

No. 1992-130

## AN ACT

SB 1371

Establishing the Pennsylvania Export Partnership Advisory Board and providing for its powers and duties; directing the Department of Commerce to develop certain international marketing initiatives; authorizing the Department of Commerce to participate in and accept contributions for certain trade development activities in cooperation with other nongovernmental entities; establishing the Trade Event Grant Program and the Regional Export Matching Grant Program; and providing for additional duties and responsibilities of the Department of Commerce.

The General Assembly finds and declares as follows:

(1) The development of international trade is vital to the maintenance and growth of this Commonwealth's economy in that it contributes to the creation and retention of jobs by offering a greater marketplace for goods produced in this Commonwealth, strengthening the ability of Commonwealth businesses to compete in the global market and providing sufficient experience in international trade by manufacturers, financing institutions and other business services so that businesses may more easily and quickly penetrate foreign markets with new products.

(2) Small-sized and medium-sized businesses have not realized the full potential of their export markets because they do not have the resources to market, transport and finance the sale of goods to foreign countries.

(3) Small-sized and medium-sized businesses are often reluctant to send personnel to foreign trade shows and other marketing events because of the cost of travel and the uncertainty of result.

(4) There presently exist various programs and initiatives by Federal, State and local governments that have to be coordinated effectively with economic development organizations, academic institutions and businesses so as to enhance the sale of goods and services in foreign markets.

(5) This Commonwealth's international trade programs can be more effectively administered by cooperating with local organizations to expand their outreach to businesses and by building regional export initiatives to allow Commonwealth businesses to enhance their access to international markets.

(6) The most efficient means of promoting the development of export trade by businesses located within this Commonwealth is through a cooperative effort, including the sharing of expenses, resources and information, by and among the Federal, State and local governments, businesses, economic development organizations and academic institutions.

(7) It is, therefore, hereby declared to be the policy of this Commonwealth to promote the general welfare of its inhabitants by promoting the business opportunities of its inhabitants to export goods in foreign markets by the creation of the following:

(i) An advisory board to be known as the Pennsylvania Export Partnership Advisory Board which shall exist and function for the

public purpose of promoting the sale of Commonwealth-manufactured goods and services in foreign markets.

(ii) A program known as the Trade Event Grant Program which shall provide certain grants to encourage small-sized and medium-sized businesses in this Commonwealth to have their personnel attend international trade events.

(iii) A program known as the Regional Export Matching Grant Program which shall provide grants to assist and encourage the operation of regional export development programs. This purpose is hereby declared to be a public purpose for which public money may be spent.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Pennsylvania Export Partnership Act.

Section 2. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Board.” The Pennsylvania Export Partnership Advisory Board created by this act.

“Department.” The Department of Commerce of the Commonwealth.

“Small-sized and medium-sized business.” Any business employing 500 or fewer employees.

Section 3. Pennsylvania Export Partnership Advisory Board.

(a) Establishment.—There is hereby established within the department an advisory board to be known as the Pennsylvania Export Partnership Advisory Board.

(b) Membership.—The board shall consist of 13 members as follows:

(1) The Secretary of Agriculture.

(2) The Secretary of Commerce.

(3) One member appointed by the President pro tempore of the Senate.

(4) One member appointed by the Minority Leader of the Senate.

(5) One member appointed by the Speaker of the House of Representatives.

(6) One member appointed by the Minority Leader of the House of Representatives.

(7) Two members appointed by the Governor who belong to trade development organizations active in this Commonwealth.

(8) One member appointed by the Governor who is an employee of the Federal International Trade Administration.

(9) Four members appointed by the Governor who have business experience exporting goods.

(c) Chairperson.—The Secretary of Commerce shall serve as the chairperson of the board. The secretary may designate a deputy secretary of the department to serve as chairperson in his absence.

(d) Terms.—Each member shall serve at the pleasure of his respective appointing authority.

(e) Reimbursement for expenses.—The members of the board shall not be entitled to any compensation for their services as members but shall be entitled to reimbursement for all reasonable and necessary expenses in accordance with the rules of the executive board.

(f) Attendance.—A member of the board who is a member of the Governor's Cabinet or General Assembly may designate another individual to attend board meetings on the member's behalf. No other member of the board may designate another person to attend board meetings on his behalf.

#### Section 4. Purpose.

The purpose of the board is to advise the Governor and the secretaries of the executive agencies on the best means for Commonwealth agencies to promote the sale of Commonwealth-manufactured goods and services in foreign markets by:

(1) Coordinating the efforts of the various Commonwealth agencies, municipal governments, local trade development organizations, academic institutions and Commonwealth service and manufacturing businesses so as to provide a more efficient allocation of their limited resources and so as to make optimum use of the information, services and resources of the Federal Government which will aid in the promotion of the sale of Commonwealth-manufactured goods and services in foreign markets.

