

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE SENATE BILL 5911**

Chapter 366, Laws of 1993

53rd Legislature  
1993 Regular Session

SMALL BUSINESS EXPORT FINANCE ASSISTANCE CENTER--POWERS AND DUTIES

EFFECTIVE DATE: 7/25/93

Passed by the Senate April 19, 1993  
YEAS 41 NAYS 2

JOEL PRITCHARD

**President of the Senate**

Passed by the House April 13, 1993  
YEAS 95 NAYS 0

BRIAN EBERSOLE

**Speaker of the  
House of Representatives**

Approved May 15, 1993

MIKE LOWRY

**Governor of the State of Washington**

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5911** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MARTY BROWN

**Secretary**

FILED

May 15, 1993 - 11:07 a.m.

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE SENATE BILL 5911

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AS AMENDED BY THE HOUSE

Passed Legislature - 1993 Regular Session

State of Washington                      53rd Legislature                      1993 Regular Session

By Senate Committee on Trade, Technology & Economic Development  
(originally sponsored by Senators Cantu, Skratek, Bluechel and Winsley)

Read first time 03/03/93.

1            AN ACT Relating to economic development; and amending RCW  
2 43.210.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 43.210.110 and 1991 c 314 s 12 are each amended to  
5 read as follows:

6            (1) The small business export finance assistance center has the  
7 following powers and duties when exercising its authority under RCW  
8 43.210.100(3):

9            (a) Solicit and accept grants, contributions, and any other  
10 financial assistance from the federal government, federal agencies, and  
11 any other public or private sources to carry out its purposes;

12            (b) Offer comprehensive export assistance and counseling to  
13 manufacturers relatively new to exporting with gross annual revenues  
14 less than twenty-five million dollars. As close to (~~ninety~~) seventy-  
15 five percent as possible of each year's new cadre of clients must have  
16 gross annual revenues of less than five million dollars at the time of  
17 their initial contract. At least fifty percent of each year's new  
18 cadre of clients shall be from timber impact areas as defined in RCW  
19 43.31.601. Counseling may include, but not be limited to, helping

1 clients obtain debt or equity financing, in constructing competent  
2 proposals, and assessing federal guarantee and/or insurance programs  
3 that underwrite exporting risk; assisting clients in evaluating their  
4 international marketplace by developing marketing materials, assessing  
5 and selecting targeted markets; assisting firms in finding foreign  
6 customers by conducting foreign market research, evaluating  
7 distribution systems, selecting and assisting in identification of  
8 and/or negotiations with foreign agents, distributors, retailers, and  
9 by promoting products through attending trade shows abroad; advising  
10 companies on their products, guarantees, and after sales service  
11 requirements necessary to compete effectively in a foreign market;  
12 designing a competitive strategy for a firm's products in targeted  
13 markets and methods of minimizing their commercial and political risks;  
14 securing for clients specific assistance as needed, outside the  
15 center's field of expertise, by referrals to other public or private  
16 organizations. The Pacific Northwest export assistance project shall  
17 focus its efforts on facilitating export transactions for its clients,  
18 and in doing so, provide such technical services as are appropriate to  
19 accomplish its mission either with staff or outside consultants;

20 (c) Sign three-year counseling agreements with its clients that  
21 provide for termination if adequate funding for the Pacific Northwest  
22 export assistance project is not provided in future appropriations.  
23 Counseling agreements shall not be renewed unless there are compelling  
24 reasons to do so, and under no circumstances shall they be renewed for  
25 more than two additional years. A counseling agreement may not be  
26 renewed more than once. The counseling agreements shall have mutual  
27 performance clauses, that if not met, will be grounds for releasing  
28 each party, without penalty, from the provisions of the agreement.  
29 Clients shall be immediately released from a counseling agreement with  
30 the Pacific Northwest export assistance project, without penalty, if a  
31 client wishes to switch to a private export management service and  
32 produces a valid contract signed with a private export management  
33 service, or if the president of the small business export finance  
34 assistance center determines there are compelling reasons to release a  
35 client from the provisions of the counseling agreement;

36 (d) May contract with private or public international trade  
37 education services to provide Pacific Northwest export assistance  
38 project clients with training in international business. The president  
39 and board of directors shall decide the amount of funding allocated for

1 educational services based on the availability of resources in the  
2 operating budget of the Pacific Northwest export assistance project;

3 (e) May contract with the Washington state international trade fair  
4 to provide services for Pacific Northwest export assistance project  
5 clients to participate in one trade show annually. The president and  
6 board of directors shall decide the amount of funding allocated for  
7 trade fair assistance based on the availability of resources in the  
8 operating budget of the Pacific Northwest export assistance project;

