

SENATE BILL REPORT

ESB 6023

AS PASSED SENATE, FEBRUARY 11, 1992

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

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

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McMullen, Moore, Murray, and Skratek.

Staff: Forrest Bathurst (786-7429)

Hearing Dates: January 27, 1992; February 7, 1992

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

BACKGROUND:

The Center for International Trade in Forest Products (CINTRAFOR) was established provisionally in 1984, and permanently in 1985. The center's statutory duties include: 1) conducting research for expansion of forest-based international trade in manufactured forest products; 2) developing industrial technology to meet international customers' needs; 3) coordinating and disseminating market and technical information; 4) providing graduate education; 5) cooperating with other state and federal agencies; and 6) seeking financial support from private industry, federal and other government sources.

The Legislative Budget Committee (LBC) approved a sunset report for CINTRAFOR on October 16, 1991. The sunset report presents eight recommendations which are: 1) the Department of Trade and Economic Development (DTED) should take a more active role in administering its CINTRAFOR contract; 2) CINTRAFOR should continue to enhance its management and the effectiveness of its activities; 3) CINTRAFOR should support the College of Forest Resources in developing specific agreements for cooperation and coordination with other entities such as the Business School and the Northwest Policy Center; 4) CINTRAFOR should be continued, subject to adoption of modifications in its enabling statute; 5) the center's statutory mandate should focus on secondary manufactured products; 6) an executive policy board should be created for CINTRAFOR which includes representatives of small and medium sized businesses; 7) working groups should be required for each area of research; and 8) the center should not be viewed

as a comprehensive data source for business, media, and the public.

A recent federal report by the Special Cooperative State Research Service (CSRS) recommends that CINTRAFOR should narrowly define its mission to support research and report on trends significant to the Pacific Northwest, but to exclude routine provision of data to the media and public. CSRS staff expressed the opinion that CINTRAFOR should assist in policy formulation by providing background analysis, developing options, and assessing probable impacts of options, without acting as an advocate for any particular option.

SUMMARY:

The enabling statutes for CINTRAFOR are amended: 1) to place more emphasis on research and analysis for secondary forest products manufacturing; and 2) to coordinate, develop, and disseminate market and technical information to secondary manufacturers.

The computer databases managed by CINTRAFOR are required to focus on reporting worldwide trends significant to the Northwest forest products industry.

CINTRAFOR is directed to monitor the competitiveness of small and medium sized forest products manufacturers in international markets. Small and medium sized firms are defined as those with annual gross revenues below \$25 million.

CINTRAFOR is directed to cooperate with the Northwest Policy Center and the Graduate School of Public Administration at the University of Washington.

An executive policy board consisting of representatives of small and medium sized business is established. The board's duties shall include: Providing advice to the director on policies, program priorities, budget requests, on securing research funding, prioritizing and selecting research projects, and on disseminating research results to CINTRAFOR's constituency.

Advisory and technical committees are established for each research area. These committees are created to help insure that projects are relevant to industry needs and that the results of research are effectively disseminated.

CINTRAFOR is directed to report to the appropriate legislative policy committees prior to June 30, 1993 on its progress toward compliance with LBC Report 91-06. CINTRAFOR is terminated on June 30, 1993 unless extended by state law during the 1993 legislative session. No additional sunset review study is required.

Appropriation: none

Revenue: none

Fiscal Note: requested January 21, 1992

TESTIMONY FOR:

The center does very good research and is making progress toward implementing the LBC report's recommendations.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Nick Kirkmire, Washington Citizens for World Trade; Greg Schellberg, Evergreen Partnership; Bruce Lippke, CINTRAFOR

HOUSE AMENDMENT(S):

A new sunset date for CINTRAFOR is set for June 30, 1994. The Legislative Budget Committee is required to complete another sunset review study for CINTRAFOR prior to the 1994 legislative session.

The remainder of the House amendment mirrors exactly the language contained within the Senate amendment. As such, the policy provisions of the House amendment are the same as those contained within the Senate bill.