

LEGISLATIVE HISTORY CHECKLIST
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("New Jersey Export Trade Corporation")

NJSA: 52:27H-22.7

LAWS OF: 1995 CHAPTER: 275

BILL NO: S1005

SPONSOR(S): Cardinale and others

DATE INTRODUCED: May 12, 1994

COMMITTEE: ASSEMBLY: Economic Development
 SENATE: Commerce

AMENDED DURING PASSAGE: Yes Amendments during passage
 Second reprint enacted denoted by superscript numbers

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 SENATE: June 30, 1994 Re-enacted 12-7-95

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FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: Yes

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: Yes

HEARINGS: Yes

974.90 New Jersey. Legislature. Assembly Task Force on Business Retention.
 E19 Meeting, held 3-29-94, 5-18-94 & 6-14-95, Warren, Trenton,
 1994e 1994 & 1995.

974.90 New Jersey. Legislature. Assembly Task Force on Business Retention.
 E19 A new tide of change: blueprint for growth. August, 1994,
 199a Trenton, 1994. [see especially pp.92-93]

974.90 New Jersey. Legislature. Assembly Task Force on Business Retention.
 E19 A new tide of change: blueprint for growth. August, 1994.
 1994b [see pp. 16-18]

974.90 New Jersey Economic Master Plan Commission.
 E19 Short and long term recommendations..., 1994.
 1994g [see pp. 27-28]

KBP:pp

[SECOND REPRINT]

SENATE, No. 1005

STATE OF NEW JERSEY

INTRODUCED MAY 12, 1994

By Senators CARDINALE, KYRILLOS, Sinagra
and McGreevey

1 AN ACT concerning export trade, establishing ²[the New Jersey
2 Export Trade Corporation, amending and supplementing
3 P.L.1981, c.122 and amending various parts of the statutory
4 law] a voluntary certification program for qualified export
5 trading corporations.²
6

7 BE IT ENACTED by the Senate and General Assembly of the
8 State of New Jersey:

9 1. ²[(New section)]² The Legislature hereby finds and declares
10 that:

11 a. The United States has significantly fallen behind other
12 industrialized nations with respect to the volume of its exports in
13 relation to its gross national product, and this trend will continue
14 as the European economic community grows in strength as an
15 economic competitor;

16 b. The advent of the North American Free Trade Agreement
17 (NAFTA) and the opening of markets in Eastern Europe and the
18 nations of the former Soviet Union present important
19 opportunities to expand our markets abroad;

20 c. Export trade has a material impact in bringing about
21 economic expansion and sustainable economic growth, having a
22 particularly salutary effect upon manufacturing industries which
23 have saturated their domestic markets;

24 d. Many small domestic industries have the potential for great
25 expansion through the development of export trade, but lack the
26 incentive, information, expertise, and financing to develop an
27 effective export trade program;

28 e. ²[In the absence of any effective federal program, the New
29 Jersey economy will benefit greatly if small businesses which
30 have not exported are given State-assisted experience for a
31 limited period of time in export trade transactions through an
32 incubator-type facility which provides access to export services
33 in one package, as well as job training in export-related skills, so
34 that they may independently sustain export capabilities. In turn,
35 this will assist private-sector export trading companies by giving
36 them a new constituency.] In order to assist businesses with little
37 or no export experience in establishing a relationship with an
38 export agent which has the appropriate expertise and offers a full
39 range of export services, the Legislature finds it appropriate to
40 establish a voluntary State certification program for qualified
41 export trading corporations organized solely to assist new
42 entrants into the export market, in an effort to ensure a standard

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

¹ Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AEA committee amendments adopted June 1, 1995.

² Senate amendments adopted in accordance with Governor's
recommendations October 19, 1995.

1 of proficiency and reliability in the export services provided.²

2 2. ²[(New section)]² As used in this act:

3 "Board" means the board of directors of the corporation.

4 "Clients" mean eligible businesses which utilize the services of
5 the corporation.

6 ²"Commissioner" means the Commissioner of Commerce and
7 Economic Development.²

8 "Corporation" means ²[the New Jersey Export Trade
9 Corporation established] an export trading corporation certified²
10 pursuant to section 3 of this act.

11 ²"Department" means the Department of Commerce and
12 Economic Development.²

13 "Eligible business" means a business located in New Jersey
14 which is a new entrant into an export market with little or no
15 export experience and which ²[meets the prequalification
16 standards established pursuant to section 6 of this act] can
17 reasonably be determined to be able to sustain and expand its
18 export capability after using the services of a corporation².

19 "Export trade" means trade or commerce in goods or services
20 which are exported or in the course of being exported through any
21 port in the United States directly to a foreign country.

22 ²["Export trading company" means any entity defined as an
23 export trading company within the meaning of the federal Export
24 Trading Company Act of 1982, Pub.L.97-290 (15 U.S.C.§4001 et
25 seq.).¹

26 "New Jersey Economic Development Authority" or "authority"
27 means the authority established pursuant to P.L.1974, c.80
28 (C.34:1B-1 et seq.).

29 "Workforce Development Partnership Program" or "program"
30 means the program created pursuant to P.L.1992, c.43
31 (C.34:15D-1 et seq.).²

32 ²[3. (New section) a. There is established an independent
33 entity, which shall be in, but not of, the Department of
34 Commerce and Economic Development, which shall be known as
35 the New Jersey Export Trade Corporation, and which shall be an
36 export trading company ¹[within the meaning of the federal
37 Export Trading Company Act of 1982, Pub.L.97-290 (15
38 U.S.C.§4001 et seq.)]¹. The purpose of the corporation shall be to
39 assist New Jersey businesses in the development of expertise in
40 international trade in order to further export trade as a means of
41 economic development.

42 b. The board of the corporation shall consist of the
43 Commissioner of Commerce and Economic Development ¹, the
44 Director of the Division of International Trade in the Department
45 of Commerce and Economic Development¹ and ¹[~~six~~ five]¹
46 members appointed by the Governor with the advice and consent
47 of the Senate, at least ¹[~~four~~ three]¹ of whom shall have
48 experience in export trade or finance, one of whom shall
49 represent a small business, and one of whom shall represent a
50 large business which is engaged in export trade. Initially, the
51 Governor shall appoint two members for a term of one year, two
52 members for a term of two years, and ¹[~~two members~~ one
53 member]¹ for a term of three years. Thereafter, all members
54 appointed by the Governor shall serve for three year terms. Each

1 member shall hold office for the term of his appointment, and
2 until his successor has been appointed and qualified. Any vacancy
3 occurring other than by expiration of a term shall be filled in the
4 same manner as the original appointment, but for the unexpired
5 term only. The members of the board of the corporation shall
6 serve without compensation, but shall be reimbursed by the
7 corporation for their actual expenses.

8 c. The Commissioner of Commerce and Economic
9 Development ¹[may, at his discretion,] shall¹ serve as the
10 chairperson of the corporation ¹[or may appoint one of the public
11 members as chairperson. Such designation shall be made in
12 writing and shall be delivered to the corporation and the
13 Governor and shall continue in effect until revoked or amended
14 by a writing delivered to the corporation and the Governor]¹.

