

Introduced by Senator Price

February 16, 2011

An act to amend Sections 13996.4, 13996.45, and 13996.6 of the Government Code, relating to international trade.

LEGISLATIVE COUNSEL'S DIGEST

SB 460, as introduced, Price. International trade marketing and promotion.

Existing law authorizes the Business, Transportation and Housing Agency to, among other duties, engage in trade and foreign investment activities.

This bill would additionally authorize the agency to coordinate, encourage, and provide support for international trade marketing and promotion activities.

Existing law authorizes the secretary to convene a statewide business partnership for international trade and investment, to advise the secretary on business needs and priorities in that regard.

This bill would also authorize the secretary to convene a statewide business partnership for international trade marketing and promotion no later than March 1, 2012, to advise the secretary on what role the state should play in international trade marketing and promotion.

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:
- 3 13996.4. The Legislature finds and declares all of the following:

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3 investment promotion programs, was repealed by Chapter 229 of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

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

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

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

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

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

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

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

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

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

1 in the United States in the number of employees supported by
2 United States subsidiaries.

3 *(h) International trade, which accounts for nearly 25 percent*
4 *of the state's economy, relies on airports, land ports of entry, and*
5 *the largest seaport facilities in the United States to maintain*
6 *California's status as a major gateway for products entering and*
7 *leaving the United States. This includes many goods moving*
8 *through California ports, such as industrial and postconsumer*
9 *secondary materials, originated in or destined for other states.*

10 *(i) According to the California Marine and Intermodal*
11 *Transportation System Advisory Council, more than 40 percent*
12 *of the total containerized cargo entering the United States arrived*
13 *at California ports, and almost 30 percent of the nation's exports*
14 *flowed through ports in the Golden State. Port activities employ*
15 *more than 500,000 people in California and generate an estimated*
16 *seven billion dollars (\$7,000,000,000) in state and local taxes*
17 *annually. Nationwide, more than two million jobs are linked to*
18 *California's public ports.*

19 ~~(h)~~

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

23 SEC. 2. Section 13996.45 of the Government Code is amended
24 to read:

25 13996.45. (a) (1) Subject to paragraph (2), and subject to
26 Section 13996.75, the Business, Transportation and Housing
27 Agency shall be the primary state agency authorized to do all of
28 the following:

29 (A) Attract employment-producing foreign investment to the
30 state.

31 (B) Cooperate in international public infrastructure projects.

32 (C) Provide support for California business in accessing
33 international markets, including, but not limited to, export
34 assistance.

35 (D) Engage in other trade or foreign investment related activities
36 specifically assigned by the Governor.

37 *(E) Coordinate, engage in, and provide support for international*
38 *trade marketing and promotion strategies.*

39 (2) Nothing in this chapter shall be construed to confer powers
40 or impose duties upon the agency in conflict with any powers

1 conferred or duties imposed upon the Department of Food and
2 Agriculture with respect to the promotion of California agriculture,
3 fish, and forest exports.

4 (b) The international trade and investment activities of the
5 agency shall be monitored by the Legislature, and all public
6 moneys in its budget expended for those purposes, shall be subject
7 to approval by the Legislature.

8 (c) The Secretary of Business, Transportation and Housing shall
9 develop an international trade and investment policy, which shall
10 be consistent with the economic development strategic plan
11 prepared by the California Economic Strategy Panel pursuant to
12 Section 15570, and shall provide guidance to strategies and plans
13 from other agencies and departments related to workforce and
14 infrastructure development.

15 (d) California's international trade and investment policy shall
16 be directed through its state strategy, which shall be based on
17 current and emerging market conditions and the needs of investors,
18 businesses, and workers to be competitive in global markets.

19 SEC. 3. Section 13996.6 of the Government Code is amended
20 to read:

21 13996.6. (a) (1) The Secretary of Business, Transportation
22 and Housing shall convene a statewide business partnership for
23 international trade and investment no later than March 1, 2007.

24 ~~(b)~~

25 (2) The business partnership shall include representatives from
26 small, medium, and large businesses and industries, as well as
27 nongovernmental organizations and government representatives.

28 ~~(c)~~

29 (3) The business partnership shall advise the secretary on
30 business needs and strategy priorities as they relate to international
31 trade and investment. This information shall be used in establishing
32 the needs and priorities in the plan developed pursuant to Section
33 13996.5 and the strategy developed pursuant to Section 13996.55,
34 and for any other uses as determined by the secretary.

35 *(b) (1) The Secretary of Business, Transportation and Housing*
36 *shall convene a statewide business partnership for international*
37 *trade marketing and promotion no later than March 1, 2012.*

38 *(2) The business partnership shall include, but is not limited to,*
39 *representatives of public airports, land ports of entry, and seaports,*
40 *ocean carriers, marine terminal operators, air carriers, warehouse*

1 operators, railroads, trucking companies, foreign trade zones, and
2 shippers, specifically including agricultural exporters,
3 manufacturers, post-consumer secondary material handlers, and
4 retailers.

5 (3) The business partnership shall advise the secretary on what
6 role the state should play in international trade marketing and
7 promotion in the context of growing the utilization of California's
8 airport, seaport, and land ports of entry infrastructure by importers
9 and exporters, and to increase the opportunity for growth and
10 trade activity.

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