

SENATE BILL REPORT

SB 5361

As of February 2, 2011

Title: An act relating to the obligations of associate development organizations and the department of commerce.

Brief Description: Concerning the obligations of associate development organizations and the department of commerce.

Sponsors: Senators Chase, Kastama, Shin, Nelson, Prentice and Conway.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 1/26/11.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Staff: Edward Redmond (786-7471)

Background: In January 2010, President Obama proposed the National Export Initiative (NEI) to double United States exports within the next five years. In June 2010, as a response to the NEI, Governor Gregoire proposed to increase Washington State exports by 30 percent within the same time frame. As the nation's fourth largest trading state, Washington is uniquely positioned to meet this initiative.

Associate development organizations (ADO) deliver direct assistance to companies, and support research, planning, and implementation of regional and local economic development strategies. The Department of Commerce (Department) currently contracts with 34 ADOs serving the 39 counties in Washington. The Department is required to identify and work with local businesses that can use assistance to increase foreign exports of goods and services. The Department is currently not required to provide export assistance training to ADOs. There is also no requirement for ADOs to provide export assistance to local businesses.

Summary of Bill: The Department is required to provide export assistance training to ADOs. This training must include, but not be limited to, training in the fundamentals of export assistance; and information regarding the public and private export assistance providers available in the state. ADOs must provide information about export assistance to local businesses. Additionally, ADOs must facilitate export assistance training through workshops or one-on-one support.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Requested on January 22, 2011.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The Governor has indicated that she wants exports to be the new or important base of our economic recovery. Around the state we have the opportunity to teach businesses how to export. Recently, a Seattle Times article reported that Washington looked more like a developing country in terms of exports when the transportation element was factored out. This bill, with the export training that is envisioned, will help spread export knowledge across our state. The state has the opportunity to increase trade not only to China, but amongst our trading partners in North America. There are many local companies that manufacture products but do not export them. This bill will provide the export training to help these companies start exporting their goods.

OTHER: Exports are important as well as communication. The needs of businesses are often the same across the state, but in some instances are different. The committee members should make sure the way the bill is crafted meets the needs of those seeking assistance, and that the requirements for training are not too burdensome.

Persons Testifying: PRO: Senator Chase, prime sponsor.

OTHER: James Evans, Washington Economic Development Association.