

Date of Hearing: July 9, 2019

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Sabrina Cervantes, Chair

SB 738 (Hueso) – As Amended June 26, 2019

SENATE VOTE: 38-0

SUBJECT: Initiative for Californians Abroad

POLICY FRAME: To assist their citizens abroad, many nations support networks of embassies, consulates, and other diplomatic and honorary missions. At these locations, individuals can find information on traveling to, entering into business with, as well as contacting government entities, organizations, and people in the sponsoring country.

Even in times of economic turmoil and political disputes, countries have successfully used diplomatic and honorary missions to assist people and businesses. Beyond passports and visas, foreign missions offer a range of services, including: accessing information and applying to educational and cultural exchanges, navigating college applications, learning the native language, exporting and importing, and commercial opportunities. Missions in foreign countries also provide trusted emergency assistance for citizens while traveling and living abroad.

SB 738 launches the Initiative for Californians Abroad and serves as a conduit for establishing California service centers in foreign countries. The first location proposed is Mexico, California's top trade partner and ancestral home to millions of California residents. The author notes that the University of California already maintains a large urban complex in Mexico City, *La Casa de la Universidad de California*, which could serve as a convenient location.

The analysis includes a profile on the Mexico economy and information on Governor Newsom's executive order (EO) on international trade and foreign affairs, California's existing agreements with Mexico, including sister state agreements, and related legislation. Amendments are recommended in Comment 7.

SUMMARY: SB 738 establishes the Initiative for Californians Abroad in Mexico City, Mexico, (Mexico Initiative) for the purpose of serving as a direct point of contact for Mexican entities on matters relating to this initiative, furthering California's interests in Mexico, and increasing access to state services for Californians in Mexico. Specifically, **this bill:**

- 1) Establishes the Mexico Initiative, under the administrative control of GO-Biz. The objectives of the Mexico Initiative include:
 - a) Furthering California's interests and values in Mexico.
 - b) Increasing access to California services for California residents and organizations present in Mexico.
 - c) Implementing memoranda of understandings (MOUs) between California and Mexico.
 - d) Facilitating the integration of California and Mexico through cultural, social, educational, and economic exchange programs.

- 2) Authorizes the Mexico Initiative to do all of the following:
 - a) Facilitate establishment of procedures for repatriation of human remains between California and Mexico and its individual states.
 - b) Through the Mexico International Trade and Investment Program (Mexico Trade Program), promote trade and investment that creates California jobs, and assist California companies and communities by connecting prospective investors or trading partners, helping expansion opportunities, and helping California companies to secure contracts in Mexico.
 - c) Increase tourism opportunities in California.
 - d) Work with higher education institutions to increase cultural and educational exchange opportunities.
 - e) Seek improvements to border infrastructure, policies, and procedures that reduce border crossing wait times and improve air quality, water quality, public health, and environmental resources across their shared border.
 - f) Support the Office of Emergency Services in binational disaster relief efforts.
 - g) Increase opportunity for renewable energy and climate change policies and technology, including recycling.
 - h) Develop bilateral workforce development opportunities.
 - i) Work with institutions of higher education in California to develop a process for students to complete their degrees in Mexico and to provide other educational services and support to repatriated students.
- 3) Authorizes GO-Biz to accept and administer private moneys received as grants, gifts, donations, and other financial support from private sources for purposes of this article.
- 4) Requires that the costs associated with the operation of the Mexico Initiative, including the Mexico Trade Program, be:
 - a) Supported through private moneys; and
 - b) Implemented only to the extent sufficient private moneys are available for that purpose.
- 5) Requires the Lieutenant Governor to assist the Director of the Governor's Office of Business and Economic Development in establishing the:
 - a) Mexico Initiative in consultation with the Regents of the University of California.
 - b) Mexico International Trade and Investment Program.
- 6) Requires GO-Biz to create an advisory board composed of eight individual contributors of private moneys or representatives of contributors to provide guidance to GO-Biz with respect to overseeing the Mexico Trade Program and creating a strategy for using metrics to evaluate the success of the program.

