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STATE OF ALASKA
THE LEGISLATURE

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May, 1988

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Mary Van Nimwegen

House Hess April 16, 1987

HB 218 An Act creating the Alaska Center for
International Business; and providing for an effective
date

File Contents

- 1) Copy of HB 218
- 2) Copy of CSHB 218 (L&C)
- 3) Labor and Commerce Committee Report
- 4) CS for HB 218 - work draft, Bannister, 4/7/87
- 5) Transmittal letter, Governor to Speaker of House,
3/25/87
- 6) Zero Fiscal Note, U of A, 3/15/87
- 7) Trade Alaska - blueprint
- 8) U of A Organization and Implementation Plan
- 9) House HESS Minutes, 4/16/87

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 218 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Center for International
7 Business; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. LEGISLATIVE FINDINGS. In connection with the establish-
10 ment of a center for international business in the University of Alaska,
11 the legislature finds that

12 (1) recent fluctuations in the price of crude oil have made it
13 clear that the state must take prompt and decisive action to reduce its
14 economic dependency upon oil, through the diversification of its economy;

15 (2) it is in the best interests of the state to continue to
16 promote trade with Asia, Pacific Rim nations, and other countries of the
17 world;

18 (3) the state's location and vast resource base give the state a
19 natural position as a bridge between the rest of the United States, Europe,
20 and Asia; and

21 (4) to take full advantage of the state's location and natural
22 resources, and to develop the possibilities of an aggressive state foreign
23 trade to their fullest, it is critical that the statutes formally provide
24 for establishing a center for international business at the earliest
25 possible time.

26 * Sec. 2. AS 14.40 is amended by adding a new section to read:

27 Sec. 14.40.087. ALASKA CENTER FOR INTERNATIONAL BUSINESS. (a)
28 The University of Alaska shall establish an Alaska Center for Interna-
29 tional Business in an appropriate unit of the university at its

1 Anchorage campus. The center shall operate under the direction of an
2 advisory board consisting of seven individuals, selected by the Board
3 of Regents after consultation with the governor, who have demonstrated
4 strong interest in the development of business and economic relation-
5 ships between the state and foreign countries.

6 (b) The center shall conduct research, including research on
7 market information and market strategies relating to trade by
8 businesses in the state with foreign nations, and, in particular,
9 Asian nations. The research must include

10 (1) making assessments and projections of the potential of
11 various markets for the state's natural resources and technical and
12 informational resources;

13 (2) identifying and analyzing the import requirements of
14 and trade barriers to current and future commodity sales in other
15 nations;

16 (3) identifying the state's trade competitors and assessing
17 the public policy and programs used by the competitors to foster trade
18 with potential markets for the state's goods and services;

19 (4) developing marketing strategies relevant to the state's
20 trade policies with other countries; and

21 (5) investigating foreign investment opportunities in the
22 state.

23 (c) The center shall cooperate with and may enter into contracts
24 with other state, federal, and municipal agencies, and private insti-
25 tutions, to maintain information relevant to the development of inter-
26 national trade and business relationships between the state and other
27 nations of the world.

28 (d) The center shall provide training programs and materials for
29 teachers in the state's school districts to encourage an understanding

1 of culture, language, political and economic systems, social and legal
2 systems, and other aspects of foreign countries, particularly in Asia.

3 (e) The center may charge fees for services the center provides
4 to individuals and entities other than the state. The president of
5 the University of Alaska shall separately account for all fees col-
6 lected under this subsection. The annual estimated balance in the
7 account may be used by the legislature to make appropriations to the
8 university to carry out the purposes of this section.

9 (f) The center may conduct instructional programs, publish and
10 distribute public service and information materials, establish or
11 participate in programs to encourage student participation or to
12 provide benefits to students, and cooperate and coordinate with other
13 educational institutions.

14 (g) The center shall submit an annual report to the legislature
15 on the center's activities. The report must include a summary of the
16 center's expenditures during the preceding year.

17 (h) In this section, "center" means the Alaska Center for Inter-
18 national Business, established by the University of Alaska under (a)
19 of this section.

20 * Sec. 3. AS 14.40.087, as added by sec. 2 of this Act, is repealed
21 July 1, 1997.

22 * Sec. 4. This Act takes effect July 1, 1987.
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STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 25, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting two bills, one a substantive measure and the other an appropriation bill, to create and to fund, respectively, the Alaska Center for International Business.