15 d. The corporation shall report to the Governor and the
16 Legislature no later than March 31 of each year as to its
17 activities in the preceding calendar year. The report shall set
18 forth a complete operating and financial statement covering the
19 corporation's operations during the preceding year. The board
20 shall cause an audit to be made at least once each year, a copy of
21 which shall be filed with the State Treasurer.]²

22 ²[4. (New section) The corporation shall have the power:

23 a. To adopt bylaws for the regulation of its affairs and the
24 conduct of its business, and to adopt and alter a corporate seal;

25 b. To employ an executive director, who shall be its chief
26 executive officer and shall have experience in foreign trade;

27 c. To sue or be sued in the name of the corporation, except
28 that a judgment against the corporation shall not create any
29 direct liability against its board of directors, its employees, or its
30 agents;

31 d. To indemnify its board members, employees and agents for
32 any claims, suits, costs of investigations, costs of defense,
33 settlements, or judgments against them on account of an act or
34 ¹[mission] omission¹ in the scope of a director's duties, or an
35 employee's or agent's employment, but the corporation shall
36 refuse to indemnify if it determines that the act or failure to act
37 was because of actual fraud, willful misconduct, or actual malice;

38 e. To enter into any contracts necessary or proper to carry out
39 the provisions and purposes of this act, including contracts with
40 private export trading companies or export management
41 companies and with such entities as may be necessary to provide
42 services to the clients of the corporation, including, but not
43 limited to, legal services, transportation services, translation
44 services, after market services, and insurance services;

45 f. To establish, maintain, or arrange for any reserve or
46 insurance funds or policies as may be necessary to carry out the
47 provisions of this act;

48 g. To sell, convey, lease, purchase, or otherwise acquire real
49 or personal property to carry out its functions under this act;

50 h. To borrow money on such terms the board considers to be
51 necessary and proper to carry out its functions under this act;

52 i. To contract for and to accept any gifts, grants, or loans of
53 funds or financial or other aid in any form from the United States
54 of America, the State of New Jersey, or any agency or

1 instrumentality thereof, or from any other source; public or
2 private;

3 j. To export directly or to assist in the export of products and
4 services on behalf of eligible businesses;

5 k. To invest moneys of the corporation ^{1,1} not required for
6 immediate use, in any obligations, securities, and other
7 investments that the corporation deems prudent;

8 l. To purchase, acquire and take assignments of notes,
9 mortgages, banker's acceptances, receivables of exporters, and
10 other forms of security and evidences of indebtedness;

11 m. To arrange for the extension of credit to eligible
12 businesses, including loans and loan guarantees, from the New
13 Jersey Economic Development Authority or from any other
14 source, to establish underwriting guidelines in connection
15 therewith, and to require political and commercial risk insurance
16 in connection therewith;

17 n. In conjunction with the Division of International Trade in
18 the Department of Commerce and Economic Development, the
19 United States Department of Commerce, and any other source
20 which may be available to it, to conduct or cause to be conducted
21 market studies or foreign trade missions as necessary to
22 effectuate the provisions of this act;

23 o. To employ persons as necessary, as determined by the
24 board, to carry out the purposes of the corporation, and to
25 determine their qualifications, terms of office, duties, and
26 compensation without regard to the provisions of Title 11A of the
27 New Jersey Statutes, and to provide them with those benefits
28 which the board shall determine, but those employees or agents
29 shall not be employees of the State of New Jersey;

30 p. To promulgate rules and regulations as the board deems
31 necessary to effectuate the purposes of this act;

32 q. To designate persons as necessary, either domestic or
33 foreign, to act as advisors to the corporation and its clients;

34 r. To utilize the services of any public or private institution of
35 higher education to further the purposes of the corporation in
36 assisting its clients in the marketing or selling of their goods
37 abroad;

38 s. To contract or arrange with the Department of Labor to
39 provide for job training programs under the "New Jersey
40 Employment and Workforce Development Act," P.L.1992, c.43
41 (C.34:15D-1 et seq.); and

42 t. To enter into any public-private partnerships with any
43 entity for the purpose of carrying out its functions under this act
44 ¹, including, but not limited to, the referral of eligible businesses
45 to export trading companies in the private sector¹.]²

46 ²[5. (New section) The corporation may borrow moneys from
47 the authority or from other lenders as necessary for reasonable
48 start-up administrative costs, which may include, but not be
49 limited to, costs for personnel, office space, equipment, and
50 market development¹[, and which] . The authority shall, with the
51 approval of the commissioner, establish the terms for repayment
52 of any moneys loaned by it to the corporation pursuant to this
53 section. Moneys borrowed from any other lender¹ shall be repaid
54 upon such terms as may be agreed upon by the corporation and
55 the lender.]²

1 ²[6. (New section) The corporation shall establish a procedure
2 and criteria for the prequalification of businesses as eligible
3 businesses, which criteria shall include, but shall not be limited
4 to, such factors as:

5 a. The viability of the products or services provided by the
6 business with respect to international markets;

7 b. The extent to which the export of products or services will
8 retain or expand employment in New Jersey;

9 c. The existence of a reasonable probability that the business
10 will be able to sustain and expand its export capability after the
11 three year period in which it is a client of the corporation.]²

12 ²3. The commissioner shall establish a voluntary certification
13 program for export trading corporations which meet the
14 standards established by this act. Each corporation seeking State
15 certification shall make application therefor in the manner
16 prescribed by the commissioner. Upon the granting of the
17 certification, the corporation may use the title "New Jersey
18 Certified Export Trading Corporation." The department shall
19 cooperate and assist all export trading corporations certified
20 pursuant to this act.²

21 ²4. The commissioner shall review the qualifications of
22 corporations certified pursuant to this act not less than once
23 every five years. If the commissioner determines that the
24 certified corporation no longer meets the qualification standards
25 established pursuant to this act, or the corporation's business
26 practices do no meet professional standards or are not in
27 conformance with the provisions of this act, the commissioner
28 shall notify the corporation in writing of the deficiencies. If the
29 deficiencies are not corrected within a reasonable period of time
30 to the satisfaction of the commissioner, the commissioner may
31 revoke the corporation's certification. A corporation which has
32 had its certification revoked may reapply for certification on
33 terms and conditions established by the commissioner. No
34 certification shall be granted to any export trading entity which
35 does not meet the standards established by this act.²

36 ²5. The following fees shall be assessed, in an amount to be
37 determined by the commissioner, in connection with the
38 voluntary certification provided for under this act: a. An initial
39 application fee not to exceed \$250; b. An annual renewal fee;
40 and c. A reinstatement fee. Failure on the part of a corporation
41 to pay the assessed certification fees shall result in the denial or
42 revocation of its certification.²

43 ²[7. (New section) An eligible business prequalified pursuant
44 to section 6 of this act may apply to the corporation for
45 assistance in establishing or maintaining export trade. If the
46 application meets the standards for assistance by the corporation,
47 as established by section 8 of this act, the corporation may:]

48 6. To qualify for certification under this act, the export
49 trading corporation shall: a. Provide in its by-laws that its sole
50 purpose and function is to serve as an incubator facility for
51 eligible businesses; b. Demonstrate that (1) a majority of its
52 board members have experience in the business of export trade
53 for a period of at least five years; (2) the corporation is
54 financially sound; and (3) the corporation has adequate resources

