

HOUSE BILL REPORT

SHB 1173

As Passed House:

March 12, 2003

Title: An act relating to the office of the Washington state trade representative.

Brief Description: Revising provisions for the office of the Washington state trade representative.

Sponsors: By House Committee on Trade & Economic Development (originally sponsored by Representatives Veloria, Conway and Chase).

Brief History:

Committee Activity:

Trade & Economic Development: 1/31/03, 2/7/03 [DPS];

Appropriations: 2/26/03, 3/4/03 [DPS(TED)].

Floor Activity:

Passed House: 3/12/03, 95-0.

Brief Summary of Substitute Bill

- Expands and clarifies the duties of the Washington State Trade Representative to include the review and analysis of trade agreements, informing the Legislature of international trade developments, acting as the state's liaison to the United States Trade Representative, and other trade and foreign investment promotion duties.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Veloria, Chair; Eickmeyer, Vice Chair; Skinner, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Blake, Chase, Condotta, Kristiansen, McCoy, Pettigrew and Priest.

Staff: Tracey Taylor (786-7196).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Trade & Economic Development

be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cody, Conway, Cox, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug, Ruderman, Schual-Berke, Sump and Talcott.

Staff: Holly Lynde (786-7153).

Background:

Washington's economy relies significantly on international trade. A great deal of international trade is governed by trade agreements and international organizations. The North American Free Trade Agreement (NAFTA), the General Agreements on Tariffs and Trade (GATT), and the World Trade Organization (WTO) are examples of international agreements and organizations that can impact Washington businesses.

The Office of the Washington State Trade Representative (WSTR) was created by the Legislature in 1995. The WSTR is the state's official liaison to foreign governments on trade matters.

Currently, the WSTR is authorized to accept or request grants or gifts from citizens and other private sources. These funds may be used to help defray the costs of hosting foreign dignitaries and other activities of the WSTR. The WSTR must open and maintain a bank account for the deposit of all receipts of grants and gifts. All money and interest earned in the WSTR bank account are not considered public funds and are not subject to appropriation or the state's budgeting, accounting, or reporting requirements.

Summary of Substitute Bill:

The duties of the WSTR are expanded to include working with the Department of Community, Trade and Economic Development (DCTED). The Washington State Department of Agriculture (WSDA) and other appropriate state agencies to review and analyze proposed international trade agreements and their impact on Washington businesses. This shall be done within existing resources. The WSTR is directed to provide input to the office of the United States Trade Representative about policy developments that effect Washington.

In addition, the WSTR must work with the International Trade Division at the DCTED and the International Marketing Program at the WSDA to develop a statewide strategy to increase the export of Washington goods and services.

The WSTR will serve as a liaison to the Legislature on matters of trade policy and keep the Legislature informed about the ongoing trade negotiations, trade developments and

any possible impacts on the Washington economy.

The WSTR office shall prepare and submit an annual report on its activities and deliver it to the Governor and the appropriate standing committees of the state Legislature.

Finally, the WSTR shall conduct other activities to promote international trade and foreign investment within the state as directed by the Governor.

The language authorizing the WSTR to accept private monies and maintain a separate account is moved to a stand-alone section.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (Trade & Economic Development) Currently, there is no requirement that the WSTR report to the Legislature, but this bill would create a formal relationship between the two. This bill would elevate the position and give it more visibility within state government.

Testimony For: (Appropriations) None.

Testimony Against: (Trade & Economic Development) None.

Testimony Against: (Appropriations) None.

Testified: (Trade & Economic Development) Robert Hamilton, Governor's Office; and Maria Cain, Asian Pacific Environmental Exchange.

Testified: (Appropriations) None.