

HOUSE BILL REPORT

HB 1123

As Reported By House Committee On:

Trade & Economic Development

Title: An act relating to international trade.

Brief Description: Creating the office of Washington state trade representative.

Sponsors: Representatives Sheldon, Van Luven, Horn, Campbell, Foreman, Mason, Hatfield, Ballasiotes, Kremen, Conway, K. Schmidt, D. Schmidt, Grant, Sheahan, Chopp, Schoesler, Morris, Koster, Thibaudeau, Talcott, Valle, Wolfe, L. Thomas, Casada, Boldt, Sherstad, Huff and Mitchell.

Brief History:

Committee Activity:

Trade & Economic Development: 1/25/95, 1/26/95, 2/1/95 [DPS].

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 Van Luven, Chair; Radcliff, Vice Chair; D. Schmidt, Vice Chair; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Ballasiotes; Hickel; Sherstad; Skinner and Valle.

Staff: Kenny Pittman (786-7392).

Background: Recent passage of the North American Free Trade Agreement (NAFTA) and the Uruguay round of the General Agreement on Tariffs and Trade (GATT) highlight the increased importance of international trade to the United States and the state of Washington.

Washington State has several programs to promote international trade and export by small- and medium-sized businesses. These programs include research and market development activities, export counseling, and export technical assistance.

In 1993, the Legislature established a 15-member Council on International Trade. The council was established to coordinate the various state programs that promote international trade, among other duties. The council expires on June 30, 1995.

In 1994, as part of the Governor's International Trade Initiative, the position of Special Trade Representative was created. The position was jointly funded through the Department of Agriculture and the Department of Community, Trade, and Economic Development. The Special Trade Representative acts as the state's liaison with foreign governments on trade matters and issues, works with state agencies involved in international trade, and works with the Council on International Trade. The position of Special Trade Representative was not created by statute.

Summary of Substitute Bill: The position of Special Trade Representative is created in the Office of the Governor. The Special Trade Representative is directed to: (1) advise the Governor and Legislature on trade matters that affect the state; (2) consult with the Department of Agriculture and the various agricultural commissions on the promotion of Washington commodities overseas; (3) consult with the Department of Community, Trade, and Economic Development on the promotion of Washington goods and services overseas; (4) work with the Washington State Trade Advisory Council on strategies to assist Washington business in expanding international trade opportunities; and (5) serve as chair to the Washington State Trade Advisory Council.

The Washington State Trade Advisory Council is created. The 22-member council consists of: (1) two members of trade organizations, appointed by the Governor; (2) two representatives of ports, appointed by the Governor; (3) five representatives of export businesses, appointed by the Governor; (4) four members of the Legislature, two appointed by the Speaker of the House, and two appointed by the President of the Senate; (5) two members with export marketing experience, appointed by the Governor; (6) two members with export financing experience, appointed by the Governor; (7) the directors of the departments of Agriculture, and Community, Trade, and Economic Development; (8) the Special Trade Representative, who shall serve as chair; and (9) two ex-officio members, appointed by the Special Trade Representative. Legislative and non-legislative members of the Washington State Trade Advisory Council may receive reimbursement for attending meetings.

The Washington State Trade Advisory Council: (1) advises the Governor and Legislature on policies, programs, and activities to enhance the promotion of Washington's goods and services; (2) reviews current state export efforts; (3) recommends methods to increase awareness of international trade; (4) studies the impact of federal trade legislation on the state of Washington; (5) advises the Governor and Legislature on methods to enhance state and local agency export promotion and assistance efforts; and (6) reports on its activities by December 1, 1995, and each December 1 thereafter. The Washington State Trade Advisory Council may accept gifts, grants, donations, devices, and bequests to facilitate the council's work.

The Department of Community, Trade, and Economic Development provides staff support and administrative assistance to the Governor's Special Trade Representative and Washington State Trade Advisory Council.

The Governor's Special Trade Representative and Washington State Trade Advisory Council is terminated on June 30, 1999.

Substitute Bill Compared to Original Bill: The substitute bill: (1) removes the Office of the Special Trade Representative; (2) removes the requirement that the Governor's Special Trade Representative be confirmed by the Senate; (3) directs the Department of Community, Trade, and Economic Development to provide staff support and administrative assistance to the Governor's Special Trade Representative and the Trade Advisory Council; (4) expands the Trade Advisory Council membership from 18 to 22; and (5) terminates the Governor's Special Trade Representative and Trade Advisory Council on June 30, 1999.

Appropriation: None.

Fiscal Note: Requested on January 16, 1995.

Effective Date of Substitute Bill: The bill takes effect on July 1, 1995.

Testimony For: Government plays a key role in removing trade barriers. The State Trade Representative has been successful in helping Washington businesses access new markets. This is an example where the public and private sector have worked together to increase international trade opportunities. This bill will continue and strengthen that relationship.

Testimony Against: None.

Testified: Representative Tim Sheldon, Sponsor (Pro); Jens Stahmer, Institute for International and Multi-Ethnic Relations (Pro); John McAlister, Tree Top Corporation (Pro); Mike Fitzgerald, Department of Community, Trade, and Economic Development (Pro); and Pat Jones, Washington Public Ports Association (Pro).