

**Introduced by Senator Price**February 22, 2013

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An act to add Chapter 2.6 (commencing with Section 13996.85) to Part 4.7 of Division 1 of Title 2 of the Government Code, relating to trade promotion, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 592, as introduced, Price. Trade promotion of California ports.

Existing law requires the Director of the Governor's Office of Business and Economic Development to provide to the Legislature, not later than February 1, 2014, a strategy for international trade and investment that, at a minimum, includes specified information, goals, objectives, and actions related to the promotion of trade.

This bill would require the Director of the Governor's Office of Business and Economic Development to provide to the Legislature, not later than April 1, 2014, a strategy for promoting trade for California ports that, at a minimum, includes specified information, objectives, goals, and recommendations. The bill would require that the strategy be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate, with copies provided to the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of specified legislative committees. The bill would also require the Director of the Governor's Office of Business and Economic Development to convene a statewide business partnership for promotion of trade for California ports, which would be required to advise the director on establishing that trade strategy, no later than February 1, 2014, as prescribed.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Chapter 2.6 (commencing with Section 13996.85)  
2 is added to Part 4.7 of Division 1 of Title 2 of the Government  
3 Code, to read:

4  
5 CHAPTER 2.6. TRADE PROMOTION OF CALIFORNIA PORTS  
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7 13996.85. The Legislature finds and declares as follows:

8 (a) International trade, which accounts for nearly 25 percent of  
9 the state’s economy, relies on land ports of entry and the largest  
10 seaport facilities in the United States to maintain California’s status  
11 as a major gateway for products entering and leaving the United  
12 States. This includes many goods moving through California ports,  
13 such as industrial, technology, and postconsumer secondary  
14 material originating in, or destined for other states.

15 (b) According to the California Marine and Intermodal  
16 Transportation System Advisory Council, more than 40 percent  
17 of the total containerized cargo entering the United States arrived  
18 at California ports, and almost 30 percent of the nation’s exports  
19 flowed through ports in the Golden State. Port activities employ  
20 more than 500,000 people in California and generate an estimated  
21 seven billion dollars (\$7,000,000,000) in state and local taxes  
22 annually. Nationwide, more than 2,000,000 jobs are linked to  
23 California’s public ports.

24 (c) The state has a compelling interest in the success of its ports  
25 because of the significant economic benefit to the state in terms  
26 of jobs, personal income, business revenue, and taxes. Ports are  
27 the vital interface between water and land transportation for trade  
28 with the Pacific Rim countries and other trade.

29 (d) It is expected that, by 2014, Panama will have completed  
30 the expansion of the Panama Canal, which may have a significant  
31 impact on the flow of goods into the ports of California in coming  
32 years.

33 (e) There is the potential for California ports to lose as much as  
34 25 percent of their cargo business, by some estimates, after the

1 Panama Canal expansion is completed in 2014, siphoning off  
2 millions of dollars from local economies and over 100,000 jobs.

3 (f) Due to the impending Panama Canal expansion and its  
4 potential impact on local economies and jobs, it is clear that the  
5 risk of crisis for our ports should be given high priority in  
6 developing a strategy for international trade and investment.

7 (g) It is the intent of the Legislature to resolve ongoing issues  
8 concerning our ports and promote greater use of our existing ports  
9 by directing the Governor’s Office of Business and Economic  
10 Development to give California port utilization a high priority in  
11 developing a strategy for international trade and investment for  
12 the State of California.

13 13996.86. (a) The Director of the Governor’s Office of  
14 Business and Economic Development shall provide to the  
15 Legislature, not later than April 1, 2014, a strategy for promoting  
16 trade for California ports that, at a minimum, includes all of the  
17 following:

18 (1) Policy goals, objectives, and recommendations necessary  
19 to implement a comprehensive plan for promoting trade for  
20 California ports. This information shall be provided in a fashion  
21 that clearly indicates priorities within the overall strategy.

22 (2) Measurable outcomes anticipated and timelines for the goals,  
23 objectives, and actions to be taken for promoting trade for  
24 California ports.

25 (3) Identification of impediments to achieving goals and  
26 objectives.

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

29 (5) Identification of funding options for implementing  
30 recommended actions.

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

39 13996.87. The director of the Governor’s Office of Business  
40 and Economic Development shall convene a statewide business

1 partnership for promotion of trade for California ports, no later  
2 than February 1, 2014, as follows:

3 (a) The business partnership shall include, but is not limited to,  
4 representatives from ports of entry, ocean carriers, marine terminal  
5 operators, warehouse operators, railroads, trucking companies,  
6 labor representatives, and foreign trade zones, representatives of  
7 environmental groups, and shippers, specifically including  
8 agricultural exporters, manufacturers, postconsumer secondary  
9 material handlers, and retailers.

10 (b) The business partnership shall advise the Director of the  
11 Governor’s Office of Business and Economic Development on  
12 establishing the strategy for promoting trade for California ports  
13 while increasing the use of California ports of entry, and ways to  
14 increase the opportunity for growth and trade activity.

15 SEC. 2. This act is an urgency statute necessary for the  
16 immediate preservation of the public peace, health, or safety within  
17 the meaning of Article IV of the Constitution and shall go into  
18 immediate effect. The facts constituting the necessity are:

19 In order to ensure that California has identified the impact that  
20 the Panama Canal expansion may have on California ports and  
21 trade-related jobs, infrastructure, and activity prior to the 2014  
22 opening of a new shipping lane through the canal, and the state is  
23 able to efficiently promote trade for California ports on a timely  
24 basis, it is necessary that this act take effect immediately.