



# 114th MAINE LEGISLATURE

# FIRST REGULAR SESSION - 1989

#### **Legislative Document**

No. 41

## S.P. 58

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In Senate, January 31, 1989

Reported by Senator ANDREWS of Cumberland for the Committee on Housing and Economic Development.

Reference to the Committee on Housing and Economic Development suggested and ordered printed pursuant to Joint Rule 19.

J. O'Bren

JOY J. O'BRIEN Secretary of the Senate

#### STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-NINE

An Act to Enable Maine to Seize the Opportunities and Meet the Challenges in International Trade.

1	Be it enacted by the People of the State of Maine as follows:
3	Sec. 1. 5 MRSA §13102, sub-§§4 and 5, as enacted by PL 1987, c. 534, Pt. A, §§17 and 19, are amended to read:
5	4. Develop programs. Develop demonstration programs and
7	program concepts in response to economic conditions and the evaluation of existing program activities; and
9	5. Cooperate with State Planning Office. Provide
11 13	information and cooperate with the State Planning Office in its macroeconomic forecasting activities which shall remain the responsibility of the State Planning Office <del>r; and</del>
15	Sec. 2. 5 MRSA §13102, sub-§6 is enacted to read:
17	<b>6.</b> Propose certification of quality program. Investigate alternatives for a certification of quality program. The purpose
19	of this program is to assure both domestic and foreign purchasers of products produced in Maine that these products are of
21	consistently good quality.
23	The division shall consult with trade associations, the
25	University of Maine System, the Department of Marine Resources, the Department of Agriculture, Food and Rural Resources, the Department of Conservation and any other organizations the
27	department determines to be important sources of information or expertise in certification of quality. The division shall also
29	review the efforts undertaken in other states to certify the quality of goods produced in those states. The division shall
31	report its findings and recommendations for a quality certification program to the Second Regular Session of the 114th
33	Legislature.
35	Sec. 2. 5 MRSA c. 383, sub-c. VII is enacted to read:
37	SUBCHAPTER VII
39	INTERNATIONAL TRADE
41	§13116. International trade strategy
43	The department shall develop an international trade strategy for the State. In developing this strategy, the department shall
45	seek the cooperation of the State Economist; the Department of Agriculture, Food and Rural Resources; the Department of
47	<u>Conservation; the Department of Marine Resources; representatives</u> of the University of Maine System; and representatives of the
49	private sector who are involved with and knowledgeable about international trade.
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1	1. Contents of the strategy. At a minimum, this strategy
3	shall include the following:
5	A. An analysis of the State's economy including a delineation of its strengths and assets; projections of
	future growth and declines in the State's economic sectors;
7	<u>a delineation of specific opportunities in international</u> <u>trade, the potential impact of international trade on the</u>
9	State's economy; and any barriers to international trade;
11	B. The long and short-term goals and objectives to guide
13	the State's activities in the promotion and development of international trade.
15	(1) In developing these goals and objectives, the department shall consider factors important to the
17	development of international trade such as education,
19	<u>infrastructure, communications, finance and other</u> <u>similar factors.</u>
12	<u>similar factors.</u>
21	(2) The long and short-term goals and objectives shall be evaluated at least annually and updated as necessary;
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25	<u>C. An evaluation that can best exploit the opportunities in and potential of international trade and the means that can</u>
20	reduce or eliminate the barriers;
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29	<u>D. An evaluation of the feasibility of establishing a</u> foreign trade zone and office in a strategic overseas
	marketing location. The purpose of this office is to obtain
31	produce and market information, obtain trade leads, and
33	<u>serve as a support office for in-state firms exporting to</u> that part of the world; and
35	E. An assessment of expanding the Office of Federal-State
	Coordinator within the Executive Department to include
37	<u>functions relating to international trade promotion and</u>
39	development.
	<u>§13117. Coordination of international trade efforts</u>
41	The dependence shall each to condicate intermetional trade
43	<u>The department shall seek to coordinate international trade</u> promotion and development activities within the State in order to
4 5	make the maximum use of the resources available. To achieve this
45	end, the department shall:
47	1. Investigate coordination or merger of agency trade
4.0	activities. Investigate the coordination or merger of the Office
49	<u>of the International Trade Administration within the United</u> <u>States Department of Commerce which is located in this State,</u>
51	with the international trade section of the Department of
	Economic and Community Development, an association representing

 Maine firms engaged in exporting, and the international trade activities of the Department of Agriculture, Food and Rural
 Resources, the Department of Conservation and the Department of Marine Resources;

 Investigate centralized information response system.
 Investigate the means by which a centralized information response system could be developed involving all state agencies which are
 involved in any way with international trade, including independent state agencies;

3. Coordination of agencies' resources in attracting 13 foreign investment. Investigate the means by which the activities and resources of state agencies and independent state 15 agencies can be coordinated to attract foreign investment to Maine and to assist firms which plan to locate or show an 17 interest in locating in this State; and

19 4. Analyze the feasibility of a New England regional trade council. Analyze the practicality of and the benefits associated 21 with the creation of a New England regional trade council for the mutual exchange of trade information, the generation of import 23 and export data, mutual cooperation in trade programs and the attraction of foreign investment to New England. The department 25 shall study other regional councils to determine the following:

27 <u>A. The purpose or purposes of these councils;</u>

- 29 <u>B. The activities in which the regional councils are</u> involved;
  - C. How the activities are implemented;

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D. The degree of success or failure of these regional council activities;

37 E. The extent to which the purposes are being met; and

39 F. The projected plans of the various councils.

41 §13118. International trade data and information system

43 The department, in conjunction with the Department of Administration, Office of Information Services shall identify the
45 types of international trade information necessary for determining state international trade policy and for assisting
47 the private sector in international trade. The department and the Office of Information Services shall identify the location of
49 this information, the means by which it can be secured and the format in which it should be collected. The department and the
51 Office of Information Services shall investigate the cost,

