
ENGROSSED 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 Counseling may include, but not be limited to, helping clients obtain

1 debt or equity financing, in constructing competent proposals, and
2 assessing federal guarantee and/or insurance programs that underwrite
3 exporting risk; assisting clients in evaluating their international
4 marketplace by developing marketing materials, assessing and selecting
5 targeted markets; assisting firms in finding foreign customers by
6 conducting foreign market research, evaluating distribution systems,
7 selecting and assisting in identification of and/or negotiations with
8 foreign agents, distributors, retailers, and by promoting products
9 through attending trade shows abroad; advising companies on their
10 products, guarantees, and after sales service requirements necessary to
11 compete effectively in a foreign market; designing a competitive
12 strategy for a firm's products in targeted markets and methods of
13 minimizing their commercial and political risks; securing for clients
14 specific assistance as needed, outside the center's field of expertise,
15 by referrals to other public or private organizations. The Pacific
16 Northwest export assistance project shall focus its efforts on
17 facilitating export transactions for its clients, and in doing so,
18 provide such technical services as are appropriate to accomplish its
19 mission either with staff or outside consultants;

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

36 (d) May contract with private or public international trade
37 education services to provide Pacific Northwest export assistance
38 project clients with training in international business. The president
39 and board of directors shall decide the amount of funding allocated for

1 educational services based on the availability of resources in the
2 operating budget of the Pacific Northwest export assistance project;

3 (e) May contract with the Washington state international trade fair
4 to provide services for Pacific Northwest export assistance project
5 clients to participate in one trade show annually. The president and
6 board of directors shall decide the amount of funding allocated for
7 trade fair assistance based on the availability of resources in the
8 operating budget of the Pacific Northwest export assistance project;

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

28 (g) Take whatever action may be necessary to accomplish the
29 purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120;
30 and

31 (h) Limit its assistance to promoting the exportation of value-
32 added manufactured goods. The project shall not provide counseling or
33 assistance, under any circumstances, for the importation of foreign
34 made goods into the United States.

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

38 (3) The Pacific Northwest export assistance project may not use any
39 Washington state funds which come from the public treasury of the state

1 of Washington to make loans or to make any payment under a loan
2 guarantee agreement. Under no circumstances may the center use any
3 funds received under RCW 43.210.050 to make or assist in making any
4 loan or to pay or assist in paying any amount under a loan guarantee
5 agreement. Debts of the center shall be center debts only and may be
6 satisfied only from the resources of the center. The state of
7 Washington shall not in any way be liable for such debts.

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

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

29 (6) The small business export finance assistance center may receive
30 such gifts, grants, and endowments from public or private sources as
31 may be made from time to time, in trust or otherwise, for the use and
32 benefit of the purposes of the Pacific Northwest export assistance
33 project and expend the same or any income therefrom according to the
34 terms of the gifts, grants, or endowments.

35 (7) The president of the small business export finance assistance
36 center, in consultation with the board of directors, may use the
37 following formula in determining the number of clients that can be
38 reasonably served by the Pacific Northwest export assistance project
39 relative to its appropriation. Divide the amount appropriated for

1 administration of the Pacific Northwest export assistance project by
2 the marginal cost of adding each additional Pacific Northwest export
3 assistance project client. For the purposes of this calculation, and
4 only for the first biennium of operation, the biennial marginal cost of
5 adding each additional Pacific Northwest export assistance project
6 client shall be fifty-seven thousand ninety-five dollars. The biennial
7 marginal cost of adding each additional client after the first biennium
8 of operation shall be established from the actual operating experience
9 of the Pacific Northwest export assistance project.

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

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