

# HOUSE BILL REPORT

## ESJM 8019

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**As Passed House:**

February 28, 2006

**Brief Description:** Requesting the United States trade representative to create a federal-state international trade policy commission.

**Sponsors:** By Senators Shin, Rasmussen, Rockefeller, Weinstein, Kastama, Kohl-Welles, Pridemore, Berkey, Doumit, McAuliffe, Franklin, Keiser, Regala, Fairley, Prentice, Jacobsen, Fraser and Haugen.

**Brief History:**

**Committee Activity:**

Economic Development, Agriculture & Trade: 2/17/06, 2/22/06 [DP].

**Floor Activity:**

Passed House: 2/28/06, 97-0.

**Brief Summary of Engrossed Bill**

- Requests that the federal government create a Federal-State International Trade Policy Commission.

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**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE**

**Majority Report:** Do pass. Signed by 23 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Bailey, Blake, Buri, Chase, Clibborn, Dunn, Grant, Haler, Holmquist, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

**Staff:** Tracey Taylor (786-7196).

**Background:**

The United States Trade Representative (USTR), a member of the President's Cabinet, handles the negotiations on behalf of the President. The USTR, the President's chief advisor on trade policy, also consults with other government agencies, private sector advisory committees, and various congressional committees on trade policy matters. The USTR is also responsible for contacting the various states regarding participation in trade agreements. The USTR has established a state Single Point of Contact (SPOC) system for day-to-day consultations with the states. Chosen by the governor of each state, the SPOC designee disseminates information received from the USTR to state and local agencies. The SPOC also assists in communicating

trade specific information and advice from the state to the USTR. In addition to the SPOC, the USTR's Office of Intergovernmental Affairs and Public Liaison (IAPL) is the designated "Coordinator for State Matters" and is charged with informing states on an on-going basis of trade-related matters.

The Intergovernmental Policy Advisory Committee (IGPAC) members include representatives from the National Association of State Procurement Officials, National League of Cities, National Associations of Attorneys General, National Association of Counties, National Center for State Courts, Council of State Governments and National Conference of State Legislatures as well as state/local elected and appointed officials from several states, counties and territories. Washington's IGPAC representative is Robert Hamilton, the Governor's Advisor on Trade Policy and the state's Point of Contact for the USTR.

The IGPAC recently submitted a memorandum to the USTR outlining recommendations to improve federal-state policy coordination. The main recommendation made by the IGPAC was the creation of a Federal-State International Trade Policy Commission (Fed-State Commission).

Membership would be drawn from federal and state officials responsible for trade policy. The goals of the Fed-State Commission would be to:

- foster consultation among officials from various levels of government on trade and investment concerns;
- be a resource for objective nonpartisan trade policy and trade law analysis; and
- author reports and make recommendations about trade policy for consideration by the federal, state and local governments.

This process is similar to the federal-provincial-territorial consultations on trade that Canada employs.

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### **Summary of Bill:**

The Legislature requests the USTR to create a Fed-State Commission. The Fed-State Commission is to serve as a resource for objective trade policy analysis and foster communication among federal and state trade policy officials.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Testimony For:** According to the United States Constitution, the federal government establishes trade policy and foreign policy. However, there are times where the states need to weigh in, especially if a policy impacts local laws or regulations. Currently, the IGPAC is frustrated around the consultation of state and local governments during the negotiations of trade agreements. The IGPAC members have security clearances and can view the drafts of

the agreements and policies. There is even some time to make comments. However, the breadth of topics and issues that are subject to negotiations precludes anyone from being an expert in all the state laws and regulations that may be impacted by a particular provision. But, under the system, an IGPAC member cannot share their concerns or discuss a provision with the relevant state agencies without violating federal law. In addition, many states experience a great deal of turnover in their trade policy positions and have lost a great deal of historical memory. This bill would provide a mechanism for meaningful comments by the states. Fellow members of the IGPAC are excited about this Joint Memorial, and if Washington passes it, this may spur other states to take similar steps to encourage the federal government as well.

**Testimony Against:** None.

**Persons Testifying:** Senator Shin, prime sponsor; and Robert Hamilton, Office of the Governor.

**Persons Signed In To Testify But Not Testifying:** None.