

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1409**

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

March 10, 2011

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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 amended, 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:*

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

1 13996.4. The Legislature finds and declares all of the following:

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4 investment promotion programs, was repealed by Chapter 229 of  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

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

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

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

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

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

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

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

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

38 (g) United States subsidiaries of foreign companies in California  
39 employed 561,000 California workers from 2000 to 2005. This is  
40 an increase of 15 percent. In comparison to other states, California

1 is an attractive location for international employers, ranking first  
2 in the United States in the number of employees supported by  
3 United States subsidiaries.

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

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

11 (j) California’s exporters will play a critical role in the National  
12 Export Initiative, a federal effort to double American exports from  
13 2010 to 2015, inclusive, and support the growth of two million  
14 jobs across the United States, and California should support the  
15 federal government’s export-promotion strategy, the United States  
16 Department of Commerce, and the International Trade  
17 Administration in their efforts to open new markets and implement  
18 the National Export Initiative.

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

21 13996.55. (a) Based on the study prepared pursuant to Section  
22 13996.5, the Secretary of Business, Transportation and Housing  
23 shall provide to the Legislature, no later than February 1, 2013, a  
24 strategy for international trade and investment that, at a minimum,  
25 includes all of the following:

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

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

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

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

37 (5) Identification of options for funding recommended actions.

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

1 ~~(7)~~

2 (6) Policy goals, objectives, and recommendations adopted in  
3 the Goods Movement Action Plan that are ~~necessary~~ *found*  
4 *appropriate by the secretary* to provide the trade infrastructure  
5 necessary to implement a comprehensive international trade and  
6 investment program for the State of California.

7 ~~(8)~~

8 (7) Measurable outcomes and timelines for the goals, objectives,  
9 and actions for the completion of those aspects of the Goods  
10 Movement Action Plan ~~necessary~~ *determined to be appropriate*  
11 *by the secretary* to implement a comprehensive international trade  
12 and investment program for the State of California.

13 ~~(9)~~

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

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

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

37 (d) (1) The strategy shall be reviewed in at least one public  
38 hearing by the relevant policy and fiscal committees of each house  
39 of the Legislature. The hearings shall be held within 60 days of  
40 the strategy being submitted to the Legislature. If the strategy is

1 submitted when the Legislature is in recess, the hearings shall  
2 occur within 60 days of the members convening.

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

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

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