1 to determine the viability of its clients' products or services in
2 international markets; c. Provide a program designed to bring
3 new entrants into the export market and develop their exporting
4 self-sufficiency; d. Establish in connection with community
5 colleges and other institutions of higher education, an internship
6 or job training program or programs for students enrolled in a
7 curriculum in a public or private institution of higher education
8 for which knowledge of export trade will enhance the student's
9 ability to find employment and for employees of a business which
10 exports or intends to export, and may be eligible for funding
11 under the terms of the Workforce Development Partnership
12 Program established pursuant to P.L.1992, c.43 (C.34:15D-1 et
13 seq.); and e. Provide at least the following services to new
14 entrants into the export market:²

15 ²[a.] (1)² Provide or contract for assistance in researching
16 foreign markets;

17 ²[b.] (2)² Provide or contract for assistance in advertising,
18 marketing, and participation in foreign trade fairs;

19 ²[c.] (3)² Provide or contract for assistance in placing bids
20 with foreign buyers;

21 ²[d.] (4)² Provide or contract for legal assistance in arranging
22 export trade transactions;

23 ²[e.] (5)² Provide or contract for assistance in the pricing of
24 goods to be exported, arranging the terms of sale, and facilitating
25 foreign exchange transactions;

26 ²[f. Arrange] (6) Assist in arranging² for loans or loan
27 guarantees to clients, including loans or guarantees from the
28 authority, commercial banking institutions, foreign banking
29 institutions, or the Export-Import Bank of the United States²[.]²;

30 ²[g.] (7)² Provide or contract for translating, interpreting, or
31 other services to facilitate communication between exporters and
32 foreign purchasers;

33 ²[h. Provide or contract] (8) Assist in arranging² for the
34 training of employees or prospective employees of clients with
35 respect to the conducting of export trade;

36 ²[i.] (9)² Obtain, or assist in obtaining, bankers' acceptances
37 pursuant to section 207 of Title II of the Export Trading Company
38 Act of 1982, Pub.L.97-290 (12 U.S.C.372);

39 ²[j.] (10)² Purchase or take title to the receivables of
40 exporters, or arrange purchases through independent factoring
41 houses;

42 ²[k.] (11)² Assist in arranging for the packing, transportation,
43 and shipment of goods;

44 ²[l.] (12)² Assist in, or contract for assistance in, the
45 preparation of appropriate shipping and collection documents;

46 ²[m.] (13)² Assist in, or contract for assistance in, the
47 purchase of appropriate insurance, including marine and export
48 credit insurance, provided through private carriers, or at the
49 discretion of the board, through an umbrella or blanket policy
50 obtained by ²[the] a² corporation;

51 ²[n.] (14)² Assist in, or contract for assistance in, the
52 processing of foreign orders to and for exporters and foreign
53 purchasers;

54 ²[m.] (15)² Assist in arranging joint ventures with other

1 exporters or with a foreign entity;

2 ²[o.] (16)² Assist in, or contract for assistance in, negotiating
3 license agreements with foreign firms;

4 ²[p. Arrange] (17) Assist in arranging² financing through the
5 New Jersey Economic Development Authority, the Export-Import
6 Bank of the United States, through private sources, or a
7 combination thereof; and

8 ²[q.] (18)² Assist clients in applying for export trade-related
9 job training assistance pursuant to the Workforce Development
10 Partnership Program established pursuant to P.L.1992, c.43
11 (C.34:15D-1 et seq.).

12 ²[Notwithstanding any law, rule, regulation or executive order
13 to the contrary, consulting contracts or other contracts entered
14 into for the purpose of providing assistance to clients pursuant to
15 this section may be bid at the discretion of the corporation.]²

16 ²[8. (New section) Any application for assistance under this
17 act shall be submitted to the board by the executive director and
18 shall be reviewed by the board, which may approve the
19 application if:

20 a. The business is prequalified as an eligible business as
21 provided in section 6 of this act;

22 b. The applicant is financially sound and is deemed to be
23 capable of maintaining or expanding its productive capacity to
24 support export trade;

25 c. The products or services to be exported have a reasonable
26 chance of finding markets abroad; and

27 d. The assistance will tend to maintain or provide employment
28 for residents of this State.

29 The board may, at any time, determine that the business is no
30 longer an eligible business and sever the relationship upon 30
31 business' days notice in writing.]²

32 ²[9. (New section) a. The corporation shall provide its
33 services to eligible businesses for a period not to exceed three
34 years following the inception of the first transaction, on a
35 fee-for-service basis, and the cost of providing the services shall
36 be charged to the clients on a no-profit, no-loss basis, which cost
37 shall include the cost of operating the corporation, those monies
38 which may have been borrowed by the corporation as start-up
39 costs, and, at the discretion of the board, those moneys which
40 may be necessary to maintain a reasonable reserve. At the end
41 of the three year eligibility period, the corporation, with the
42 assistance of the Division of International Trade, shall provide its
43 clients with information as necessary with respect to sources in
44 the private sector for the services which the corporation had
45 performed for the client during the three year period.

46 b. The corporation, in its discretion, may grant an extension of
47 eligibility for a period not to exceed two years after the initial
48 three year period provided for in this section, based upon criteria
49 established by the corporation. The criteria shall include, but
50 shall not be limited to, the following: the eligible business does
51 not show a reasonable promise of being capable of exporting in
52 the absence of the assistance provided by the corporation, but in
53 the opinion of the corporation, will be able to do so after an
54 extension of the initial period of eligibility.]²

1 ²[10. (New section) In connection with carrying out its duties
2 under this act, the corporation may establish an internship or job
3 training program or programs for:

4 a. Students enrolled in a curriculum in a public or private
5 institution of higher education for which knowledge of export
6 trade will enhance the student's ability to find employment; and

7 b. Employees of a business which exports or intends to export.

8 A program established pursuant to this section may be
9 administered under the terms of the Workforce Development
10 Partnership Program.]²

11 ²[11. (New section) All expenses incurred in carrying out the
12 provisions of this act shall be payable solely from revenue or
13 funds provided or to be provided under the provisions of this act
14 and nothing in this act shall be construed to authorize the
15 corporation to incur any indebtedness or liability on behalf of or
16 payable by the State or any political subdivision thereof.]²

17 ²[12. Section 23 of P.L.1981, c.122 (C.52:27H-22) is amended
18 to read as follows:

19 23. There is established in the department a Division of
20 International Trade. The Division of International Trade shall:

21 a. Encourage and promote foreign investment in New Jersey
22 by establishing and maintaining contact with representatives of
23 foreign governments and businesses, and providing information on
24 the benefits of investing in New Jersey;

25 b. Encourage and promote the expansion and development of
26 foreign export markets for products and services of New Jersey
27 businesses and industries by providing information and assistance
28 to those New Jersey companies wishing to penetrate foreign
29 markets; and

30 c. At the discretion of the division, refer potential clients to
31 the New Jersey Export Trade Corporation and assist former
32 clients of the corporation in establishing themselves as
33 independent exporters.

34 The Division of International Trade shall be under the
35 immediate supervision of a director, who prior to appointment
36 shall be qualified by responsible work in economic development
37 and international trade activities or its equivalent in training and
38 experience. The director of such division shall be appointed by
39 the commissioner and shall serve during the term of office of the
40 appointing commissioner and until [such time] a successor is
41 appointed.

