

AMENDED IN ASSEMBLY AUGUST 16, 1999

AMENDED IN SENATE JUNE 24, 1999

AMENDED IN SENATE MAY 6, 1999

AMENDED IN SENATE APRIL 8, 1999

SENATE BILL

No. 897

Introduced by Senators Polanco and Costa

February 25, 1999

An act to amend Section 15364.2 of, to add Sections 15364.72 and 15364.73 to, and to repeal and add Section 15364.7 of, the Government Code, relating to foreign trade.

LEGISLATIVE COUNSEL'S DIGEST

SB 897, as amended, Polanco. California State World Trade Commission.

(1) Existing law establishes the California State World Trade Commission within the Trade and Commerce Agency, with 15 voting members, appointed as specified for 2-year terms, and various nonvoting, ex officio members. Existing law sets forth the duties of the commission with respect to the development of overseas trade opportunities in the state.

This bill would expand the membership of the commission to include 19 voting members and various additional nonvoting members, and would increase the appointed members' terms to 3 years. It would set forth certain qualifications for the appointed members.

The bill would require the commission to evaluate the state's overseas trade offices based on specified components.

It would require the commission to submit its findings and recommendations to the Secretary of Trade and Commerce, the Director of Finance, the Governor, and the Legislature no later than ~~July~~ *September* 1, 2000.

(2) Existing law requires the commission to report to the Governor and to the Legislature on the commission's activities and specified trade issues, on January 15 of every other year.

This bill would repeal these provisions and instead would require that a report, to include specified components, including a coordinated strategic plan for California's international trade resources *and programs*, be prepared and submitted to the Secretary of Trade and Commerce, the Governor, and the Legislature commencing ~~April~~ *September* 1, 2000, and by January 1 of every other year thereafter.

(3) Existing law provides for the administration of overseas trade offices by the California Office of Foreign Trade, within the commission. Each overseas trade office is under the direction of a director appointed by the Governor, with specified authority and duties.

This bill would additionally require that the director and members of the professional staff of an overseas trade office each possess no less than one year of experience in international trade and business operations, and would specify that the director and members of the professional staff should possess at least a bachelor's degree in trade, business, finance, or a related speciality. It would require each member of the professional staff of an overseas trade office to possess at least general professional speaking proficiency and general professional writing proficiency, as defined, in the dominant language of the region served by the overseas trade office.

This bill would require the Governor to instruct the Director of the California State World Trade Commission to establish an overseas trade office in Buenos Aires, Argentina not later than June 1, 2000, subject to the availability of funds for that purpose.

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. (a) The California State World Trade
2 Commission shall evaluate the state's overseas trade
3 offices based on all of the following:

4 (1) An inventory of activities and resources provided
5 by the overseas trade offices that are designed to assist
6 California businesses in exporting their products to
7 foreign markets. This inventory shall include specific data
8 on resulting export sales achieved as a direct outcome of
9 state support, including a breakdown of California firms,
10 by size and industry sector, receiving that assistance.

11 (2) The extent to which the overseas trade offices have
12 utilized existing state and federal resources to aid
13 California firms in entering into foreign trade activities.
14 Those resources may include, but need not be limited to,
15 export finance assistance, including loans and loan
16 guarantees and technical assistance to companies to
17 secure that financing, market research and analysis
18 leading to identification of foreign export markets, and
19 technical assistance in meeting international quality
20 standards and complying with foreign trade regulations
21 and policies.

22 (3) The effectiveness of the overseas trade offices in
23 performing an "early warning" function related to
24 foreign markets, including social, economic and political
25 transitions, economic forecasts, significant trends in
26 banking and finance, or other factors that may impact the
27 viability of international trade markets.

28 (b) (1) The commission shall submit its findings to the
29 Secretary of Trade and Commerce, the Director of
30 Finance, the Governor, and the Legislature no later than
31 ~~July~~ *September* 1, 2000, notwithstanding Section 7550.5 of
32 the Government Code.

33 (2) The commission's report shall include
34 recommendations for administrative or statutory policy,
35 as appropriate, that may be needed to increase the
36 effectiveness of the state's overseas trade offices in
37 advancing the goal of international commerce as a tool to



1 increase the competitiveness of California business and
2 industry.

3 SEC. 2. Section 15364.2 of the Government Code is
4 amended to read:

5 15364.2. (a) (1) The commission shall consist of 19
6 members as follows:

7 (A) Eleven appointees of the Governor, including
8 representation from labor, business and manufacturing,
9 banking, finance, and international trade, including
10 ~~regional world trade centers.~~ *regional international trade*
11 *associations.*

12 (B) Four appointees of the Speaker of the Assembly,
13 including representation from labor, business,
14 environmental groups, and local economic development
15 entities.

16 (C) Four appointees of the Senate President pro
17 Tempore, including representation from labor, business,
18 environmental groups, and local economic development
19 entities.