The University of Alaska's existing Center for International Business is an off-shoot of the university's School of Business. The attached substantive bill establishes the center in statute. Under the bill, the center is designed primarily as a research institute to identify and develop better means of promoting trade by Alaska with foreign markets, primarily Pacific Rim nations. See the legislative findings in sec. 1 of the substantive bill.

At my request, Dr. John Choon K. Kim, director of the existing center, has prepared an initial organization and implementation plan for the center. Attached, for your reference, is a copy of this plan, which outlines in greater detail the programs and plans for the center. The substantive bill requires the center to submit annual reports to the legislature, and repeals the statute that provides for establishing the center. The repeal takes effect in 10 years so that the legislature can at that time review the center's value and future desirability. Section 3 of the bill.

Section 1 of the second measure, an appropriation bill, appropriates \$400,000 to the university for operation of the center in FY 88. Section 2 of that bill appropriates \$5,000,000 from the general fund to the University of Alaska for payment as a grant to the University of Alaska Foundation. The foundation is a private, nonprofit corporation, organized under Alaska law by private individuals. It generally handles endowments and other financial gifts to the university.

It is my hope that the center use the income from the \$5,000,000 for operations in future years, negating the need for further appropriations from the general fund. The substantive measure also provides that the center may charge fees for services it provides to those other than the state, and although these program receipts must, by law, be deposited in the general fund, I will urge future legislatures to appropriate these receipts to the center in order to guarantee sufficient funding to sustain its operations.

The Alaska Center for International Business represents one component of the state's efforts to promote economic development and international trade. The center's programs will be coordinated with those of the Department of Commerce and Economic Development (DCED) and the Office of International Trade. I am also proposing, through the budget process, to rejuvenate the economic development advocates program in DCED; to increase funding in conjunction with the affected industries for both the Alaska Seafood Marketing Institute and the division of tourism in DCED; and to enhance the programs of the Office of International Trade (Alaska Foreign Offices), as well as moving it to the Governor's Office to heighten its visibility in the international business community. We are also planning to extend the technical assistance provided by the Small Business Development Centers through the field offices of the Department of Community and Regional Affairs (DCRA), in order to reach nascent entrepreneurs throughout Alaska. In addition, Commissioner Smith, DCED, is working closely with the legislature to assure passage of SB 64, which would allow the Alaska Industrial Development Authority to offer export financing. And, finally, I will shortly be offering a proposal to initiate a pilot program of applied scientific research, which will be designed to meet the basic information needs of Alaska industries and to leverage funds available from the federal government and private sources.

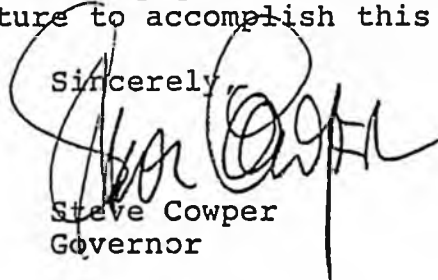
The efforts of all of these entities, as well as of any other state agencies that have an interest in a particular international trade project, or unique expertise, will be integrated into a trade promotion program designated as "Trade Alaska." We are working with many Alaskans who share an interest in trade in order to devise goals and specific activities that will best meet the needs of the private sector as well as our public policy objective of broadening the state's economic base.

It should be understood that government in isolation from society can't create wealth. Creating wealth is a matter of

private initiative. What government can do is make information available about opportunities, help solve technical problems through basic and applied research, identify barriers that impede our opportunities for trade and development, educate our people in order to give them the skills to compete in the international marketplace, and generally promote a social climate that is attractive to business.

I believe that the Alaska Center for International Business, as well as the other initiatives I have outlined, will help us achieve our goal of economic prosperity independent of the fluctuations of world commodity prices. I look forward to working with the legislature to accomplish this goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper
Governor

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

No. 1

REQUEST: _____

Bill Version: HB 218
Publish Date: HOUSE 3/27/87

Revision Date: _____
Title: An Act Creating the Alaska Center
for International Business
Sponsor: Rules
Requestor: Governor

Agency Affected: Univ. of Alaska
BRII: So. Central university and
Community College
Components: Ak. Center for International
Business

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		0	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		0	0	0	0	0
CAPITAL		0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) See Attached implementation plan. The University has included the ACIB in its current budget proposal. Future spending will be from the University Foundation. This additional appropriation will supplement the budget request to defray organizational costs and fund the centers staff.