42 (cf: P.L.1981, c.122, s.23)]²

43 ²[13. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to
44 read as follows:

45 5. The authority shall have the following powers:

46 a. To adopt bylaws for the regulation of its affairs and the
47 conduct of its business;

48 b. To adopt and have a seal and to alter the same at pleasure;

49 c. To sue and be sued;

50 d. To acquire in the name of the authority by purchase or
51 otherwise, on such terms and conditions and such manner as it
52 may deem proper, or by the exercise of the power of eminent
53 domain in the manner provided by the Eminent Domain Act of
54 1971, P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests

1 therein or other property which it may determine is reasonably
2 necessary for any project; provided, however, that the authority
3 shall not take by exercise of the power of eminent domain any
4 real property except upon consent thereto given by resolution of
5 the governing body of the municipality in which such real
6 property is located; and provided further that the authority shall
7 be limited in its exercise of the power of eminent domain to
8 municipalities receiving State aid under the provisions of
9 P.L.1978, c.14 (C.52:27D-178 et seq.), or to municipalities which
10 had a population, according to the latest federal decennial
11 census, in excess of 10,000;

12 e. To enter into contracts with a person upon such terms and
13 conditions as the authority shall determine to be reasonable,
14 including, but not limited to, reimbursement for the planning,
15 designing, financing, construction, reconstruction, improvement,
16 equipping, furnishing, operation and maintenance of the project
17 and to pay or compromise any claims arising therefrom;

18 f. To establish and maintain reserve and insurance funds with
19 respect to the financing of the project;

20 g. To sell, convey or lease to any person all or any portion of a
21 project, for such consideration and upon such terms as the
22 authority may determine to be reasonable;

23 h. To mortgage, pledge or assign or otherwise encumber all or
24 any portion of a project or revenues, whenever it shall find such
25 action to be in furtherance of the purposes of this act;

26 i. To grant options to purchase or renew a lease for any of its
27 projects on such terms as the authority may determine to be
28 reasonable;

29 j. To contract for and to accept any gifts or grants or loans of
30 funds or property or financial or other aid in any form from the
31 United States of America or any agency or instrumentality
32 thereof, or from the State or any agency, instrumentality or
33 political subdivision thereof, or from any other source and to
34 comply, subject to the provisions of the act, with the terms and
35 conditions thereof;

36 k. In connection with any application for assistance under this
37 act or commitments therefor, to require and collect such fees
38 and charges as the authority shall determine to be reasonable;

39 l. To adopt, amend and repeal regulations to carry out the
40 provisions of this act;

41 m. To acquire, purchase, manage and operate, hold and dispose
42 of real and personal property or interests therein, take
43 assignments of rentals and leases and make and enter into all
44 contracts, leases, agreements and arrangements necessary or
45 incidental to the performance of its duties;

46 n. To purchase, acquire and take assignments of notes,
47 mortgages and other forms of security and evidences of
48 indebtedness;

49 o. To purchase, acquire, attach, seize, accept or take title to
50 any project by conveyance or by foreclosure, and sell, lease,
51 manage or operate any project for a use specified in this act;

52 p. To borrow money and to issue bonds of the authority and to
53 provide for the rights of the holders thereof, as provided in this
54 act;

1 q. To extend credit or make loans to any person for the
2 planning, designing, acquiring, constructing, reconstructing,
3 improving, equipping and furnishing of a project, which credits or
4 loans may be secured by loan and security agreements,
5 mortgages, leases and any other instruments, upon such terms and
6 conditions as the authority shall deem reasonable, including
7 provision for the establishment and maintenance of reserve and
8 insurance funds, and to require the inclusion in any mortgage,
9 lease, contract, loan and security agreement or other instrument,
10 such provisions for the construction, use, operation and
11 maintenance and financing of a project as the authority may
12 deem necessary or desirable;

13 r. To guarantee up to 90% of the amount of a loan to a person,
14 if the proceeds of the loan are to be applied to the purchase and
15 installation, in a building devoted to industrial or commercial
16 purposes, or in an office building, of an energy improvement
17 system;

18 s. To employ consulting engineers, architects, attorneys, real
19 estate counselors, appraisers, and such other consultants and
20 employees as may be required in the judgment of the authority to
21 carry out the purposes of the act, and to fix and pay their
22 compensation from funds available to the authority therefor, all
23 without regard to the provisions of Title [11] 11A, Civil Service,
24 of the [Revised] New Jersey Statutes;

25 t. To do and perform any acts and things authorized by this act
26 under, through or by means of its own officers, agents and
27 employees, or by contract with any person;

28 u. To procure insurance against any losses in connection with
29 its property, operations or assets in such amounts and from such
30 insurers as it deems desirable;

31 v. To do any and all things necessary or convenient to carry
32 out its purposes and exercise the powers given and granted in the
33 act;

34 w. To construct, reconstruct, rehabilitate, improve, alter,
35 equip, maintain or repair or provide for the construction,
36 reconstruction, improvement, alteration, equipping or
37 maintenance or repair of any development property and lot,
38 award and enter into construction contracts, purchase orders and
39 other contracts with respect thereto, upon such terms and
40 conditions as the authority shall determine to be reasonable,
41 including, but not limited to, reimbursement for the planning,
42 designing, financing, construction, reconstruction, improvement,
43 equipping, furnishing, operation and maintenance of any such
44 development property and the settlement of any claims arising
45 therefrom and the establishment and maintenance of reserve
46 funds with respect to the financing of such development property;
47 [and]

48 x. When authorized by the governing body of a municipality
49 exercising jurisdiction over an urban growth zone, to construct,
50 cause to be constructed or to provide financial assistance to
51 projects in an urban growth zone which shall be exempt from the
52 terms and requirements of the land use ordinances and
53 regulations, including, but not limited to, the master plan and
54 zoning ordinances, of such municipality;

1 y. ¹[To advance] In its discretion to lend¹ such moneys as the
 2 authority may determine to the New Jersey Export Trade
 3 Corporation established pursuant to P. L. , c. (C.), (now
 4 ¹[pending in] before¹ the Legislature as this bill) for start-up
 5 costs for the corporation, to be repaid upon such terms and
 6 conditions as ¹[may be agreed to between] established by¹ the
 7 authority ¹[and] with¹ the ¹[corporation] approval of the
 8 Commissioner of Commerce and Economic Development¹ ; and
 9 z. ¹[To] In its discretion to¹ lend money or provide loan
 10 guarantees, or otherwise extend credit to eligible businesses
 11 which are clients of the New Jersey Export Trade Corporation
 12 established pursuant to P. L. , c. (C.) (now
 13 ¹[pending in] before¹ the Legislature as this bill.).

