategy; (6) advise the Governor and Legislature on expanding international trade opportunities; and (7) request and accept gifts and grants.

Substitute Bill Compared to Original Bill: The creation of a new "office" is deleted; instead, the exempt "position" of trade representative is created. The Department of Community, Trade, and Economic Development is directed to provide staff support. The trade representative is directed to chair the Governor's advisory committee on international trade and to consult with the committee in developing the long-term international trade strategy. The trade representative is also given the authority to accept and request gifts and grants to defray the costs of program operation. The appropriation has been increased to \$160,000.

Fiscal Note: Available.

Appropriation: The sum of \$160,000 from the General Fund to the Governor's Office.

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

Testimony For: We need a high profile trade representative closely linked to the Governor to coordinate international trade efforts. There is a serious question as to whether our current trade office is able to handle the new

opportunities that are coming our way as a result of recent developments with GATT, APEC and NAFTA. We need to establish a position that will last beyond the tenure of this governor and be a consistent state presence. Trade leads are lost under our current system; a trade representative will provide a single point for these activities to occur. World trade is the best multiplier for jobs in Washington State.

Testimony Against: None.

Witnesses: Representative Georgette Valle, prime sponsor (pro); Ralph Munro, Secretary of State (pro); Tom Campbell, Department of Trade and Economic Development (pro); Eric Hurlburt, Department of Agriculture (pro); and Patrick Jones, Washington Public Ports Association (pro).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on State Government be substituted therefor and the substitute bill as amended by Committee on Appropriations do pass. Signed by 27 members: Representatives Sommers, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Foreman; Jacobsen; Lemmon; Leonard; Linville; H. Myers; Peery; Rust; Sehlin; Sheahan; Stevens; Talcott; Wang; Wineberry and Wolfe.

Staff: Susan Nakagawa (786-7145).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on State Government: The appropriation is deleted.

Fiscal Note: Available.

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

Testimony For: Enactment of this bill creates an opportunity for Washington to create a one-stop trade export center. New opportunities have been created by enactment of NAFTA and APEC. Washington State is the third largest exporter in the U.S. and very dependent on international trade. State support of international trade efforts has decreased.

Testimony Against: None.

Witnesses: Mike Fitzgerald, Director, Department of Trade and Economic Development (pro); and Patrick Jones, Port Director (pro).2