EXISTING LAW:

- 1) Establishes GO-Biz within the Governor's Office for the purpose of serving as the state's principal entity for issues relating to international trade and foreign investment, excluding agricultural issues. GO-Biz is led by a director, which is appointed by the Governor.
- 2) Establishes the California-Mexico Border Relations Council comprised of the Director of the Governor's Office of Business and Economic Development, Secretary of the Natural Resources Agency, Secretary for Environmental Protection, Secretary of California Health and Human Services, Secretary of Transportation, Secretary of Food and Agriculture, Secretary of State and Consumer Services, and Director of Emergency Services. The Regional Administrator of the United States Environmental Protection Agency, Region 9, may appoint a representative from their staff to serve as an ex-officio, nonvoting member of the council. The Secretary for Environmental Protection serves as chair the California-Mexico Border Relations Council.
- 3) Establishes the Office of California-Mexico Affairs (CM Office) and requires the CM Office to:
 - a) Develop favorable relations within the State of Baja, the State of Baja California Sur, other Mexican states bordering on the U.S., and the remaining states and territories of the Republic of Mexico necessary for the completion of the CM Office's tasks.
 - b) Cooperate with similar organizations and agencies situated within California, the U.S., or Mexico to further economic development, improve working conditions and living standards, and foster the protection and improvement of the environment in Mexico and California.
 - c) Avail itself of the services of the San Diego State University which is engaged in educational, cultural, and research activities with Mexico.

FISCAL EFFECT: Unknown

COMMENTS & CONTEXT:

- 1) **California and Mexico:** As California's top trade partner, Mexico is an important component of California's economic position in the world. For the past several decades, the two economies have become increasingly integrated, with the top exports and imports for both parties being comprised of machinery and component parts. Two-way trade in 2018 is estimated to be over \$74 billion.

On a social and cultural level, California and Mexico have a shared history. Today, California is home to 11.4 million residents of Mexican descent. While many of these people are third and fourth generation Americans, a significant number of people living in California still have family ties to Mexico. In 2016, individuals in Mexico received upwards of \$27 billion in remittances from the U.S.

Mexico's growing middle class and industrial capabilities, including in high tech, make the country a priority location for many California businesses looking to expand. However, political and economic challenges between the U.S. and Mexico, including the lack of clarity regarding the implementation of the U.S.-Mexico-Canada Agreement, have slowed some cross border business development.

In addition to Californians with family living in Mexico who never immigrated to the U.S., Mexico has attracted many Californians, especially retirees, who live there part- and full-time. SB 738 calls

for the establishment of a California service center for Californians needing assistance in Mexico and to facilitate economic, educational, and cultural exchanges.

- 2) **California Agreements with Mexico:** California's international trade and investment activities are mandated by statute to be guided by a published trade and investment program, which is reviewed and updated at least every five years. Statute further requires the state's trade and investment program to be focused on attracting employment producing direct foreign investment; to support California businesses' access to foreign markets; and to engage in other trade and foreign investment activities assigned by the Governor. One of the ways in which GO-Biz implements its current trade program is through the development and enactment of MOUs between California and foreign governments.

Both Governor Schwarzenegger and Governor Brown recognized the importance of developing strong economic and foreign relationships with Mexico. Among other activities, they led trade delegations, participated on binational boards and Commissions, and hosted Mexican presidents and other dignitaries. While Governor Brown vetoed several bills requiring the establishment of a trade office in Mexico, Governor Brown did enter into a number of MOUs. *Chart 1*, below, summarizes these MOUs and includes links for additional information.

| Chart 1 - California and Mexico MOUs 2014 - 2018 | | |
|---|--|---|
| <i>Date Signed</i> | <i>Title</i> | <i>Link to Copies of the MOU – Where Available</i> |
| July 28, 2014 | MOU to Enhance Cooperation on Climate Change and the Environment between the State of California of the United States and the Ministry of Environment and Natural Resources and the National Forestry Commission of the United Mexican States. | TBD |
| July 29, 2014 | MOU for Cooperation in Clean Energies Between the Ministry of Energy of the United Mexican States and the State of California of the United States of America. | https://www.climatechange.ca.gov/climate_action_team/partnerships.html |
| July 29, 2014 | MOU for Cooperation on Education, Research and Scholarly Activities Between the Ministry of Foreign Affairs, the Ministry of Public Education and the National Council for Science and Technology of the United Mexican States and the State of California. | TBD |
| July 30, 2014 | MOU for Strengthening Trade and Investment Cooperation Between the Ministry of Economy of the United Mexican States and the Government of the State of California of the United States of America. | http://www.business.ca.gov/Portals/0/Files/MOU-Ministry_of_the_Economy_Mexico.pdf?ver=2016-10-02-201254-837 |
| July 30, 2014 | MOU Between the State of California and the Ministry of Communications and Transportation of the United Mexican States on the Establishment of an Oversight Committee for the New Otay Mesa East Port of Entry, California State Route 11 and Otay Highways and Port of Entry Projects. | TBD |
| July 30, 2014 | Letter of Intent to Cooperate on a Migrant Worker Pilot Program states the intent of the State of California and Mexico's Ministry of Labor and Social Welfare to cooperate in the creation of a voluntary pilot program aimed at preventing abuses in the recruitment of Mexican H-2 temporary workers. | https://www.climatechange.ca.gov/climate_action_team/partnerships.html |
| August 26, 2014 | MOU Between the Secretariat of Tourism of the United Mexican States and the Government of California of the United States on Cooperation in the Tourism Sector. | http://www.business.ca.gov/Portals/0/Files/MOU-Tourism_Mexico.pdf?ver=2016-10-03-143835-977 |
| May 19, 2015 | MOU on Subnational Global Climate Leadership with State of Baja | TBD |