Prepared by: John Halterman
Division: Audit and Management Service

Phone: 465-3568
Date: 3/25/87

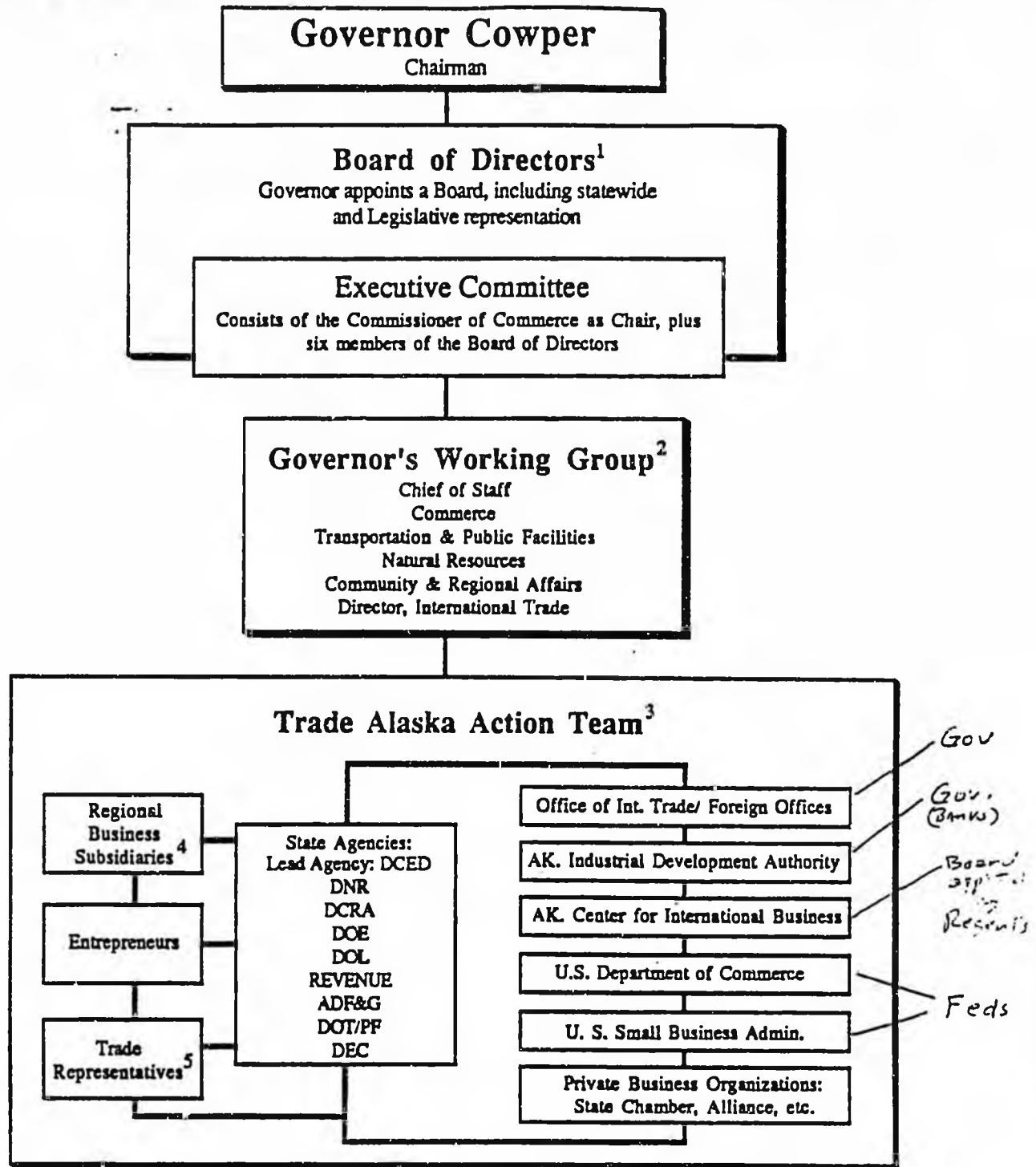
Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Trade Alaska ... A Blueprint for Jobs and Economic Growth



1. Board of Directors: Establish statewide economic development and international trade objectives, and identify economic development opportunities.
2. Governor's Working Group: Translate development objectives and Board recommendations into action plans.
3. Action Team: Implement action plans.
4. Regional Development Subsidiaries: Identify regional development opportunities consistent with statewide objectives, develop and implement business plans.
5. Trade Representatives: Information sources for out-of-state businesses interested in Alaskan investment and Alaskan businesses pursuing trade opportunities.



