
SUBSTITUTE SENATE BILL 5911

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)) fifty
15 percent as possible of each year's new cadre of clients must have gross
16 annual revenues of less than five million dollars at the time of their
17 initial contract. At least fifty percent of each year's new cadre of
18 clients shall be from timber impact areas as defined in RCW 43.31.601.
19 During the 1993-95 fiscal biennium fifty percent of each year's new

1 cadre of clients may be from economically disadvantaged areas of the
2 state as determined by the small business export finance assistance
3 center's board of directors, but only if funds spent on or dedicated to
4 clients from timber impact areas equal or exceed the amount of funds
5 spent on or dedicated to such clients in the previous fiscal biennium.
6 The board's determination shall be subject to periodic review.
7 Counseling may include, but not be limited to, helping clients obtain
8 debt or equity financing, in constructing competent proposals, and
9 assessing federal guarantee and/or insurance programs that underwrite
10 exporting risk; assisting clients in evaluating their international
11 marketplace by developing marketing materials, assessing and selecting
12 targeted markets; assisting firms in finding foreign customers by
13 conducting foreign market research, evaluating distribution systems,
14 selecting and assisting in identification of and/or negotiations with
15 foreign agents, distributors, retailers, and by promoting products
16 through attending trade shows abroad; advising companies on their
17 products, guarantees, and after sales service requirements necessary to
18 compete effectively in a foreign market; designing a competitive
19 strategy for a firm's products in targeted markets and methods of
20 minimizing their commercial and political risks; securing for clients
21 specific assistance as needed, outside the center's field of expertise,
22 by referrals to other public or private organizations. The Pacific
23 Northwest export assistance project shall focus its efforts on
24 facilitating export transactions for its clients, and in doing so,
25 provide such technical services as are appropriate to accomplish its
26 mission either with staff or outside consultants;

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

1 service, or if the president of the small business export finance
2 assistance center determines there are compelling reasons to release a
3 client from the provisions of the counseling agreement;

4 (d) May contract with private or public international trade
5 education services to provide Pacific Northwest export assistance
6 project clients with training in international business. The president
7 and board of directors shall decide the amount of funding allocated for
8 educational services based on the availability of resources in the
9 operating budget of the Pacific Northwest export assistance project;

10 (e) May contract with the Washington state international trade fair
11 to provide services for Pacific Northwest export assistance project
12 clients to participate in one trade show annually. The president and
13 board of directors shall decide the amount of funding allocated for
14 trade fair assistance based on the availability of resources in the
15 operating budget of the Pacific Northwest export assistance project;

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

35 (g) Take whatever action may be necessary to accomplish the
36 purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120;
37 and

38 (h) Limit its assistance to promoting the exportation of value-
39 added manufactured goods. The project shall not provide counseling or

1 assistance, under any circumstances, for the importation of foreign
2 made goods into the United States.

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

6 (3) The Pacific Northwest export assistance project may not use any
7 Washington state funds which come from the public treasury of the state
8 of Washington to make loans or to make any payment under a loan
9 guarantee agreement. Under no circumstances may the center use any
10 funds received under RCW 43.210.050 to make or assist in making any
11 loan or to pay or assist in paying any amount under a loan guarantee
12 agreement. Debts of the center shall be center debts only and may be
13 satisfied only from the resources of the center. The state of
14 Washington shall not in any way be liable for such debts.

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

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

36 (6) The small business export finance assistance center may receive
37 such gifts, grants, and endowments from public or private sources as
38 may be made from time to time, in trust or otherwise, for the use and
39 benefit of the purposes of the Pacific Northwest export assistance

1 project and expend the same or any income therefrom according to the
2 terms of the gifts, grants, or endowments.

3 (7) The president of the small business export finance assistance
4 center, in consultation with the board of directors, may use the
5 following formula in determining the number of clients that can be
6 reasonably served by the Pacific Northwest export assistance project
7 relative to its appropriation. Divide the amount appropriated for
8 administration of the Pacific Northwest export assistance project by
9 the marginal cost of adding each additional Pacific Northwest export
10 assistance project client. For the purposes of this calculation, and
11 only for the first biennium of operation, the biennial marginal cost of
12 adding each additional Pacific Northwest export assistance project
13 client shall be fifty-seven thousand ninety-five dollars. The biennial
14 marginal cost of adding each additional client after the first biennium
15 of operation shall be established from the actual operating experience
16 of the Pacific Northwest export assistance project.

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

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