
**Community & Economic
Development & Trade Committee**

2SSB 5367

Brief Description: Establishing the Washington trade corps fellowship program.

Sponsors: Senators Shin, Kastama, Kilmer, Kauffman, Clements, Berkey and Rasmussen.

Brief Summary of Bill

- Creates the Washington Trade Corps Fellowship Program at the University of Washington Center for International Business Education and Research.
- Provides Fellowship criteria, a selection process, financial support, placement options, and related requirements.

Hearing Date: 2/20/2008

Staff: Meg Van Schoorl (786-7105).

Background:

Washington State and International Trade

According to a February 15, 2008 report by the World Institute for Strategic Economic Research (WISER), Washington State was the nation's fourth largest exporting state in 2007, after Texas, California and New York. The state's \$66 billion in 2007 exports is a 24.8% increase over the 2006 level. Transportation equipment from Boeing, PACCAR, and other manufacturers accounted for over 60% of Washington's exports, followed by agricultural exports, computer and electronic products, machinery, and food. The State's leading trade partners in 2007 were China, Japan, Canada, and India.

Center for International Business Education and Research (Center)

Housed at the University of Washington, the Center is one of 31 such international business education and research centers in the United States and is the only one in the Pacific Northwest.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Centers are authorized by Congress under Title VI of the Higher Education Act. They receive federal funding in order to be national resources for teaching improved business techniques, strategies, and methodologies that emphasize the international context in which business is transacted; to provide instruction in critical foreign languages and international fields needed to provide understanding of U.S. trading partners; and to provide research and training in the international aspects of trade, commerce, and other fields.

Washington State's International Marketing Programs

Washington State Department of Agriculture (WSDA). The WSDA International Marketing Program works with food and agricultural companies to help them export their products by providing promotional support, market information, and access to the United States Department of Agriculture market assistance programs. The WSDA has trade specialists in Olympia, Yakima, and Kennewick, and trade representatives under contract in Japan, Taiwan, and China.

Department of Community, Trade and Economic Development (DCTED). The DCTED International Trade Program assists Washington businesses access the global marketplace by providing training and assistance, building international trade relationships, and advocating the economic importance of international trade. The DCTED has trade specialists in Seattle, and international offices in China, Europe (in Germany), Japan, Mexico, South Korea, and Taiwan.

Summary of Bill:

The Washington Trade Corps Fellowship Program (Program) is established at the University of Washington Center for International Business Education and Research (Center). The purpose of the Program is to promote international trade and to award fellowships to students who have shown significant interest in an international trade career. A Fellowship candidate must be a resident student enrolled in an accredited public or private university or college in the state that offers a degree or credential in international trade, international relations, international business, or a related area. The candidate must be proficient in the language relevant to the placement. The Center may require that candidates intern in the state with a trading company, with the DCTED, or the WSDA prior to final selection. The DCTED or the WSDA may impose additional requirements related to the efficient operation of their trade offices.

A Fellowship must be available to a maximum of 15 persons per year, and each Fellow must serve between six and 18 months. Fellows must receive a stipend of at least \$10,000 and living and travel expenses while overseas. The total annual cost per Fellow must not exceed the greater of \$25,000 or 60 percent of the state's average yearly wage. Institutions are encouraged to provide a Fellow with college credit. The Center must seek matching funds from trading companies.

The Center must appoint a Fellowship evaluation and selection committee, of which at least three members must represent international trade organizations; at least one must be from a statewide organization; at least two must represent regional organizations from different state regions; and at least three must be from institutions and have international trade expertise. Selection decisions of the Center are final.

The Center must consult with each Fellow's institution in making trade office assignments. No more than two Fellows will be assigned to any trade office at one time. The Center will establish reporting requirements, may require that the Fellow enter into post-fellowship employment with a trading company or department, and may require that some or all costs be repaid if the

requirements are not met. The Center must report to the Legislature on the Program by December 1, 2010, and every other year after that.

There is no liability on the part of the Center, trading companies, the DCTED, the WSDA, the institution, or other state divisions in the event of injuries caused by a change in the in-country security situation. Fellows must follow US Department of State travel advisories.

Appropriation: None. The act is null and void if no specific funding is provided in the omnibus appropriations act by June 30, 2008.

Fiscal Note: Available. New fiscal note requested on substitute bill on February 18, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.