

SENATE BILL REPORT

SB 5737

As Reported by Senate Committee On:
Economic Development, Trade & Innovation, January 30, 2012

Title: An act relating to economic development through the establishment of an intuitive trade assistance web portal.

Brief Description: Promoting economic development by establishing an intuitive trade assistance web portal.

Sponsors: Senators Kastama and Chase.

Brief History:

Committee Activity: Economic Development, Trade & Innovation: 2/16/11, 2/17/11; 1/23/12, 1/30/12 [DPS, w/oRec].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

Majority Report: That Substitute Senate Bill No. 5737 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Chase, Vice Chair; Hatfield, Kilmer, Shin and Zarelli.

Minority Report: That it be referred without recommendation.

Signed by Senators Baumgartner, Ranking Minority Member; Ericksen and Holmquist Newbry.

Staff: Edward Redmond (786-7471)

Background: The Department of Commerce (Commerce) is an executive branch agency tasked, amongst other things, with the responsibility of promoting statewide economic development. Commerce engages in a variety of activities to achieve this objective such as providing trade assistance to Washington-based businesses to increase their international competitiveness. Such trade assistance includes providing market opportunity assessments, trade leads, and export financing assistance.

The Washington State Export Initiative, whose goal is to increase exports by 30 percent in five years, began in 2010 as a response to the Obama administration's National Export Initiative to double exports in the same time frame. In the 2011 legislative session, the state

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enacted various measures directed to meet this objective through trade promotion, training, and direct assistance to small and medium sized businesses (SMEs). The Community Economic Revitalization Board (CERB) received \$3 million in state funding which the board awarded in the form of grants to various organizations to develop trade specific services for Washington State SMEs. Many of the services being developed by the grantees include some type of web-based component for businesses to utilize. At present, there is no requirement for the grantees to work in collaboration with Commerce to streamline the accessibility of such web-based information.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): Commerce must develop, maintain, and update a centralized state trade web portal. Commerce must collaborate with public and private entities to acquire relevant trade data for inclusion on the centralized web portal. Commerce may derive revenue from the centralized state trade web portal including, but not limited to, sources of revenue derived from advertisements placed on the web portal by third parties. The centralized state trade web portal technology may be commercialized and licensed by Commerce.

Any organization that receives state funding to develop trade related content must work in collaboration with Commerce to develop and provide applicable trade content for inclusion in the centralized state trade web portal. Commerce is authorized to use the centralized state trade web portal as a hub that links the independent trade web portals together.

EFFECT OF CHANGES MADE BY ECONOMIC DEVELOPMENT, TRADE & INNOVATION COMMITTEE (Recommended Substitute as Passed Committee):

- Directs Commerce to develop, maintain, and update a centralized state trade web portal;
- provides that Commerce must collaborate with public and private entities to acquire relevant trade data for inclusion on the centralized web portal; and
- provides that any organization that receives state funding to develop trade related content must work in collaboration with Commerce to develop and provide applicable trade content for inclusion in the centralized state trade web portal.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Proposed Substitute: PRO: The Association of Washington Businesses (AWB) is in support of this legislation. This past year AWB has been receiving regular calls from members and businesses at large seeking information on export assistant services. AWB has been referring those businesses to Commerce, who has been handling those calls very successfully. This upward approach is necessary so when

businesses are sent to Commerce all the export information will be accessible in a single place and a single web portal. In addition to trying to coordinate with the CERB grantees, Commerce is also attempting to address the intent of the original bill, developing the centralized state trade web portal. Commerce is utilizing a portion of the STEP grant funds to build the Export Washington centralized state trade web portal.

Persons Testifying: PRO: Amber Carter, AWB; Nick Demerice, Commerce.