

HOUSE BILL REPORT

HB 1888

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to the executive-legislative task force on international trade.

Brief Description: Creating the executive-legislative task force on international trade.

Sponsors: Representatives Van Luven, Veloria, Dunn, McDonald, Alexander, Ballasiotes, Sheldon, Morris, Mason, Kastama, Wensman, Wolfe, Doumit, Hatfield, Thompson, Butler, Chandler, Kessler, Dickerson, Constantine, Ogden, Conway, Costa, Cole and O'Brien.

Brief History:

Committee Activity:

Trade & Economic Development: 2/19/97, 2/27/97 [DPS].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Sheldon, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: International trade is key to Washington's economy. Washington's international business relationships are based on two and three-way trade, investment, education, and tourism. In 1994, Washington's two and three-way trade totaled \$75.4 billion, with exports at \$32.3 billion of the total. In 1992, foreign investors owned approximately 275 businesses that employed 25,355 people in Washington. In 1994, approximately 2.3 million international travelers visited Washington. It is estimated that one in five jobs in Washington are related to international trade.

Washington's international trade programs are administered by the Washington State Community, Trade and Economic Development and the Washington State Department of Agriculture. These state agencies administer programs that focus on improving the competitive position of key industries and firms in the domestic and international marketplace. This is accomplished by linking the efforts of trade and industry specialists, providing technical staff to assist Washington's small- and medium-sized

firms develop and expand markets for their products, and maintaining information on potential international trade opportunities through the state's foreign trade offices.

Summary of Substitute Bill: The Executive-Legislative task force on International Trade (task force) is created. The task force consists of 21 members with representation from public and private sector businesses and organizations involved in international and domestic trade. The task force members include (1) the Governor; (2) five members of the Legislature, three from the House of Representatives including the chair of the House Committee on Trade and Economic Development and two from the Senate; (3) four representatives from businesses involved in international trade; (4) two representatives of organized labor; (5) two representatives from public ports; (6) two representatives from local economic development organizations; (7) two representatives from cities with a population of at least 175,000 and that have a public port; and (8) one representative at large. The Governor appoints the non-legislative members of the task force. The Governor serves as chair of the task force and the chair of the House Committee on Trade and Economic Development serves as the vice chair of the task force.

The task force is authorized to (1) review existing state programs and incentives designed to encourage trade opportunities; (2) review the state's organizational structure for trade-related functions; (3) review trade promotion programs, organizational structure, and efforts in other states and countries; (4) make recommendations on the state's trade related functions, including the state's roll in promoting trade and the appropriate organizational structure of the state's trade programs and incentives; and (5) prepare and submit a report to the Governor and appropriate legislative committees with its findings and recommendations by January 30, 1998.

The Governor's Office and the Legislature provide administrative and clerical assistance to the task force.

The task force may accept gifts, grants, or endowments from public and private sources to be used for the purposes of the task force. The task force expires March 1, 1998.

Substitute Bill Compared to Original Bill: The substitute bill (1) adds education as an interrelated category of trade; (2) adds Spain as a new, growing market; (3) increases the task force membership from 19 to 21; (4) clarifies that the chair of the House of Representatives' Committee on Trade and Economic Development is the vice chair of the task force and is not part of the four members from the Legislature; (5) adds the secretary of state as a member of the task force; (6) reduces the number of representatives from organized labor from three to two and requires that one each come from manufacturing and maritime industries; and (7) adds two representatives from cities with a population of at least 175,000 and that have a public port.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Washington is a trade dependent state. While we have been successful in having businesses locate in Washington, the competition from other states is high. The task force will review existing trade-related programs and tell us in which areas we are doing all right and in which areas we need to improve. Its findings will only help the state as it works to attract business to locate here. The cities have a role in promoting international trade and should be part of the task force.

Testimony Against: None.

Testified: Representative Van Luven, prime sponsor (pro); and Randy Lewis, city of Tacoma (pro).