14 (cf: P.L.1983, c.282, s.3.)²

15 ²[14. Section 4 of P.L.1992, c.43 (C.34:15D-4) is amended to
 16 read as follows:

17 4. a. The Workforce Development Partnership Program is
 18 hereby established in the Department of Labor and shall be
 19 administered by the Commissioner of Labor. The purpose of the
 20 program is to provide qualified displaced, disadvantaged and
 21 employed workers with the employment and training services
 22 most likely to provide the greatest opportunity for long-range
 23 career advancement with high levels of productivity and earning
 24 power. To implement that purpose, the program shall provide
 25 those services by means of training grants or customized training
 26 services, to the extent that funding for the services is not
 27 available from federal or other sources. The commissioner is
 28 authorized to expend moneys from the Workforce Development
 29 Partnership Fund to provide the training grants or customized
 30 training services and provide for each of the following:

31 (1) The cost of counseling required pursuant to section 7 of
 32 P.L.1992, c.43 (C.34:15D-7), to the extent that adequate funding
 33 for counseling is not available from federal or other sources;

34 (2) Reasonable administrative costs not to exceed 10% of the
 35 revenues collected pursuant to section 2 of P.L.1992, c.44
 36 (C.34:15D-13) during any one fiscal year, except for additional
 37 start-up administrative costs approved by the Director of the
 38 Office of Management and Budget during the first year of the
 39 program's operation;

40 (3) Reasonable costs, not exceeding 0.5% of the revenues
 41 collected pursuant to section 2 of P.L.1992, c.44 (C.34:15D-13)
 42 during any one fiscal year, as required by the State Employment
 43 and Training Commission to design criteria and conduct an annual
 44 evaluation of the program; and

45 (4) The cost of reimbursement to individuals for excess
 46 contributions pursuant to section 6 of P.L.1992, c.44
 47 (C.34:15D-17).

48 b. Not more than 10% of the moneys received by any service
 49 provider pursuant to this act shall be expended on anything other
 50 than direct costs to the provider of providing the employment and
 51 training services, which direct costs shall not include any
 52 administrative or overhead expense of the provider.

53 c. Training and employment services shall be provided to a
 54 worker who receives counseling pursuant to section 7 of P.L.1992,

1 c.43 (C.34:15D-7) only if the counselor who evaluates the worker
2 pursuant to that section determines that the worker can
3 reasonably be expected to successfully complete the training and
4 education identified in the Employability Development Plan
5 developed pursuant to that section for the worker.

6 d. All vocational training provided under this act:

7 (1) Shall be training which is likely to substantially enhance
8 the individual's marketable skills and earning power; and

9 (2) Shall be training for a labor demand occupation, except for:

10 (a) Customized training provided to the present employees of a
11 business which the commissioner deems to be in need of the
12 training to prevent job loss caused by obsolete skills,
13 technological change or national or global competition; [or]

14 (b) Customized training provided to employees at a facility
15 which is being relocated from another state into New Jersey; or

16 (c) Customized training provided to employees of a business
17 which the commissioner determines to be necessary to enable the
18 business to create or retain jobs by means of export trade
19 activity.

20 e. Not less than 27% of the total revenues dedicated to the
21 program during any one fiscal year shall be reserved to provide
22 employment and training services for qualified displaced workers.
23 Eight percent of the total revenues dedicated to the program
24 during any one fiscal year shall be reserved to provide
25 employment and training services for qualified disadvantaged
26 workers. Not less than 3% of the total revenues dedicated to the
27 program during any one fiscal year shall be reserved for
28 occupational safety and health training. ¹Beginning July 1, 1994,
29 5% of the total revenues dedicated to the program during any one
30 fiscal year shall be reserved for and appropriated to the Youth
31 Transitions to Work Partnership created pursuant to P.L.1993,
32 c.268 (C.34:15E-1 et seq.).¹

33 f. Funds available under the program shall not be used for
34 activities which induce, encourage or assist: any displacement of
35 currently employed workers by trainees, including partial
36 displacement by means such as reduced hours of currently
37 employed workers; any replacement of laid off workers by
38 trainees; or any relocation of operations resulting in a loss of
39 employment at a previous workplace located in the State.

40 g. On-the-job training shall not be funded by the program for
41 any employment found by the commissioner to be of a level of
42 skill and complexity too low to merit training. The duration of
43 on-the-job training funded by the program for any worker shall
44 not exceed the duration indicated by the Specific Vocational
45 Preparation Code developed by the United States Department of
46 Labor for the occupation for which the training is provided and
47 shall in no case exceed 26 weeks. The department shall set the
48 duration of on-the-job training for a worker for less than the
49 indicated maximum, when training for the maximum duration is
50 not warranted because of the level of the individual's previous
51 training, education or work experience. On-the-job training shall
52 not be funded by the program unless it is accompanied,
53 concurrently or otherwise, by whatever amount of
54 classroom-based vocational training, remedial education or both,

1 is deemed appropriate for the worker by the commissioner.

2 h. Employment and training services funded by the program
3 shall not replace, supplant, compete with or duplicate in any way
4 approved apprenticeship programs.

5 i. No activities funded by the program shall impair existing
6 contracts for services or collective bargaining agreements,
7 except that activities which would be inconsistent with the terms
8 of a collective bargaining agreement may be undertaken with the
9 written concurrence of the collective bargaining unit and
10 employer who are parties to the agreement.

11 (cf: P.L.1994, c.73, s.1)]²

12 ²[15. Section 5 of P.L.1992, c.43 (C.34:15D-5) is amended to
13 read as follows:

14 5. a. There is hereby established, as part of the Workforce
15 Development Partnership Program, the Office of Customized
16 Training. Moneys allocated to the office from the fund shall be
17 used to provide employment and training services to eligible
18 applicants approved by the commissioner.

19 b. An applicant shall be eligible for customized training
20 services if it is one of the following:

21 (1) An individual employer that seeks the customized training
22 services to create, upgrade or retain jobs in a labor demand
23 occupation;

24 (2) An individual employer that seeks customized training
25 services to upgrade or retain jobs in an occupation which is not a
26 labor demand occupation, if the commissioner determines that
27 the services are necessary to prevent the likely loss of the jobs or
28 that the services are being provided to employees at a facility
29 which is being relocated from another state into New Jersey;

30 (3) An employer organization, labor organization or
31 community-based organization seeking the customized training
32 services to provide training in labor demand occupations in a
33 particular industry; or

34 (4) A consortium made up of one or more educational
35 institutions and one or more eligible individual employers or
36 labor, employer or community-based organizations that seeks the
37 customized training services to provide training in labor demand
38 occupations in a particular industry.

39 c. Each applicant seeking customized training services shall
40 submit an application to the commissioner in a form and manner
41 prescribed in regulations adopted by the commissioner. The
42 application shall be accompanied by a business plan of each
43 employer which will receive customized training services if the
44 application is approved. The business plan shall include:

45 (1) A justification of the need for the services and funding
46 from the office, including information sufficient to demonstrate
47 to the satisfaction of the commissioner that the applicant will
48 provide significantly less of the services if the requested funding
49 is not provided by the office;

50 (2) A comprehensive long-term human resource development
51 plan which:

52 (a) Extends significantly beyond the period of time in which
53 the services are funded by the office; and

54 (b) Significantly enhances the productivity and

1 competitiveness of the employer operations located in the State
2 and the employment security of workers employed by the
3 employer in the State;

4 (3) Evidence, if the training sought is for an occupation which
5 is not a labor demand occupation[,]; that the customized training
6 services are needed to prevent job loss caused by obsolete skills,
7 technological change or national or global competition [or]; that
8 the services are being provided to employees at a facility which
9 is being relocated from another state into New Jersey; or that
10 the services are needed to enable the employer to create or
11 retain jobs by means of export trade activity;

12 (4) Information demonstrating that most of the individuals
13 receiving the services will be trained primarily for work in the
14 direct production of goods or services or for work which directly
15 contributes to the expansion of export trade activity by the
16 employer; and

17 (5) Any other information which the commissioner deems
18 appropriate.