ORGANIZATION
AND
IMPLEMENTATION PLAN
FOR
ALASKA CENTER FOR INTERNATIONAL BUSINESS

Submitted to

The Honorable Steve Cowper
Governor of the State of Alaska

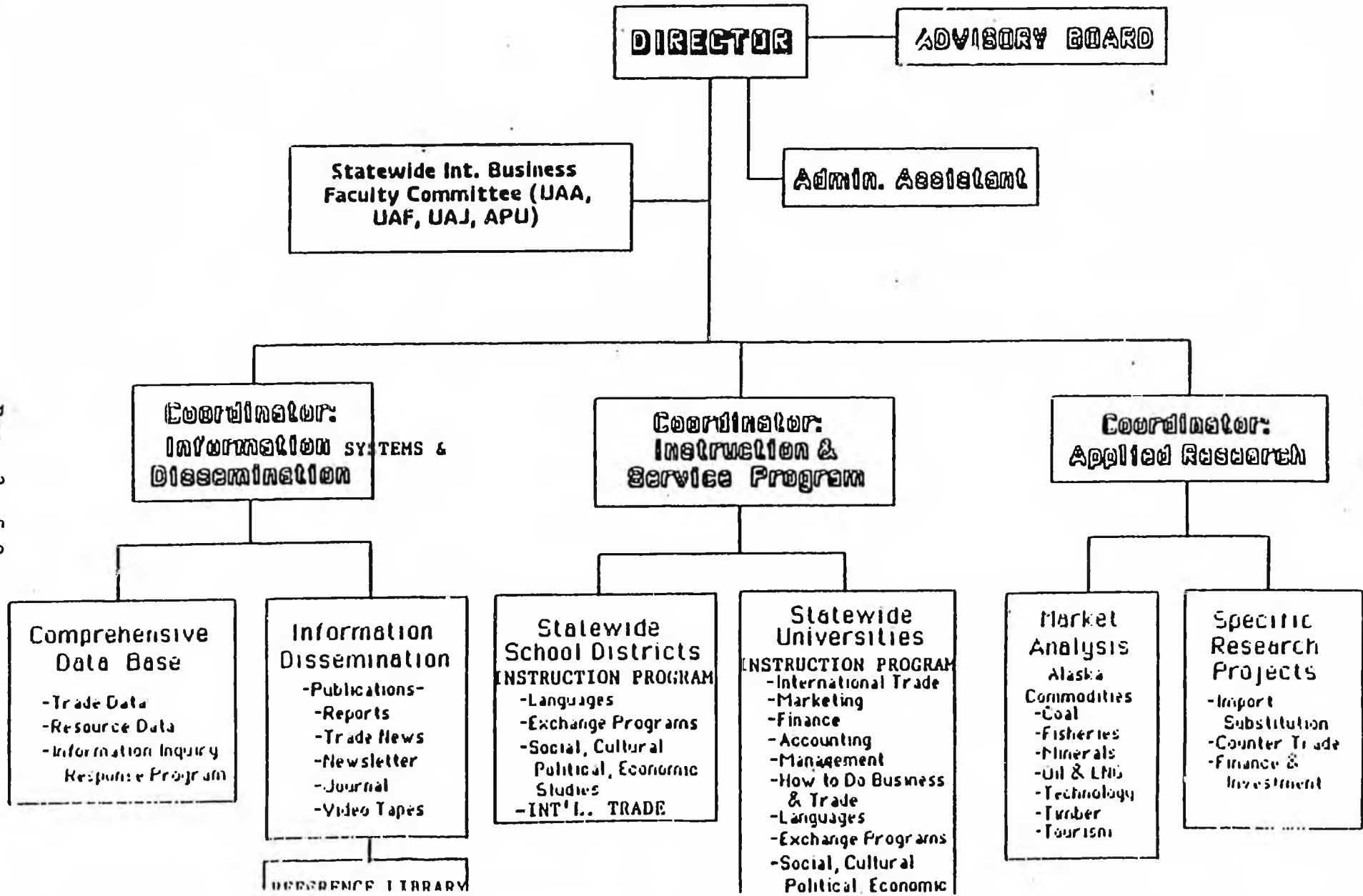
by

John Choon K. Kim, Ph.D., Director
Alaska Center for International Business

March 6, 1987

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UNIVERSITY OF ALASKA
ALASKA CENTER FOR INTERNATIONAL BUSINESS





UNIVERSITY OF ALASKA, ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

No. 1
HB 218
3/27/87

ALASKA CENTER FOR
INTERNATIONAL BUSINESS

THE ALASKA CENTER FOR INTERNATIONAL BUSINESS (ACIB)

Mission Statement

The primary mission of the Center is to facilitate the development of sound business and economic relationships with nations of the Asia-Pacific region and other nations of the world, thus directly helping the State of Alaska to diversify its economy and to expand its economic base through international trade.

