

HOUSE BILL REPORT

SHB 1888

As Passed Legislature

Title: An act relating to the executive-legislative task force on international trade.

Brief Description: Creating the executive-legislative task force on international trade.

Sponsors: By House Committee on Trade & Economic Development (originally sponsored by Representatives Van Luven, Veloria, Dunn, McDonald, Alexander, Ballasiotes, Sheldon, Morris, Mason, Kastama, Wensman, Wolfe, Doumit, Hatfield, Thompson, Butler, Chandler, Kessler, Dickerson, Constantine, Ogden, Conway, Costa, Cole and O'Brien).

Brief History:

Committee Activity:

Trade & Economic Development: 2/19/97, 2/27/97 [DPS].

Floor Activity:

Passed House: 3/15/97, 95-0.

Senate Amended.

House Concurred.

Passed Legislature.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Van Luven, Chairman; Dunn, Vice Chairman; Veloria, Ranking Minority Member; Sheldon, Assistant Ranking Minority Member; Alexander; Ballasiotes; Mason; McDonald and Morris.

Staff: Kenny Pittman (786-7392).

Background: International trade is key to Washington's economy. Washington's international business relationships are based on two and three-way trade, investment, education, and tourism. In 1994, Washington's two and three-way trade totaled \$75.4 billion, with exports at \$32.3 billion of the total. In 1992, foreign investors owned approximately 275 businesses that employed 25,355 people in Washington. In 1994, approximately 2.3 million international travelers visited Washington. It is estimated that one in five jobs in Washington are related to international trade.

Washington's international trade programs are administered by the Washington State Community, Trade and Economic Development and the Washington State Department of Agriculture. These state agencies administer programs that focus on improving the competitive position of key industries and firms in the domestic and international marketplace. This is accomplished by linking the efforts of trade and industry specialists, providing technical staff to assist Washington's small- and medium-sized firms develop and expand markets for their products, and maintaining information on potential international trade opportunities through the state's foreign trade offices.

Summary of Bill: Two separate task force are created to address issues regarding international trade and tourism promotion and development.

Executive-Legislative Task Force on International Trade

The Executive-Legislative Task Force on International Trade (task force) is created. The task force consists of 23 members with representation from public and private sector businesses and organizations involved in international and domestic trade. The task force members include (1) the Governor; (2) six members of the Legislature, three from the House of Representatives including the chair of the House Committee on Trade and Economic Development and three from the Senate; (3) the Secretary of State; (4) four representatives from businesses involved in international trade; (5) two representatives of organized labor; (6) two representatives from public ports; (7) two representatives from local economic development organizations; (8) two representatives from cities with a population of at least 175,000 and that have a public port; and (9) one representative at large. The two ex officio members to the task force consists of the Directors of the Department of Community, Trade, and Economic Development and Washington state Department of Agriculture. The Governor appoints the non-legislative members of the task force. The Governor serves as chair of the task force and the chair of the House Committee on Trade and Economic Development and a member from the Senate serve as the vice chairs of the task force.

The task force is authorized to (1) review existing state programs and incentives designed to encourage trade opportunities; (2) review the state's organizational structure for trade-related functions; (3) review trade promotion programs, organizational structure, and efforts in other states and countries; (4) make recommendations on the state's trade related functions, including the state's roll in promoting trade and the appropriate organizational structure of the state's trade programs and incentives; and (5) prepare and submit a report to the Governor and appropriate legislative committees with its findings and recommendations by January 30, 1998. The task force expires March 1, 1998.

The office of the governor and the legislature must provide administrative and clerical assistance to the task force.

Task Force to the Legislature on Tourism Promotion and Marketing

The Task Force to the Legislature on Tourism Promotion and Marketing (task force) is created to study tourism promotion and related issues related to the establishment of a private commission to market Washington state and its tourism advantage. The task force consists of 16-members with representation that includes: (1) four members of the Legislature, two from the House of Representatives, and two from the Senate; (2) nine members that represent private sector organizations in the travel and tourism industry; and (3) three ex officio members from state agencies involved in tourism promotion.

The Governor must appoint the private sector members based on recommendations from statewide private sector organizations. The Speaker of the House appoints the members from the House of Representatives and the lieutenant governor appoints the members from the Senate. The ex officio members consist of the director of Tourism Development Division of the Department of Community, Trade, and Economic Development, the director of the state Parks and Recreation Commission, and a representative of the Attorney General's Office.

The task force, or its working groups, is authorized to study tourism promotion and related issues. The report must include: (1) an evaluation of existing state laws, policies, and programs that promote or affect state tourism marketing; (2) an analysis of the level of state interdepartmental cooperation needed for tourism promotion; (3) a clear determination of the economic impact of an aggressive statewide tourism marketing program; (4) the development of a legislatively established private statewide tourism commission; (5) a proposal for private sector funding of the statewide tourism commission; (6) the statewide commission's procedure to develop a marketing plan; (7) all recommendations on the appropriate roles and responsibilities of the public and private sectors, including the interrelationship between the state tourism development division and the proposed statewide commission; and (8) the task force must prepare and submit a written report outlining its findings and recommendations to the Legislature by January 31, 1998. The task force expires June 30, 1998.

The Department of Community, Trade, and Economic Development must provide necessary staff support to the task force.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Washington is a trade dependent state. While we have been successful in having businesses locate in Washington, the competition from other states is high. The task force will review existing trade-related programs and tell us in which areas we are doing all right and in which areas we need to improve. Its findings will only help the state as it works to attract business to locate here. The cities have a role in promoting international trade and should be part of the task force.

Testimony Against: None.

Testified: Representative Van Luven, prime sponsor (pro); and Randy Lewis, city of Tacoma (pro).