19 The commissioner may provide whatever assistance he deems
20 appropriate in the preparation of the application and business
21 plan, which may include labor market information, projections of
22 occupational demand and information and advice on alternative
23 training and education strategies.

24 d. Each employer that receives customized training services
25 shall contribute a minimum of 40% of the total cost of the
26 customized training services, except that the commissioner shall
27 set a higher or lower minimum contribution by an employer, if
28 warranted by the size and economic resources of the employer or
29 other factors deemed appropriate by the commissioner.

30 e. Each employer receiving customized training services shall
31 hire or retain in permanent employment each worker who
32 successfully completes the training and education provided under
33 the customized training. The employer shall be entitled to select
34 the qualified employed, disadvantaged or displaced workers who
35 will participate in the customized training, except that if any
36 collective bargaining unit represents a qualified employed
37 worker, the selection shall be conducted in a manner acceptable
38 to both the employer and the collective bargaining unit. The
39 commissioner shall provide for the withholding, for a time period
40 he deems appropriate, of whatever portion he deems appropriate
41 of program funding as a final payment for customized training
42 services, contingent upon the hiring and retention of a program
43 completer as required pursuant to this section.

44 f. The customized training services provided to an approved
45 applicant may include any combination of employment and
46 training services or any single employment and training service
47 approved by the commissioner, including remedial education
48 provided to upgrade workplace literacy. Each service may be
49 provided by a separate approved service provider.

50 g. Customized training services shall include any remedial
51 education determined necessary pursuant to section 7 of this act.
52 Applications for customized training services shall include
53 estimates of the total need for remedial education determined in
54 a manner deemed appropriate by the commissioner.

1 h. Any business seeking customized training services shall, in
2 the manner prescribed by the commissioner, participate in the
3 development of a plan to provide the services. Any business
4 seeking customized training services for workers represented by a
5 collective bargaining unit shall notify the collective bargaining
6 unit and permit it to participate in developing the plan. No
7 customized training services shall be provided to a business
8 employing workers represented by a collective bargaining unit
9 without the written consent of both the business and the
10 collective bargaining unit.

11 i. Any business receiving customized training services shall be
12 responsible for providing workers' compensation coverage for any
13 worker participating in the customized training.

14 (cf: P.L.1992, c.43, s.5)]²

15 ²7. The commissioner shall maintain a list of certified export
16 trading corporations which the commissioner shall make available
17 to the business community and to community colleges and other
18 institutions of higher education which conduct educational
19 programs for businesses seeking information on exporting.²

20 ²8. The department shall, through its business assistance
21 programs, provide information to New Jersey businesses about
22 the opportunities which may exist for exporting their goods and
23 services.²

24 ²[16.] 9.² This act shall take effect immediately.

25

26

27

28

29 Establishes a voluntary certification program for qualified export
30 trading corporations.

1 will participate in customized training, except that if any
2 collective bargaining unit represents a qualified employed
3 worker, the selection shall be conducted in a manner acceptable
4 to both the employer and the collective bargaining unit. The
5 commissioner shall provide for the withholding, for a time period
6 he deems appropriate, of whatever portion he deems appropriate
7 of program funding as a final payment for customized training
8 services, contingent upon the hiring and retention of a program
9 completer as required pursuant to this section.

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11 applicant may include any combination of employment and
12 training services or any single employment and training service
13 approved by the commissioner, including remedial education
14 provided to upgrade workplace literacy. Each service may be
15 provided by a separate approved service provider.

16 g. Customized training services shall include any remedial
17 education determined necessary pursuant to section 7 of this act.
18 Applications for customized training services shall include
19 estimates of the total need for remedial education determined in
20 a manner deemed appropriate by the commissioner.

21 h. Any business seeking customized training services shall, in
22 the manner prescribed by the commissioner, participate in the
23 development of a plan to provide the services. Any business
24 seeking customized training services for workers represented by a
25 collective bargaining unit shall notify the collective bargaining
26 unit and permit it to participate in developing the plan. No
27 customized training services shall be provided to a business
28 employing workers represented by a collective bargaining unit
29 without the written consent of both the business and the
30 collective bargaining unit.

31 i. Any business receiving customized training services shall be
32 responsible for providing workers' compensation coverage for any
33 worker participating in the customized training.

34 (cf: P.L.1992, c.43, s.5)

35 16. This act shall take effect immediately.

37 38 STATEMENT

39
40 This bill establishes a self-sustaining independent corporation
41 in, but not of, the Department of Commerce and Economic
42 Development for the purpose of developing export capabilities for
43 firms which have had little or no export experience or which have
44 not had export experience in a particular market. Most such
45 businesses do not become exporters because there is no single
46 source of information relative to the intricacies of export trade,
47 which include not only marketing their products, but also the
48 transporting, insuring, and financing of the goods to be exported.

49 The purpose of this corporation is to provide such experience
50 for these firms for a period of three years. Its role will be that
51 of a facilitator, arranging financing, including possible financing
52 through the New Jersey Economic Development Authority, and
53 such services as marketing assistance, transportation assistance,
54 assistance in proper documentation, and in other facets of trade.

1 The corporation will manage customers for services provided, on a
2 fee-for-service basis, and it is anticipated that most services
3 provided will come from the private sector, with the corporation
4 itself having a relatively small staff. The corporation will
5 assume no financial risk.

6 Start-up money would be loaned to the corporation by the
7 Economic Development Authority or other sources, and
8 repayment would be recouped through the corporation's fees to
9 its clients. Firms using the corporation's services would then be
10 expected to utilize the resources of the private sector on their
11 own to continue their export activities.

12 For the purpose of training company employees in
13 export-related skills, money from the "New Jersey Employment
14 and Workforce Development Act," P.L.1992, c.43 (C. 34:15D-1 et
15 seq.) would be made available on a matching basis with the
16 employer's money and resources. An internship program would
17 be established by the corporation, in which the State's colleges
18 and universities would participate; interns would assist client
19 companies in marketing and in other areas.

20 The Division of International Trade in the Department of
21 Commerce and Economic Development, which has a larger
22 constituency than the firms which would be clients of the
23 corporation, would nonetheless be an important resource for the
24 corporation in terms of trade leads and other services, and would
25 refer inexperienced firms to the corporation for the
26 corporation's assistance in getting started in exporting.

27 In the United States, a principal bar to export development has
28 been the unavailability of knowledge and resources to all but the
29 largest firms. This bill would permit other firms to expand their
30 markets abroad, thus ensuring economic expansion in the State.

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35 Establishes the "New Jersey Export Trade Corporation."

ASSEMBLY ECONOMIC DEVELOPMENT, AGRICULTURE, AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1005

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 1, 1995

The Assembly Economic Development, Agriculture, and Military and Veterans' Affairs Committee reports favorably Senate Bill No. 1005, with committee amendments.

As amended, this bill establishes the New Jersey Export Trade Corporation, which would be a self-sustaining independent corporation in, but not of, the Department of Commerce and Economic Development, for the purpose of developing export capabilities for businesses in New Jersey which have had little or no export experience or which have not had export experience in a particular market. This bill creates a single source of information for these businesses relative to the intricacies of export trade, which include not only marketing their products, but also the transporting, insuring, and financing of the goods and services to be exported.