In carrying out the mission, four objectives are identified:

1. To carry out research in both opportunities for and barriers to the development of international markets by examining issues such as the short and long-run demand/supply projections for specific commodity groups (such as fisheries, timber, petroleum, coal, minerals, technologies, and tourism), research our Alaska competitors in the Pacific Rim to identify competitive cost structures, protective government actions, etc., and research our appropriate marketing strategies and opportunities for foreign direct investment.
2. To provide members of business and government, through instructions and training, the specific skills and techniques needed for doing business with nations in the Asia-Pacific region and other regions of the world.
3. To foster a better understanding of business and economic relationships between Alaska and Asia-Pacific nations by training teachers and students of public schools and universities throughout the State in languages, cultures, political, social and economic systems (Pacific Rim Studies).
4. To establish a comprehensive computerized data base for the acquisition, analysis, and dissemination of information specifically related to international markets, and Alaska resources and economic conditions.

Organization and Task Structure for the Statewide Mission

The Alaska Center for International Business (ACIB), headquartered at the Anchorage Campus of the University of Alaska, shall operate under the direction of the seven member Advisory Board appointed by the Governor and the President of the University of Alaska. Prominent international members may be appointed to the Board when it deems necessary. The Director is charged with operations of the Center.

A Statewide International Business Faculty Committee (UAA, UAJ, UAF, APU, and others) shall be formed to assist the Director in developing information systems, instructional and service programs, and research programs.

Mission Statement

In order to achieve the Center's mission and objectives, the Center is structured around three major program components: Applied Research, Instruction and Service, and Information Systems and Dissemination. A Coordinator will be charged with operations of each program. Five core international business faculty members shall be primarily committed to the Center's programs.

1. Applied Research

Under the applied research program, the Research Coordinator will be charged with organizing a number of research teams along with the Center's core faculty members and research fellows drawn from a Statewide talents pool of University of Alaska system (UAA, UAF, UAJ), Alaska Pacific University, State and federal agencies, and other research organizations. Each team, in cooperation with researchers of Pacific Rim countries, shall be assigned to conduct either market studies for Alaska's resource groups (Petroleum, coal, timber, fisheries, minerals, technologies, and Tourism) or a specific research project (such as counter-trade, import substitution, investment opportunities and barriers in Alaska, or opportunities for and barriers to trade development). The Coordinator will also be charged with developing research proposals for funding from State, local, and federal agencies, foundations, private firms, and other countries. Research Associates and/or Research Assistants shall be assigned to each research project. In addition to the Research Coordinator and the core faculty members, the applied research component will be comprised of five Research Associates and ten Research Assistants.

2. Instruction and Service

The instructional and service program deals with a wide range of audiences. The Coordinator will be charged with developing and providing the following three major programs:

- a) Pacific Rim studies for the State's school districts;
- b) Pacific Rim studies for universities and colleges; and
- c) professional development and training for business people, government officials, and faculty.

In implementing the first program, the Center shall coordinate with school district(s) and a regional university or college to offer Pacific Rim curriculum for school teachers and students' training in languages (Japanese, Chinese, Korean), culture, history, social-political-economic-legal systems, and international trade and business. A regional university or college shall be awarded funds in delivering the curriculum through regular or intensive modes and/or through a summer school program. The Center shall also provide opportunities for student and teacher exchanges between Alaska and nations in the Asia-Pacific region.

Mission Statement

For the implementation of the second program, universities shall offer regular and/or intensive courses on international marketing, international finance and banking, international business management, international trade, international accounting, international economics, and courses in languages (Chinese, Japanese, Korean), culture, history, socio-political-economic-legal systems. Programs for English as a second language shall also be strengthened by allocating more funds. Students and faculty members shall be exchanged between Alaska and nations in the Asia-Pacific region under the Governor's Pacific-Rim Fellows Program and other agreements. The Center shall operate international business summer schools in Alaska and in the Asia-Pacific nations each year.

In implementing the professional training and development, the Center shall conduct workshops, seminars, symposia, and intensive courses for Alaska business and government leaders on important international trade topics and/or "how to do business with the Asia-Pacific nations," and for business and government leaders of the Asia-Pacific nations on "how to do business in Alaska and the U.S." The Center shall also arrange faculty, business and government executive seminar exchanges between Alaska and the Asia-Pacific nations.

