
SENATE BILL 5911

State of Washington

53rd Legislature

1993 Regular Session

By Senators Cantu, Skratek, Bluechel and Winsley

Read first time 02/24/93. Referred to Committee on Trade, Technology & Economic Development.

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~~) economically impacted areas
19 (~~as defined in RCW 43.31.601~~). Counseling may include, but not be

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

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

37 (d) May contract with private or public international trade
38 education services to provide Pacific Northwest export assistance
39 project clients with training in international business. The president

1 and board of directors shall decide the amount of funding allocated for
2 educational services based on the availability of resources in the
3 operating budget of the Pacific Northwest export assistance project;

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

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

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

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

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

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

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

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

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

37 (7) The president of the small business export finance assistance
38 center, in consultation with the board of directors, may use the
39 following formula in determining the number of clients that can be

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

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

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