

SENATE BILL REPORT

ESCR 8407

As Passed Senate, April 23, 2005

Brief Description: Establishing a joint task force on state contracts performed, in whole or in part, outside the United States.

Sponsors: Senators Shin, Berkey, Kastama, Doumit, Rockefeller, Keiser, Esser, Kohl-Welles, Jacobsen, Kline and Rasmussen.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/28/05, 4/14/05 [DP, DNP].

Passed Senate: 4/23/05, 45-1.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Brown, Keiser and Prentice.

Minority Report: Do not pass.

Signed by Senator Honeyford.

Staff: Alison Mendiola (786-7483)

Background: There is concern about state contracts performed, in whole or in part, outside the United States and its impacts on Washington's economy, including its agricultural, manufacturing, and technology sectors. There is also a concern about contracts entered into by state agencies which are performed, in whole or in part, outside the United States.

Business, labor, and government leaders recognize that an objective and thorough study of the impact on Washington's economy of state agency contracts that are performed in whole or in part outside the United States is needed.

Summary of Bill: A joint legislative task force is created to study the performance of state contracts outside the United States. The eight-member joint task force consists of two legislators from each caucus of the Senate and House of Representatives.

The joint task force is to consult with and be advised and monitored by an advisory committee consisting of eight members: Three members representing labor; three members representing business, one of whom must represent small business; one member representing the office of the Washington state trade representative; and one member representing the public.

The study is to evaluate:

- the extent to which the performance of state contracts outside the United States results in the creation or loss of family-wage or other jobs;

- the degree to which the performance of contracts inside and outside the U.S. helps Washington's economy and its companies remain competitive globally;
- the extent to which the performance of state agency contracts in whole or in part outside the United States creates a need for adjustment assistance and retraining programs to ensure that Washington's business climate, its employers, and its workers remain competitive globally.
- the degree to which state contracts are being performed at locations outside the U.S.;
- the extent to which state contracts performed at locations outside the U.S. involve personal information;
- subject to available funding, the economic benefit of awarding state contracts to Washington companies;
- the applicability of international trade agreements and federal law to state procurement policies; and
- the extent to which legislative authority over state procurement is adequately protected.

The findings and recommendations of the joint task force must be reported to the legislature by January 1, 2006.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: Yes.

Testimony For: Given the economy and high unemployment, efforts should be made to keep jobs in Washington to help stimulate the local economy.

Other: The study should address a more balanced approach to looking at the impact of international trade; both the positive and negative impacts. The study should also look at the costs of contracting in-state versus out-of-state. Limiting trade may have a negative impact on our trade relations with other states.

Testimony Against: None.

Who Testified: PRO: Chris Glenn, IFPTE 2001/SPEEA; Stan Sorscher, SPEEA; Cynthia Cole, SPEEA/IFPTE 2001; Marcus Courtney, WashTech/CWA; Steve Gentry, WashTech/CWA; Christian Dube, CWA State Council. OTHER: Nancy Atwood, AeA; Rick Slunaker, Associated General Contractors.