(2) Coordinating the presentation of trade shows and the availability of export counseling services and other technical assistance offered by any of the Commonwealth agencies, municipal governments, businesses, local trade development organizations and academic institutions so as to provide maximum benefit to Commonwealth businesses.

(3) Increasing international trade development awareness in this Commonwealth.

#### Section 5. Powers and duties of board.

The board is hereby granted and shall have and may exercise all powers necessary or appropriate to carry out and effectuate the purposes of this act, including the following:

(1) To advise the department on the availability and advisability of consultants and others who might prepare, sell or provide reports, marketing material, strategic studies or other services which will assist the department in carrying out its efforts in promoting exports.

(2) To hold meetings for the purpose of gathering information in furtherance of carrying out any of its responsibilities.

(3) To issue reports, advisory letters, marketing material or other information to any party it deems appropriate in furtherance of carrying out any of its responsibilities.

(4) To obtain such books, reports, computer information, strategic studies and other material necessary to monitor the effectiveness of State

and local programs to promote or assist in international trade or make recommendations for continued improvement of these programs and to make the same available, with or without charge, to any party it deems appropriate in furtherance of carrying out any of its responsibilities.

(5) To monitor the progress of local trade development agencies funded by the department to provide export assistance to businesses, including regional or local capacity building as it relates to export development or both.

#### Section 6. International marketing development initiatives.

The department is hereby directed to cooperate with other governmental entities, businesses, economic development organizations and academic institutions when it develops and administers its export marketing initiatives. The department is hereby authorized to accept contributions, either in money or in kind, from other governmental entities, businesses, economic development organizations or academic institutions for the purpose of hosting or participating in trade show events, publishing or distributing marketing material, contracting for consultants or other services which will promote the sale of Commonwealth-manufactured goods or services.

#### Section 7. Trade Event Grant Program.

(a) Establishment.—There is hereby created within the department a program entitled the Trade Event Grant Program under which the department may provide grants to encourage small-sized and medium-sized businesses in this Commonwealth to attend international trade events for the purpose of increasing their export opportunities.

(b) Terms and conditions.—

(1) Grants may not exceed \$2,500 or 50% of eligible expenses, whichever is less.

(2) Participation is limited to one grant per company, per fiscal year.

(3) Eligible expenses will include only those directly related to participation in a trade event and for one individual only.

(4) Companies that are new to export and are without a proven exporting history will be given preference over experienced exporters; however, this shall not exempt companies that have demonstrated export initiative in new foreign markets.

(c) Funding.—Program funding may include monetary donations from the private sector. These private funds shall augment any Commonwealth funds utilized for this program.

#### Section 8. Regional Export Matching Grant Program.

(a) Establishment.—There is hereby created within the department a program entitled the Regional Export Matching Grant Program under which the department shall assist in and encourage the operation of regional export development programs.

(b) Terms and conditions.—

(1) Eligible export development activities may include:

(i) Development of international marketing programs to promote international trade by Commonwealth businesses. This may include conducting market surveys and regional export studies, developing trade show displays, printing costs and consultant fees.

(ii) Providing local small-sized and medium-sized businesses with technical export-related assistance and promoting the financial and other assistance available through the Department of Commerce and the Department of Agriculture. This may include the use of funds for training and seminar costs.

(2) Funds may be provided on a matching basis to one economic development organization from each region of this Commonwealth. The department shall identify the regions and designate an organization in each region to receive the funds. These may include existing organizations, such as local development districts, small business development centers and others which provide regional export services. All grants shall be disbursed on a competitive basis according to criteria developed by the department.

(3) All grantees shall match Commonwealth program dollars on at least a one-to-one basis.

(4) All regional export programs funded by this program must be consistent with the export strategy and policies adopted by the board and the department.

(5) All grantees shall report to the department, as required, regarding the use of the matching funds and the program results and accomplishments in a form and format as prescribed by the department.

**Section 9. Regulations.**

The Secretary of Commerce shall promulgate rules and regulations necessary to implement and administer the purposes and provisions of this act.

**Section 10. Expiration.**

This act shall expire on June 30, 1995, unless continued by the General Assembly.

**Section 11. Retroactivity.**

If enacted after July 1, 1992, this act shall be retroactive to that date.

**Section 12. Effective date.**

This act shall take effect July 1, 1992.

APPROVED—The 14th day of December, A. D. 1992.

ROBERT P. CASEY