

HOUSE BILL REPORT

SSB 6330

As Reported by House Committee On:
Economic Development, Agriculture & Trade
Appropriations

Title: An act relating to the establishment of the Washington trade corps fellowship program.

Brief Description: Establishing the Washington trade corps fellowship program.

Sponsors: Senate Committee on International Trade & Economic Development (originally sponsored by Senators Shin, Kastama, Sheldon, Rasmussen, Doumit, Weinstein, Fraser, Swecker, McAuliffe, Oke, Eide, Honeyford, Franklin, Mulliken, Prentice, Pflug, Kohl-Welles, Jacobsen and Roach).

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 2/22/06 [DP];

Appropriations: 2/25/06, 2/27/06 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- The Department of Community, Trade, and Economic Development is required to make a report to the Legislature on alternative funding sources, other than the General Fund, that could support a fellowship program in Washington's Trade Offices.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: Do pass. Signed by 17 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Blake, Chase, Clibborn, Grant, Holmquist, Kilmer, McCoy, Morrell, Newhouse, Quall, P. Sullivan and Wallace.

Minority Report: Do not pass. Signed by 6 members: Representatives Bailey, Buri, Dunn, Haler, Kretz and Strow.

Staff: Tracey Taylor (786-7196).

Background:

The Department of Community, Trade and Economic Development (DCTED) is responsible for establishing and operating foreign offices promoting overseas trade and commerce. The

DCTED currently has overseas offices in China, Germany, Japan, Mexico, South Korea, and Taiwan.

Summary of Bill:

The Washington Trade Corps Fellowship Program is created to enhance the work of Washington's trade offices by placing up to five Washington college and graduate students per year in the international trade offices as fellows. Applicants for the fellowships must be enrolled in a school offering a credential in a field that would prepare them for international work and be proficient in the language of the country where they are placed.

Fellows are to serve from six to 18 months and receive a stipend of at least \$10,000 plus living and travel expenses. Living and travel expenses may not exceed 60 percent of the state's average yearly wage or \$25,000, whichever is greater. Institutions are encouraged to and may provide fellows with college credit.

The DCTED is to appoint a committee to assist in evaluating applicants and selecting fellows. The committee membership should include: at least three members of organizations concerned with international trade; at least one from a stateside organization; at least two representatives of regional organizations from different regions of the state; at least three shall be from an accredited public or private university or college within Washington and have expertise in international trade. A fellowship candidate may be required to intern with the DCTED prior to final selection. The decision of the DCTED in selecting fellows is final. International trade office assignments will be made in consultation with the fellow's college; however, no more than two fellows shall be assigned to any trade office at one time. Reports to the DCTED will be required in addition to any requirements of the fellow's college. Post-fellowship employment with the DCTED may be required. The DCTED must report annually to the Legislature on the Washington Trade Corps Program.

Fellows are to follow United States travel advisories, and the state and higher education institutions are not liable for injuries caused by changes in the security status of placement countries.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: Currently, the United States and Washington are operating under a trade deficit. The Senate International Trade and Economic Development Committee has a five-year plan to eliminate the state's trade deficit. The idea for this program comes from the Peace Corps. The world is flat, and we must be globally competitive. In order to sell more

Washington products overseas, we must train our students in international trade. Some of our state overseas trade offices do not even have a full-time equivalent. The Trade Corps Program would allow the students to learn the language, the culture, and the business opportunities of our trade partners. These fellows will become our ambassadors of trade. Truly, this program is a win-win for all parties involved and would benefit from promotion of the program throughout the Washington higher education institutions.

Testimony Against: None.

Persons Testifying: Senator Shin, prime sponsor; and Jennifer Adrien, Global Business Center, University of Washington.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 21 members: Representatives Sommers, Chair; Fromhold, Vice Chair; McDonald, Assistant Ranking Minority Member; Cody, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Priest, Schual-Berke, P. Sullivan, Talcott and Walsh.

Minority Report: Do not pass. Signed by 9 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Clements, Hinkle and Pearson.

Staff: Owen Rowe (786-7391).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Economic Development, Agriculture & Trade:

The striking amendment eliminates the creation of the Washington Trade Corps Fellowship Program. The Department of Community, Trade, and Economic Development (DCTED) is to research alternative funding sources for a trade corps fellowship program in collaboration with other public and private entities, including, but not limited to, international programs at institutions of higher education. Additionally, the DCTED is directed to submit a report to the Legislature by December 1, 2007, with recommendations regarding the creation of a trade corps fellowship program.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Testimony For: None.

(Comments) Hosting college and graduate student fellows in our foreign trade offices would be a brand new program for the Department of Community, Trade, and Economic Development (DCTED). There are nine of the DCTED trade offices in six foreign countries. This bill also allows for placement in the Department of Agriculture's overseas trade offices. The trade offices assist Washington businesses to enter foreign markets with their products. This program is different from the work currently carried out in the trade offices. If this bill moves forward, the DCTED will need adequate funding to administer the program.

Testimony Against: None.

Persons Testifying: (Comments) Marie Sullivan, Department of Community, Trade, and Economic Development.

Persons Signed In To Testify But Not Testifying: None.