1 benefits and feasibility of developing an international trade data and information system. This system, at a minimum, shall 3 include the following: 5 1. International trade data and information. International trade data and information consisting of: 7 A. Exports of Maine firms by product, foreign market and 9 value; B. Imports of Maine firms by product, foreign source and 11 value; 13 C. Foreign investment in Maine by name and location of the investor, type of investment and market value of the 15 investment; and 17 D. Trade leads; and 19 2. Inventory of Maine firms. To the extent feasible, an 21 inventory of Maine firms including: 23 A. The names and locations of firms currently engaged in exporting; 25 B. The names and locations of firms currently engaged in 27 importing; С. 29 The number of employees of firms engaged in international trade; and 31 D. Manufacturing and service firms which are important to the State's economy and could be potential exporters. 33 35 The department shall investigate the cost of electronic communication with the United States Department of Commerce for 37 trade information and shall evaluate the quality and timeliness of this information. 39 <u>§13119. Analysis and evaluation</u> 41 In addition to the analysis and evaluation of economic data, 43 trends, policies and programs that the department undertakes, the department shall contract with reliable and objective 45 organizations or firms for the analysis and evaluation of the events described in this section. 47 1. Free trade agreement with Canada. The department shall 49 provide for an analysis of the free trade agreement with Canada and monitoring of the results of the implementation of this 51 agreement with respect to its impact on Maine.

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1	2. Explore trade opportunities and policies of Asia. The
-	department shall provide for a study of the economic and trade
3-	<u>policies of Japan and the developing countries of Asia to</u> <u>determine the trade opportunities that may be available to Maine</u>
5	in these countries. This study shall also focus on current and
7	<u>projected impacts of the Asian economies on the Maine economy.</u> The department shall provide for the monitoring of the operation
	of these economies and their impact on the Maine economy through
9	the decade of the 1990's.
11	3. Analysis and evaluation of the impact of the integration
	of the European economy. The department shall provide for an
13	<u>analysis of the integration of the European Economic Community</u> nations' economies into a single continental economy and the
15	impact that this may have on Maine. This analysis and evaluation
	shall contain recommendations and proposals which Maine can use
17	to meet the challenges and opportunities posed by the integration
19	<u>of the European economy. The department shall provide for the monitoring of the operation of the western European economy and</u>
т <i>э</i>	its impact on the Maine economy through the decade of the 1990's.
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,	4. Report. The department shall report its initial
23	<u>findings and recommendations concerning the events in subsections</u> 1 to 3 in a timely manner to the joint standing committee of the
25	Legislature having jurisdiction over economic development. The
	department shall also provide this legislative committee with
27	periodic reports relating to the findings and recommendations
29	resulting from continued monitoring of these events.
29	<u>§13120. Analysis of roles and activities of other states</u>
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2.2	The department shall study the roles and activities of other
33	states to determine their effectiveness and the extent to which they could be applied in Maine.
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	1. Factors for consideration. In analyzing the roles and
37	activities of other states in the field of international trade, the department, at a minimum, shall consider the following:
39	the department, at a minimum, shall consider the following:
	A. The activities designed to improve the quality of goods
41	and services for export;
43	B. The measures designed to overcome the barriers to
	private sector participation in foreign trade;
45	
47	C. The measures designed to test the ability of exporters and exports to compete in the international market; and
±,	and caports to compete in the international market, and
49	D. The activities designed to provide the most current data
<b>F</b> 7	and information needed to assist exporters and to promote
51	international trade.

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Sec. 3. Report. The Department of Economic and Community Development shall report its findings and recommendations to the Joint Standing Committee on Housing and Economic Development no later than February 1, 1990.

Sec. 4. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1989-90 1990-91

### 11 ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF

Division of Development Policy

All Other

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\$50,000

\$50,000

Provides funds for the 19 purpose of increasing private sector involvement in 21 exporting and increasing private sector support of 23 public and private sector international trade efforts. 25

#### STATEMENT OF FACT

29 This bill is one of the recommendations of the Joint Standing Committee on Economic Development from its study of the 31 impact of international trade on the State's economy. This bill proposes that:

 The Department of Economic and Community Development
 analyze the State's economy with respect to international trade and determine the State's strengths, assets, and liabilities in
 regard to international trade;

39 2. The department formulate an international trade strategy based on the State's strengths and assets. The strategy will 41 contain short and long-term goals which will be evaluated and updated as necessary;

3. The department evaluate all means that can best exploit 45 international trade and can reduce or eliminate barriers to greater development of international trade;

4. The department evaluate the feasibility of establishing
 49 a foreign trade zone and expanding the role of the Office of
 Federal-State Coordinator within the Executive Department to
 51 promote and develop international trade;

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5. The department coordinate international trade efforts and resources within the State to maximize the use of state resources;

6. The department investigate the feasibility of creating a New England regional trade council for purposes of promoting and developing international trade for the region and attracting investment to New England;

11 7. The department, in conjunction with the Department of Administration, Office of Information Systems, investigate the 13 feasibility of an international trade data and information system by which comprehensive accurate and up-to-date information is 15 available for the private sector and for the public sector which needs this information for planning and evaluation purposes; 17

8. The department investigate various approaches to a
19 certification of quality program which will encourage domestic and foreign purchasers to buy goods and services produced in
21 Maine. The department will work with trade associations, state agencies and other organizations to design a proposal for a
23 quality certification program;

9. The department study international trade strategies and activities of other states to determine the effectiveness of
 these strategies and activities as well as the extent to which they could be applied to Maine; and

Additional resources be provided to generate more
 private sector support of international trade efforts in the
 State.

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