20 (2) The Governor, the Lieutenant Governor, the
21 Secretary of State, the Secretary of Food and Agriculture,
22 the ~~Executive Director~~ *Chairperson* of the State Energy
23 Resources, Conservation and Development Commission,
24 the Chancellor of the California Community Colleges,
25 the Chancellor of the California State University, and the
26 President of the University of California, at the
27 president's option, shall serve as nonvoting, ex officio
28 commission members. In addition, the President pro
29 Tempore of the Senate shall appoint a Senator, and the
30 Speaker of the Assembly shall appoint an Assembly
31 Member to serve as nonvoting, ex officio members of the
32 commission.

33 (b) All appointments to the commission shall be for a
34 term of three years. A term shall expire on December 31.

35 (c) If a vacancy occurs, a replacement shall be named
36 within 30 days by the initial appointing authority to fill the
37 unexpired term.

38 (d) Commissioners shall receive travel and other
39 expenses equal to those of state employees and shall



1 receive a per diem of one hundred dollars (\$100) when
2 on commission business.

3 (e) All appointees to the commission shall be
4 professionally active in international trade or
5 international economic development, and shall reflect
6 the state's diverse geographic, economic, and cultural
7 makeup.

8 (f) The commission shall be chaired by an appointee
9 of the Governor.

10 SEC. 3. Section 15364.7 of the Government Code is
11 repealed.

12 SEC. 4. Section 15364.7 is added to the Government
13 Code, to read:

14 15364.7. Commencing ~~April~~ *September* 1, 2000, and
15 by January 1 of every other year thereafter, and
16 notwithstanding Section 7550.5, the commission shall
17 prepare and submit to the Secretary of Trade and
18 Commerce, the Governor, and the Legislature; a report
19 to include, but not be limited to, all of the following:

20 (a) An analysis of major trade issues affecting
21 California's trade performance and an assessment of
22 significant foreign and domestic trade barriers that
23 inhibit the expansion of California's exports.

24 (b) An assessment of changes taking place in the
25 private sector, including industry and economic
26 restructuring, that require a response in state
27 international trade policy.

28 ~~(c) (1) A coordinated strategic plan for delivery of~~
29 ~~California's international trade resources to the private~~
30 ~~sector through state departments and agencies;~~

31 *(c) Recommendations for improving the state's*
32 *competitiveness in the international marketplace.*

33 *(d) (1) A coordinated strategic plan for effective*
34 *delivery of California's international trade resources and*
35 *programs, for purposes of enhancing the state's*
36 *international and business competitiveness, through state*
37 *departments and agencies administering these programs,*
38 including, but not limited to, the Trade and Commerce
39 Agency, the State Energy Resources, Conservation and
40 Development Commission, the Department of Food and



1 Agriculture, the California Community Colleges, the
2 California State University, and the University of
3 California.

4 (2) The strategic plan shall include, but not be limited
5 to, all of the following:

6 (A) A strategy to interface with state departments and
7 ~~agencies operating and delivering international trade~~
8 ~~programs with a goal of improved coordination and~~
9 ~~efficiency of the state's international trade resources.~~
10 *agencies, as well as with federal and local entities as*
11 *appropriate, with a goal of improved coordination, cost*
12 *effectiveness, and efficiency of the state's international*
13 *trade resources and programs.*

14 (B) Development of state policy designed to do both
15 of the following:

16 (i) Increase outreach to business and industry on
17 international trade resources and opportunities.

18 (ii) Increase responsiveness of state programs to
19 industry needs, global political and economic transitions,
20 and revisions in national and international trade policies.

21 (C) A ~~methodology~~ *strategy* for actively influencing
22 national trade policy to address the needs of California
23 business and industry.

24 SEC. 5. Section 15364.72 is added to the Government
25 Code, to read:

26 15364.72. (a) The director and members of the
27 professional staff of an overseas trade office shall each
28 possess no less than one year of experience in
29 international trade and business operations, and should
30 possess at least a bachelor's degree in trade, business,
31 finance, or a related speciality.

32 (b) Each member of the professional staff of an
33 overseas trade office shall possess at least general
34 professional speaking proficiency and general
35 professional writing proficiency, as defined in the federal
36 Interagency Language Roundtable Skill Level
37 Descriptions, in the dominant language of the region
38 served by the overseas trade office.

39 SEC. 6. Section 15364.73 is added to the Government
40 Code, to read:



1 15364.73. (a) In addition to any other overseas trade
2 office established pursuant to this chapter, the Governor
3 shall instruct the director to establish, not later than June
4 1, 2000, an overseas trade office in Buenos Aires,
5 Argentina, subject to the availability of funds for that
6 purpose.

7 (b) It is the intent of the Legislature that this office
8 shall serve the Mercosur region, which includes
9 Argentina, Brazil, Uruguay, Paraguay, Chile, and Bolivia.

O

