

HOUSE BILL REPORT

ESB 6023

*As Reported By House Committee on:
Trade & Economic Development*

Title: An act relating to the center for international trade in forest products.

Brief Description: Modifying the duties and delaying the sunset termination of the center for international trade in forest products.

Sponsor(s): Senators Saling, Bauer, Oke, Gaspard, Conner, Thorsness and L. Smith; by request of Legislative Budget Committee.

Brief History:

Reported by House Committee on:
Trade & Economic Development, February 25, 1992, DPA.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *Do pass as amended.* Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: James Thurston (786-7349).

Background:

The Legislature created the Center for International Trade in Forest Products (CINTRAFOR) on a provisional basis in 1984, and then permanently in 1985. CINTRAFOR's statutory responsibilities include researching, coordinating information, and providing graduate education in order to expand forest-based international trade.

In 1991, the Legislative Budget Committee (LBC) reviewed CINTRAFOR under the sunset process. The LBC report finds that CINTRAFOR has generally carried out its responsibilities consistent with its statutory mandate. However, CINTRAFOR's activities have not led to the results expected by the Legislature or the forest products industry. The LBC report cites several reasons for this outcome and states that CINTRAFOR has begun to address some of them.

The LBC makes eight specific recommendations concerning the management process and statutory mandate of CINTRAFOR: (1) The Department of Trade & Economic Development should take a more active role in administering its CINTRAFOR contract; (2) CINTRAFOR should continue to enhance the management and effectiveness of its activities; (3) CINTRAFOR should develop specific agreements for cooperation with other university entities; (4) CINTRAFOR should be continued until June 30, 1997, subject to modifications to its enabling statute and sunset review; (5) CINTRAFOR's statutory mandate should be changed to require a focus on the international trade of secondary manufacturing products; (6) An executive policy board should be created to advise on policy direction and activities; (7) Working groups should be required for each area of research focus; and (8) CINTRAFOR's data responsibilities should be narrowed.

Summary of Amended Bill:

CINTRAFOR is reauthorized with modifications and remains in the sunset process until June 30, 1995. The modifications include: (1) CINTRAFOR's research, analysis, and dissemination duties are redefined to include a major focus on secondary manufacturing in the international trade of forest products; (2) CINTRAFOR'S database responsibilities are limited to support for its own research functions; (3) CINTRAFOR's duty to monitor the status of the state's forest products industry in international markets is expanded to include a focus on small and medium-sized secondary manufacturing firms; (4) CINTRAFOR's duty to cooperate with specific schools at the University of Washington is expanded to include the Northwest Policy Center at the Graduate School of Public Affairs; (5) An executive policy board is created to provide advice on policy direction and program priorities; and (6) Advisory or technical committees are required for each research program area to advise on priorities and dissemination.

Amended Bill Compared to Engrossed Bill: Language requiring CINTRAFOR to report to the Legislature by June 30, 1993, on its progress toward compliance with LBC recommendations is removed. The requirement that the Legislature reauthorize CINTRAFOR during the 1993 legislative session is removed. CINTRAFOR remains in the sunset process until June 30, 1995.

Fiscal Note: Not requested.

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

Testimony For: CINTRAFOR's activities are a major part of the state's efforts to expand Washington's role in the

international trade of forest products. The center has already begun to address the weaknesses outlined in the LBC report. This bill implements some of the Legislative Budget Committee's recommendations; CINTRAFOR has implemented others already. CINTRAFOR should not be removed from the sunset process and made subject to termination in 1993. One year is not a sufficient amount of time for CINTRAFOR to fully enact the LBC recommendations. Placing a one year deadline on CINTRAFOR might actually hinder its ability to carry out its statutory responsibilities.

Testimony Against: None.

Witnesses: Senator Gerald L. Saling, Prime Sponsor; David Thorud, University of Washington; Bruce Lippke, CINTRAFOR; Greg Schellberg, Evergreen Partnership; Don White, Washington Public Ports Association; Victoria Chiechi, Washington Citizens for World Trade; and Fred Romero, Department of Trade and Economic Development.