| | | |
|--------------------|--|---|
| | California, Mexico State of Jalisco, Mexico. | |
| September 24, 2015 | MOU on Subnational Global Climate Leadership with Mexico City, Mexico | TBD |
| June 14, 2016 | MOU between the Baja California's Secretariat of Agriculture Development and California's Department of Food and Agriculture to establish a framework for the Parties to carry out cooperative activities and exchange information in the areas of animal health, plant health, and food safety. One of the modalities of cooperation includes the promotion of natural resources in the region by way of maintaining the ecological and economic sustainability of the Parties. | https://www.climatechan ge.ca.gov/climate_action_team/partnerships.html |
| December 7, 2018 | MOU to further implement initial priority focus areas identified in the Imperial County-Mexicali Air Quality Work Plan and aims to improve air quality in the border region. | https://www.climatechan ge.ca.gov/climate_action_team/partnerships.html |

Key elements of these agreements are the importance of promoting trade and investment missions, encouraging innovation, and strengthening the capacity of both parties to participate in business development activities that are mutually beneficial. Priority initiatives include work in the following industry and issues areas:

- Advanced Manufacturing
- Alternative and Renewable Energy
- Environmental Protection and other related Clean Technologies
- Biotechnology
- Medical Devices
- Information Technologies
- Agriculture and Agricultural Technologies
- Education
- Tourism
- Cross-Border Goods Movement Infrastructure

Bilateral working groups were initially established to support the implementation of these MOUs. GO-Biz is required to have submitted an update to the five-year international trade strategy on July 1, 2019, which would have indicated the status and future plans for the implementation of these agreements. As of July 5, 2019, no update has been submitted to the Legislature.

- 3) **California Sister State Agreements with Mexico:** A sister state relationship is a formal declaration between two regions, states, or nations. Such an agreement is a symbol of mutual goodwill. Additionally, it is an effort to encourage and facilitate mutually beneficial social, economic, educational, and cultural exchanges. States differ in their approaches to selecting and implementing sister state relationships. In California, both the Legislative and the Administrative branches of government have the authority to establish sister state relationships.

The Assembly and the Senate both maintain respective offices that serve as the key point of contact for foreign relations and protocol for each House. The California Senate Office of International Relations (SOIR) was established in 1987, and the Assembly Office of International Relations and Protocol (AOIRP) was established in 2000. Through these offices Legislators find assistance in furthering strong economic and diplomatic ties between California and the rest of the world.

Both SOIR and AOIRP host international delegations at the State Capitol, as well as facilitate and occasionally host Member-delegations to foreign countries. Over the years, SOIR has also established

special and longer term relationships between California and foreign countries, including the California and Japan Scholars Program.

Chart 2, on the following page, includes a list of currently authorized sister state agreements between the Legislature and a state in Mexico. Not every resolution authorizing a sister state agreement culminated in a signed agreement, and California currently has no formal structure for establishing, negotiating, or maintaining sister state relationships. Having a California presence in Mexico, as proposed by SB 738, could assist in leveraging these agreements into meaningful academic, cultural, and economic exchanges.

| Chart 2 - California Sister State Agreements with States in Mexico | | |
|---|--|-------------|
| Mexico State | Resolution Authorizing the Agreement | Year |
| State of Baja California (Norte) | Resol. Ch. 46 (SCR 5 - Kelley) | 1999 |
| State of Baja California (Sur) | Resol. Ch. 131 (SCR 95 - Torlakson) | 2002 |
| State of Jalisco | Resol. Ch. 70 (SCR 82 - Hueso) | 2014 |
| | Resol. Ch. 148 (ACR 183 - Firebaugh) | 2000 |
| State of Nayarit | Resol. Ch. 185 (SCR 81 - Lara) | 2017 |
| State of Queretaro | Resol. Ch. 110 (ACR 137 - Cortese) | 1988 |

Source: Senate Office of International Relations

- 4) **New Governor and New Trade Advisory Group:** In February 2019, Governor Newsom issued an executive order designating Lieutenant Governor Eleni Kounalakis as the Governor's top representative for international affairs and trade development.

