california legislature—2011–12 regular session

ASSEMBLY BILL No. 1409

Introduced by Committee on Jobs, Economic Development, and the Economy (V. Manuel Pérez (Chair), Beall, Block, and Hueso)

March 10, 2011

An act to amend Sections 13996.4 and 13996.55 of the Government Code, relating to economic development.

legislative counsel's digest

AB 1409, as introduced, Committee on Jobs, Economic Development, and the Economy. Economic development: international trade and investment.

Existing law requires the Secretary of Business, Transportation and Housing to provide to the Legislature a strategy for international trade and investment that is required to address specified topics. Existing law requires that this strategy be updated at least once every 5 years.

This bill would require that the strategy prepared by the secretary also address specified topics related to international trade and infrastructure. This bill would require that the strategy be updated by February 1, 2013, and once every 5 years thereafter.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 13996.4 of the Government Code is amended to read:

13996.4. The Legislature finds and declares all of the following:

(a) The statutory authority for the Technology, Trade, and Commerce Agency, including the agency's international trade and investment promotion programs, was repealed by Chapter 229 of the Statutes of 2003, thereby reducing the capacity of state government to assist California firms in developing global business opportunities.

(b) The repeal of the statutory authority for the Technology, Trade, and Commerce Agency has increased the importance of strengthening collaborative linkages among remaining California-based international trade and investment promotion programs operated at federal, state, regional, and local levels. These programs include, but are not limited to, the Centers for International Trade Development operated by the California Community Colleges, 15 offices of the United States Commercial Service within the United States Department of Commerce, numerous local and regional World Trade Centers, and public and private economic development and trade associations.

(c) According to data for 2000, international trade and investment activity in the state supports one in every seven California jobs.

(d) According to the Public Policy Institute of California:

(1) Nearly 94 percent of all exporters located in California are small- or medium-sized firms. Over 90 percent of businesses in California are small businesses and over 50 percent of all workers are employed by a small business.

(2) Exporters are more productive and pay higher wages than nonexporters.

(3) Effective state programs supporting export opportunities should identify and respond to differing needs of both export-willing and export-ready firms.

(e) The adequacy of the state's infrastructure, workforce, research facilities, manufacturing and service industries, and access to capital form the foundation of California's global market-related economy.

(f) California's multicultural and ethnic populations offer unique opportunities for international trade and investment.

(g) United States subsidiaries of foreign companies in California employed 561,000 California workers from 2000 to 2005. This is an increase of 15 percent. In comparison to other states, California is an attractive location for international employers, ranking first in the United States in the number of employees supported by United States subsidiaries.

(h) California's trade and investment policy is a living document that should be regularly updated to reflect emerging business trends and the changing needs of California businesses and workers.

(i) California must ensure that it has an adequate and robust trade infrastructure in place at its airports, seaports, and land ports of entry for the efficient facilitation of exports and imports of cargo.

(j) California's exporters will play a critical role in the National Export Initiative, a federal effort to double American exports from 2010 to 2015, inclusive, and support the growth of two million jobs across the United States, and California should support the federal government's export-promotion strategy, the United States Department of Commerce, and the International Trade Administration in their efforts to open new markets and implement the National Export Initiative.

SEC. 2. Section 13996.55 of the Government Code is amended to read:

13996.55. (a) Based on the study prepared pursuant to Section 13996.5, the Secretary of Business, Transportation and Housing shall provide to the Legislature, ~~not~~ *no* later than February 1, ~~2008~~ *2013*, a strategy for international trade and investment that, at a minimum, includes all of the following:

(1) Policy goals, objectives, and recommendations necessary to implement a comprehensive international trade and investment program for the State of California. This information shall be provided in a fashion that clearly indicates priority within the overall strategy.

(2) Measurable outcomes and timelines for the goals, objectives, and actions for the international trade and investment program.

(3) Identification of impediments for achieving goals and objectives.

(4) Identification of key stakeholder partnerships that will be used in implementing the strategy.

(5) Identification of options for funding recommended actions.

(6) Identification of an international trade and investment organizational structure for the state administration of international trade and investment policies, programs, and services.

(7) Policy goals, objectives, and recommendations adopted in the Goods Movement Action Plan that are necessary to provide the trade infrastructure necessary to implement a comprehensive international trade and investment program for the State of California.

(8) Measurable outcomes and timelines for the goals, objectives, and actions for the completion of those aspects of the Goods Movement Action Plan necessary to implement a comprehensive international trade and investment program for the State of California.

(9) Identification of those public agencies and private sector entities necessary to implement those aspects of the Goods Movement Action Plan that are identified in the strategy update.

(b) The strategy shall be developed in consultation with the California Economic Strategy Panel. In the course of developing the strategy, the secretary shall also consult with other agencies, boards, and commissions that have statutory responsibilities related to workforce development, infrastructure, business, and international trade and investment including, but not limited to, the California Commission on Industrial Innovation, the Office of the Small Business Advocate, the California Transportation Commission, the California Community Colleges, the University of California, the California State University, the Workforce Investment Board, the Employment Training Panel, and the California Energy Commission.

(c) The strategy shall be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate. A copy of the strategy shall be provided to the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of the Assembly Committee on Jobs, Economic Development, and the Economy and the Senate Committee on Business, Professions and Economic Development, or the successor committees with jurisdiction over international trade and economic development programs.

(d) (1) The strategy shall be reviewed in at least one public hearing by the relevant policy and fiscal committees of each house of the Legislature. The hearings shall be held within 60 days of the strategy being submitted to the Legislature. If the strategy is submitted when the Legislature is in recess, the hearings shall occur within 60 days of the members convening.

(2) The legislative committees may make recommendations to the secretary on the strategy, and the secretary may modify the strategy accordingly.

(e) The secretary shall report to the fiscal committees of the Legislature on or before February 1, 2009, and by that date each year thereafter, on how the Governor's proposed budget relates to the strategy.

(f) The strategy shall be updated pursuant to the procedures of this section *by February 1, 2013, and* at least once every five years *thereafter*.

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