9 (f) Provide biennial assessments of its performance. Project  
10 personnel shall work with the department of revenue and employment  
11 security department to confidentially track the performance of the  
12 project's clients in increasing tax revenues to the state, increasing  
13 gross sales revenues and volume of products destined to foreign  
14 clients, and in creating new jobs for Washington citizens. A biennial  
15 report shall be prepared for the governor and legislature to assess the  
16 costs and benefits to the state from creating the project. The  
17 president of the small business export finance assistance center shall  
18 design an appropriate methodology for biennial assessments in  
19 consultation with the director of the department of trade and economic  
20 development and the director of the Washington state department of  
21 agriculture. The department of revenue and the employment security  
22 department shall provide data necessary to complete this biennial  
23 evaluation, if the data being requested is available from existing data  
24 bases. Client-specific information generated from the files of the  
25 department of revenue and the employment security department for the  
26 purposes of this evaluation shall be kept strictly confidential by each  
27 department and the small business export finance assistance center;

28 (g) Take whatever action may be necessary to accomplish the  
29 purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120;  
30 and

31 (h) Limit its assistance to promoting the exportation of value-  
32 added manufactured goods. The project shall not provide counseling or  
33 assistance, under any circumstances, for the importation of foreign  
34 made goods into the United States.

35 (2) The Pacific Northwest export assistance project shall not,  
36 under any circumstances, assume ownership or take title to the goods of  
37 its clients.

38 (3) The Pacific Northwest export assistance project may not use any  
39 Washington state funds which come from the public treasury of the state

1 of Washington to make loans or to make any payment under a loan  
2 guarantee agreement. Under no circumstances may the center use any  
3 funds received under RCW 43.210.050 to make or assist in making any  
4 loan or to pay or assist in paying any amount under a loan guarantee  
5 agreement. Debts of the center shall be center debts only and may be  
6 satisfied only from the resources of the center. The state of  
7 Washington shall not in any way be liable for such debts.

8 (4) The Pacific Northwest export assistance project shall make  
9 every effort to seek nonstate funds to supplement its operations.

10 (5) The small business export finance assistance center and its  
11 Pacific Northwest export assistance project shall take whatever steps  
12 are necessary to provide its services, if requested, to the states of  
13 Oregon, Idaho, Montana, Alaska, and the Canadian provinces of British  
14 Columbia and Alberta. Interstate services shall not be provided by the  
15 Pacific Northwest export assistance project during its first biennium  
16 of operation. The provision of services may be temporary and subject  
17 to the payment of fees, or each state may request permanent services  
18 contingent upon a level of permanent funding adequate for services  
19 provided. Temporary services and fees may be negotiated by the small  
20 business export finance assistance center's president subject to  
21 approval of the board of directors. The president of the small  
22 business export finance assistance center may enter into negotiations  
23 with neighboring states to contract for delivery of the project's  
24 services. Final contracts for providing the project's counseling and  
25 services outside of the state of Washington on a permanent basis shall  
26 be subject to approval of the governor, appropriate legislative  
27 oversight committees, and the small business export finance assistance  
28 center's board of directors.

29 (6) The small business export finance assistance center may receive  
30 such gifts, grants, and endowments from public or private sources as  
31 may be made from time to time, in trust or otherwise, for the use and  
32 benefit of the purposes of the Pacific Northwest export assistance  
33 project and expend the same or any income therefrom according to the  
34 terms of the gifts, grants, or endowments.

35 (7) The president of the small business export finance assistance  
36 center, in consultation with the board of directors, may use the  
37 following formula in determining the number of clients that can be  
38 reasonably served by the Pacific Northwest export assistance project  
39 relative to its appropriation. Divide the amount appropriated for

1 administration of the Pacific Northwest export assistance project by  
2 the marginal cost of adding each additional Pacific Northwest export  
3 assistance project client. For the purposes of this calculation, and  
4 only for the first biennium of operation, the biennial marginal cost of  
5 adding each additional Pacific Northwest export assistance project  
6 client shall be fifty-seven thousand ninety-five dollars. The biennial  
7 marginal cost of adding each additional client after the first biennium  
8 of operation shall be established from the actual operating experience  
9 of the Pacific Northwest export assistance project.

10 (8) All receipts from the Pacific Northwest export assistance  
11 project shall be deposited into the general fund.

Passed the Senate April 19, 1993.

Passed the House April 13, 1993.

Approved by the Governor May 15, 1993.

Filed in Office of Secretary of State May 15, 1993.