

AMENDED IN ASSEMBLY JUNE 25, 2013

**SENATE BILL**

**No. 592**

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**Introduced by ~~Senator~~ *Senators Price and Lieu***

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 amended, 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 *and to explore greater utilization of 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:  $\frac{2}{3}$ . 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

1 impact on the flow of goods into the ports of California in coming  
2 years.

3 (e) There is the potential for California ports to lose as much as  
4 25 percent of their cargo business, by some estimates, after the  
5 Panama Canal expansion is completed in 2014, siphoning off  
6 millions of dollars from local economies and over 100,000 jobs.

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

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

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

22 (1) Policy goals, objectives, and recommendations necessary  
23 to implement a comprehensive plan for promoting ~~trade for~~ *greater*  
24 *use of* California ports. This information shall be provided in a  
25 fashion that clearly indicates priorities within the overall strategy.

26 (2) Measurable outcomes anticipated and timelines for the goals,  
27 objectives, and actions to be taken for promoting ~~trade for~~ *greater*  
28 *use of* California ports.

29 (3) Identification of impediments to achieving goals and  
30 objectives.

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

33 (5) Identification of funding options for implementing  
34 recommended actions.

35 (b) The strategy shall be submitted to the Chief Clerk of the  
36 Assembly and the Secretary of the Senate. A copy of the strategy  
37 shall be provided to the Speaker of the Assembly, the President  
38 pro Tempore of the Senate, and the chairs of the Assembly  
39 Committee on Jobs, Economic Development, and the Economy  
40 and the Senate Committee on Business, Professions and Economic

1 Development, or the successor committees with jurisdiction over  
2 international trade and economic development programs.

3 13996.87. The Director of the Governor’s Office of Business  
4 and Economic Development shall convene a statewide business  
5 partnership for promotion of trade for California ports *and to*  
6 *explore greater utilization of California ports*, no later than  
7 February 1, 2014, as follows:

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

15 (b) The business partnership shall advise the Director of the  
16 Governor’s Office of Business and Economic Development on  
17 establishing the strategy for promoting trade for California ports  
18 while increasing the use of California ports of entry, and ways to  
19 increase the opportunity for growth and trade activity.

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

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