The purpose of this corporation is to provide such expertise for these businesses for a period of no more than three years, unless extended by the corporation for a period not to exceed two years after the initial three-year period, based on criteria established by the corporation. It is to serve as a facilitator by assisting eligible businesses in: researching foreign markets; advertising, marketing and participating in foreign trade fairs; placing bids with foreign buyers; legal work in arranging export trade transactions; pricing goods to be exported, arranging the terms of sale and facilitating foreign exchange transactions; arranging loans or loan guarantees, including financing through the New Jersey Economic Development Authority; translating or interpreting; training employees; obtaining bankers' acceptances; arranging for factoring of receivables; packing, transportation and shipment of goods; preparation of shipping and collection documents; purchasing appropriate insurance; processing foreign orders; arranging joint ventures with other exporters or with a foreign entity; negotiating license agreements with foreign firms; and applying for trade-related job training assistance. Consulting contracts and other contracts entered into by the corporation for the purpose of providing assistance to clients may be bid at the discretion of the corporation.

To be eligible for assistance from the corporation, a business must: be financially sound and be capable of maintaining or expanding its productive capacity to support export trade; have products or services that have a reasonable chance of finding markets abroad; and maintain or provide employment for residents of this State.

The corporation will charge its clients for services provided, on a fee-for-service basis, and the cost of providing services will be charged to the clients on a no-profit, no-loss basis. It is anticipated that most services provided will come from the private sector, with the corporation itself having a relatively small staff.

The corporation will assume no financial risk. The bill does not authorize the corporation to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

Start-up money would be loaned to the corporation by the Economic Development Authority or other sources. The terms of repayment of loans from the authority would be established by the authority. The terms of repayment for loans from other sources would be negotiated between the corporation and the lender. Repayment could be recouped through the corporation's fees to its clients. Firms using the corporation's services would then be expected to utilize the resources of the private sector on their own to continue their export activities.

For the purpose of training company employees in export-related skills, money from the "New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C. 34:15D-1 et seq.), would be made available on a matching basis with the employer's money and resources. An internship program would be established by the corporation, in which the State's colleges and universities would participate; interns would assist client companies in marketing and in other areas.

The board of the corporation consists of the Commissioner of Commerce and Economic Development, the Director of the Division of International Trade and five other members, including three members with experience in export trade or finance, one member representing a small business and one member representing a large business which is engaged in export trade. The members of the board would serve without compensation but be reimbursed for their actual expenses.

The Division of International Trade in the Department of Commerce and Economic Development, which has a larger constituency than the firms which would be clients of the corporation, would nonetheless be a resource for the corporation in terms of trade leads and other services, and would refer inexperienced firms to the corporation for the corporation's assistance in getting started in exporting.

The committee amended the bill to:

(1) add the Director of the Division of International Trade to the board of the corporation;

(2) reduce the number of members appointed to the board by the Governor from six to five;

(3) require the Commissioner of Commerce and Economic Development to serve as the chairperson of the corporation;

(4) authorize the corporation to make referrals of eligible businesses to export trading companies in the private sector;

(5) include a definition of export trading company;

(6) provide that loans to the corporation by the authority shall be subject to repayment terms established by the authority, with the approval of the Commissioner of Commerce and Economic Development;

(7) permit, rather than require the New Jersey Economic Development Authority, in its discretion, to lend moneys to the Export Trade Corporation and to assist with financing eligible business clients of the corporation; and

(8) provide for certain technical changes to conform the bill to existing law and to clarify the intent of the bill.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1005

STATE OF NEW JERSEY

DATED: JUNE 13, 1994

The Senate Commerce Committee reports favorably Senate, No. 1005.

This bill establishes the New Jersey Export Trade Corporation, which would be a self-sustaining independent corporation in, but not of, the Department of Commerce and Economic Development, for the purpose of developing export capabilities for businesses in New Jersey which have had little or no export experience or which have not had export experience in a particular market. This bill creates a single source of information for these businesses relative to the intricacies of export trade, which include not only marketing their products, but also the transporting, insuring, and financing of the goods and services to be exported.

The purpose of this corporation is to provide such expertise for these businesses for a period of no more than three years, unless extended by the corporation for a period not to exceed two years after the initial three-year period, based on criteria established by the corporation. It is to serve as a facilitator by assisting eligible businesses in: researching foreign markets; advertising, marketing and participating in foreign trade fairs; placing bids with foreign buyers; legal work in arranging export trade transactions; pricing goods to be exported, arranging the terms of sale and facilitating foreign exchange transactions; arranging loans or loan guarantees, including financing through the New Jersey Economic Development Authority; translating or interpreting; training employees; obtaining bankers' acceptances; arranging for factoring of receivables; packing, transportation and shipment of goods; preparation of shipping and collection documents; purchasing appropriate insurance; processing foreign orders; arranging joint ventures with other exporters or with a foreign entity; negotiating license agreements with foreign firms; and applying for trade-related job training assistance. Consulting contracts and other contracts entered into by the corporation for the purpose of providing assistance to clients may be bid at the discretion of the corporation.

To be eligible for assistance from the corporation, a business must: be financially sound and be capable of maintaining or expanding its productive capacity to support export trade; have products or services that have a reasonable chance of finding markets abroad; and maintain or provide employment for residents of this State.

The corporation will charge its clients for services provided, on a fee-for-service basis, and the cost of providing services will be charged to the clients on a no-profit, no-loss basis. It is anticipated that most services provided will come from the private sector, with the corporation itself having a relatively small staff.

The corporation will assume no financial risk. The bill does not authorize the corporation to incur any indebtedness or liability on behalf of or payable by the State or any political subdivision thereof.

Start-up money would be loaned to the corporation by the Economic Development Authority or other sources, and repayment would be recouped through the corporation's fees to its clients. Firms using the corporation's services would then be expected to utilize the resources of the private sector on their own to continue their export activities.

For the purpose of training company employees in export-related skills, money from the "New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C. 34:15D-1 et seq.), would be made available on a matching basis with the employer's money and resources. An internship program would be established by the corporation, in which the State's colleges and universities would participate; interns would assist client companies in marketing and in other areas.

The board of the corporation consists of the Commissioner of Commerce and Economic Development and six other members, including four members with experience in export trade or finance, one member representing a small business and one member representing a large business which is engaged in export trade. The members of the board would serve without compensation but be reimbursed for their actual expenses.

The Division of International Trade in the Department of Commerce and Economic Development, which has a larger constituency than the firms which would be clients of the corporation, would nonetheless be a resource for the corporation in terms of trade leads and other services, and would refer inexperienced firms to the corporation for the corporation's assistance in getting started in exporting.

LEGISLATIVE FISCAL ESTIMATE TO
SENATE, No. 1005

STATE OF NEW JERSEY

DATED: July 22, 1994

Senate Bill No. 1005 of 1994 establishes the New Jersey Export Trade Corporation, a self-sustaining independent corporation located in, but not of, the Department of Commerce and Economic Development. Its purpose is to develop export capabilities for firms which have had little or no export experience or which have not had export experience in a particular market. Its role is designed to be that of a facilitator so it can arrange financing, such as through the New Jersey Economic Development Authority (EDA), and provide assistance in marketing, transportation, proper documentation, and other facets of trade.

The bill directs the corporation to charge customers for services provided on a fee-for-service basis. According to the bill statement, it is anticipated that most of these services will be contracted from the private sector, thereby allowing the corporation to maintain a relatively small staff. Start-up money is expected to be loaned to the corporation by the EDA or other (unnamed) sources, with repayment being derived from client fees.

