

SENATE BILL REPORT

SB 5512

**AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC
DEVELOPMENT, FEBRUARY 18, 1993**

Brief Description: Studying the impact on state businesses of international trade agreements.

SPONSORS: Senators M. Rasmussen, Erwin, Bluechel, Skratek, Sheldon and Snyder

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5512 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

Staff: Midori Okazaki (786-7444)

Hearing Dates: February 12, 1993; February 18, 1993

BACKGROUND:

The current Uruguay round of negotiations of the General Agreement on Tariffs and Trade (GATT), with discussions on reducing agricultural subsidies and application of GATT to trade in service and intellectual property, continues. Legislative debate over the North American Free Trade Agreement (NAFTA) signed in 1992 is expected this year. NAFTA participants constitute over one third of the world's GNP. Implementation of these trade agreements offer both new opportunities and challenges for Washington's small manufacturing and export firms.

SUMMARY:

The Department of Trade and Economic Development shall conduct a study on the effects of the North American Free Trade Agreement and the Uruguay round of the General Agreement on Trade and Tariffs on businesses in the ten most significant traded sectors of the state's economy.

EFFECT OF PROPOSED SUBSTITUTE:

An incorrect reference to GATT full name is corrected. The department is asked to look at the potential of state businesses to move out of state, not only offshore. It is clarified that the study should utilize existing analyses, data, and studies on the trade agreements. The number of industries to be studied is reduced to six. An appropriation of \$45,000 is made.

Appropriation: \$45,000

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The study properly focuses on sectors, because the trade agreements will affect different sectors differently. The Department of Trade and Economic Development has already done some preliminary work in this regard.

TESTIMONY AGAINST:

The state should not expend resources doing original research when other analyses exist.

TESTIFIED: Rio Howard, Port of Seattle; David Tang, Washington Council for International Trade; Phil Jones