All these instructional and service programs shall be offered by the Center's core faculty, faculty and/or experts drawn from the Statewide talents pool of the University of Alaska system, APU, State-local-federal agencies, national or international visiting fellows, and the Governor's Distinguished Fellows. The Center shall establish the Governor's Distinguished International Business Scholar-in-Residence, the Governor's Distinguished Executive-in-Residence, and the Governor's Distinguished Corporate Executive-in-Residence. Telecommunication systems, video-tapes, and films shall also be used for delivering instructions.

3. Information Systems and Dissemination

The coordinator will be charged with developing and maintaining a comprehensive data base (acquisition and analysis) and disseminating information to state government, business community, universities, and interested public.

Information systems contain quantitative data on commodity and nation's specific trade flows and other market information relative to Asia-Pacific nations, and information on Alaska's resources and commodities relative to potential Asia-Pacific markets, and they include information inquiry response programs.

Information shall be disseminated through publications such as reports, trade news, newsletters, journals, video-tapes, and films, etc.

The Center shall also have an international trade reference library that will contain information on:

- a) Alaska resources, goods and service of potential interest to Asia-Pacific market potential;

Mission Statement

- b) trade and market information focusing on Pacific-Rim nations' markets and business practices; and
- c) reference materials focusing on international trade and business services provided by governmental agencies, businesses, and other organizations.

In Summary

For the implementation of the Governor's goals and the Center's mission, the Center will be comprised of:

- a) Five core international business faculty members including the Director.
- b) A number of faculty members and experts drawn from the Statewide talents pool.
- c) Seven research associates (two for data base and dissemination, and five for applied research).
- d) Ten to twelve research assistants (based on needs on each campus).
- e) Governor's Distinguished Fellows and other visiting fellows.

The interest earnings of the \$5 million endowment may not be sufficient enough to support all the needed staff to perform the Center's tasks. The Center is committed to raise more endowment funds, to bring research funds, and to raise other funds from many sources, such as federal, state, local agencies, private firms, foundations, foreign nations, and individual contributions.

Mission Statement

Immediate Action Plan Facilitating Implementation of the Governor's Goals and the Center's Mission

1. Conducting seven one-day workshops (or brainstorming sessions) for Alaska resource commodity groups (petroleum, coal, fisheries, timber, minerals, technologies and tourism) between April and May.
 - a) Participation for each commodity group (approximately 15-20):
 - Governor's Office
 - State agencies, such as DCED, DNR, DF&G, ASMI, etc.
 - Federal agencies
 - Industry Representatives and/or commodity owners
 - Native village and regional corporations
 - Universities
 - Research organizations
 - Experts
 - b) Things to accomplish:
 - Networking and establishing a Statewide talent pool.
 - Assessing the needs for trade development of a specific commodity group.
 - Identifying major needs for information, research and instructional services.
 - Prioritize programs for fulfilling the needs through participants' consensus.
 - Exploring various ways for implementation.
2. Conduct a one-day workshop for information systems and dissemination (in April).
 - a) Participants (approximately 15-20):
 - Governor's Office
 - State, local and federal agencies
 - Industry representatives
 - Data-base firms
 - Universities and computer centers
 - Research organizations
 - Experts in information systems
 - Native village and regional corporations
 - b) Things to accomplish:
 - Networking and establishing a statewide talent pool.
 - Needs assessment for international trade and resource data.
 - Identifying major needs and prioritizing them through participants' consensus.
 - Exploring various ways to implement programs.

Mission Statement

3. Evaluating faculty resources in international business and trade and the current Pacific Rim programs on each campus of the University of Alaska system and Alaska Pacific university for establishing a Statewide talent pool.
4. Establishing close working relationships between the Center and resource programs within the University of Alaska system, such as fisheries, telecommunications, mining, agriculture, and other technological areas.
5. Conduct one-day workshop focusing on opportunities of rural Alaskan participation in Pacific Rim trade.
6. Conducting two one-day workshops for Pacific Rim Studies curriculum development for school districts and for universities.
 - a) Participants:
 - Each school district's curriculum development representative(s).
 - Teachers and faculty members who are involved in Pacific Rim studies or are interested in the field.
 - b) Things to accomplish:
 - Networking and establishing a Statewide talent pool.
 - Identifying major needs in each region.
 - Developing and prioritizing projects and activities to fulfill the needs through the participants' consensus.
 - Exploring the ways to implement them successfully.