Last, the bill authorizes, but does not mandate, the corporation to utilize customized training grants for its clients from the Workforce Development Partnership Program (P.L.1992, c.43). It also directs the corporation to establish an internship program in which the State's colleges and universities would participate.

The Office of Legislative Services (OLS) estimates that the bill's enactment will have no impact on the State Budget or the General Fund because the corporation's operating budget and financial support mechanisms are to be derived wholly from non-State funding sources such as client fees and loans from the EDA.

The OLS also notes that the corporation's efforts may be further aided by the EDA through the Global Export Network Act (P.L.1993, c.197). This law directs the EDA to utilize monies from the Economic Recovery Fund (ERF) to provide credit to small- and medium- sized export businesses. In addition, the EDA administers a Statewide Loan Pool for Small Business, also supported by ERF monies, that is designed to leverage private investment in the start-up or expansion of small businesses.

With respect to the bill's reference to the Workforce Development Partnership Program, it should be pointed out that the number and amounts of customized training grants available each year are limited. Hence, the corporation will have to compete, or help its clients to compete, for this limited amount of program funding (\$23.7 million in FY1995).

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE BILL NO. 1005
(First Reprint)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1005 (First Reprint) with my recommendations for reconsideration.

A. Summary of Bill

This bill establishes the New Jersey Export Trade Corporation (NJETC) as an independent entity in, but not of, the Department of Commerce and Economic Development, for the purpose of assisting New Jersey businesses in the development of expertise in international trade. The NJETC is intended to serve as an incubator for New Jersey's small and medium-sized export companies and would provide a comprehensive package of export services in addition to training and internship programs.

B. Recommended Action

Although the intent of the bill is laudable, namely to further export trade as a means of economic development, it is unnecessary to create a new governmental entity to accomplish this goal. The private sector, in coordination with the Department of Commerce and Economic Development, can provide the expertise necessary for this purpose.

I have been advised, however, that the existence of a State authorized export trade corporation would help to promote export activity in this State by engendering credibility and security with regard to potential clients and global business partners. I believe that the same type of confidence can be achieved through a State certification program. Accordingly, I am recommending that the Department of Commerce and Economic Development

establish a voluntary State certification program for export trading corporations which are organized for the purpose of assisting new entrants into the export market. I further recommend that the Department of Commerce and Economic Development fully cooperate in the certification of entities formed for this purpose. In addition, the Division of International Trade and the New Jersey Economic Development Authority are directed to work closely with certified export trading corporations to assist in accomplishing the purposes of this bill.

Therefore, I herewith return Senate Bill No. 1005 (First Reprint) and recommend that it be amended as follows:

Page 1, Title, Lines 1-4:

After "establishing" delete remainder and insert "a voluntary certification program for qualified export trading corporations."

Page 1, Section 1, Lines 27-35:

Delete in entirety and insert new subsection:

"e. In order to assist businesses with little or no export experience in establishing a relationship with an export agent which has the appropriate expertise and offers a full range of export services, the Legislature finds it appropriate to establish a voluntary State certification program for qualified export trading corporations organized solely to assist new entrants into the export market, in an effort to ensure a standard of proficiency and reliability in the export services provided."

Page 1, Section 2, Line 40:

Insert new definitions:

"Commissioner" means the Commissioner of Commerce and Economic Development.
"Department" means the

Department of Commerce and
Economic Development."

Page 1, Section 2, Lines 40-41:

Delete "the New Jersey Export
Trade Corporation established"
and insert "an export trading
corporation certified"

Page 2, Section 2, Lines 2-3:

Delete "meets the
prequalification standards
established pursuant to
section 6 of this act" and
insert "can reasonably be
determined to be able to
sustain and expand its export
capability after using the
services of a corporation"

Page 2, Section 2, Lines 7-16:

Delete in entirety

Pages 2-4, Sections 3-6:

Delete in their entirety

Page 2, Section 3, Line 17:

Insert new sections:

"3. The commissioner shall
establish a voluntary
certification program for
export trading corporations
which meet the standards
established by this act. Each
corporation seeking State
certification shall make
application therefor in the
manner prescribed by the
commissioner. Upon the
granting of the certification,
the corporation may use the
title "New Jersey Certified
Export Trading Corporation."
The department shall cooperate
and assist all export trading
corporations certified
pursuant to this act.

4. The commissioner shall
review the qualifications of
corporations certified
pursuant to this act not less
than once every five years.
If the commissioner determines
that the certified corporation
no longer meets the
qualification standards
established pursuant to this
act, or the corporation's
business practices do not meet
professional standards or are
not in conformance with the

provisions of this act, the commissioner shall notify the corporation in writing of the deficiencies. If the deficiencies are not corrected within a reasonable period of time to the satisfaction of the commissioner, the commissioner may revoke the corporation's certification. A corporation which has had its certification revoked may reapply for certification on terms and conditions established by the commissioner. No certification shall be granted to any export trading entity which does not meet the standards established by this act.

5. The following fees shall be assessed, in an amount to be determined by the commissioner, in connection with the voluntary certification provided for under this act: a. An initial application fee not to exceed \$250.00; b. An annual renewal fee; and c. A reinstatement fee. Failure on the part of a corporation to pay the assessed certification fees shall result in the denial or revocation of its certification."

Pages 4-5, Section 7, Lines 52-2:

Delete "7." and insert "6."; delete in entirety and insert "To qualify for certification under this act, the export trading corporation shall: a. Provide in its by-laws that its sole purpose and function is to serve as an incubator facility for eligible businesses; b. Demonstrate that (1) a majority of its board members have experience in the business of export trade for a period of at least five years; (2) the corporation is financially sound; and (3) the corporation has adequate resources to determine the viability of its

clients' products or services in international markets; c. Provide a program designed to bring new entrants into the export market and develop their exporting self-sufficiency; d. Establish in connection with community colleges and other institutions of higher education, an internship or job training program or programs for students enrolled in a curriculum in a public or private institution of higher education for which knowledge of export trade will enhance the student's ability to find employment and for employees of a business which exports or intends to export, and may be eligible for funding under the terms of the Workforce Development Partnership Program established pursuant to P.L.1992, c.43 (C.34:15D-1 et seq.); and e. Provide at least the following services to new entrants into the export market:"

Page 5, Section 7, Line 14:

Delete "Arrange" and insert "Assist in arranging"

Page 5, Section 7, Line 21:

Delete "Provide or contract" and insert "Assist in arranging"

Page 5, Section 7, Line 44:

Delete "Arrange" and insert "Assist in arranging"

Page 5, Section 7, Lines 51-54:

Delete in entirety

Pages 6-13, Sections 8-15:

Delete in their entirety

Page 6, Line 1:

Insert new sections:

"7. The commissioner shall maintain a list of certified export trading corporations which the commissioner shall make available to the business community and to community colleges and other institutions of higher education which conduct educational programs for

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businesses seeking information
on exporting.

8. The department shall,
through its business
assistance programs, provide
information to New Jersey
businesses about the
opportunities which may exist
for exporting their goods and
services."

Page 13, Section 16, Line 54: Delete "16" and insert "9"

Respectfully,

/s/ Christine Todd Whitman

GOVERNOR

[seal]

Attest:

/s/ Margaret M. Foti

Chief Counsel to the Governor