As part of those duties, Lieutenant Governor Kounalakis, who formerly served as the United States Ambassador to Hungary, will chair a newly established, cabinet-level International Affairs and Trade Development Interagency Committee (Interagency Committee). The Interagency Committee will be vice chaired by the Governor's Chief Economic and Business Advisor Lenny Mendonca, who also serves as the Director of GO-Biz.

The Interagency Committee is charged with advising the Governor and supporting the coordination of state activities relating to the promotion and expansion of trade, investment, and international relations.

Other members of the Interagency Committee include representatives of the California Energy Commission, California Department of Food and Agriculture, Governor's Office of Emergency Services, California Environmental Protection Agency, California Natural Resources Agency, California Transportation Agency, Visit California, and GO-Biz.

The Interagency Committee is also charged with creating a California Trade and Service Office Advisory Group, consisting of private sector and nongovernmental leaders, who will explore and identify the use of nonstate funds to open and support offices promoting California trade and services globally.

At the first meeting of the Interagency Committee, Chair Kounalakis announced that a future meeting would focus on California's relationship with Mexico. The Governor's new Interagency Committee could assist with the implementation of the of the SB 738 Mexico Initiative.

- 5) **Profile on Mexico:** Mexico is located in North America, south of the U.S. and north of Belize and Guatemala in Central America, with a coastline along the Pacific Ocean, and borders the Caribbean Sea and the Gulf of Mexico. Mexico is the 14th largest country in the world, based on area (1.9 million square miles), and its 125.9 million people place Mexico as the 11th most populous country in the world.

Mexico's climate varies from tropical to desert. The 31 states that comprise Mexico have varied terrain, ranging from rugged mountains with high elevations, low coastal plains, high plateaus, and desert, to tropical jungles and seacoast regions.

With rapid urbanization, 80.2% of the population live in urban areas. There are six cities with populations at or over 2 million, including the federal district, Mexico City. A majority of the population live in central Mexico with one-quarter of the total population living in and around Mexico City. While Spanish is the official language for most people of Mexico, the government recognizes 68 Mexican indigenous languages as official national languages.

Since NAFTA came into force, Mexico's \$2.4 trillion economy (11th largest in the world) has increasingly become oriented toward manufacturing. However, employment in service related industries is still the dominant form of work, representing 61.9% of jobs, and contributing 64.5% of the country's GDP in 2017. Agriculture related industries were responsible for the employment of 13.4% of workers and represented 3.6% of GDP. Favorable trade and commerce provisions under NAFTA have attracted multinational corporations and other investors to Mexico, who have established new manufacturing facilities and provided an increasing number of mid- to high-tech related jobs, notably in the automotive industry. In 2017, industry, including manufacturing, employed 24.1% of the labor force and accounted for 31.9% of GDP.

Not surprisingly, Mexico's largest trading partners are the U.S. and Canada, with trade between the countries having tripled since NAFTA came into force in 1994. Mexico has also benefited from the largest network of free trade agreements in the world, including 46 countries, which provides access to a potential market of more than 113 million consumers. Currently, more than 90% of Mexico's trade occurs under free trade agreements.

Mexico is the 12th largest exporter in the world, totaling \$409.8 billion in 2017. The country's largest exports include: manufactured goods, electronics, vehicles and auto parts, oil and oil products, silver, plastics, fruits, vegetables, coffee, and cotton. Mexico is the world's leading producer of silver. The U.S. is the largest export market of Mexican goods, receiving 79.9% of all exports in 2017.

Mexico is also a major importer of goods, ranking 14th largest in the world with \$420.8 billion in imports in 2017. Top imports include: metalworking machines, steel mill products, agricultural machinery, electrical equipment, automobile parts for assembly and repair, aircraft, aircraft parts, plastics, and natural gas and oil products.

In 2017, Mexico imports were comprised of 46.4% from the U.S., 17.7% from China, and 4.3% from Japan. The U.S. exported \$265.4 billion of goods to Mexico in 2018 with 16.9% (\$44 billion) of the goods being computers and electronics. Mexico is California's largest trading partner, importing \$30 billion of California goods in 2018. This large flow of imports and exports are why component parts from the U.S. play such a significant role in finished goods from Mexico.

- 6) **California's Global Economy:** International trade and foreign investment are important components of California's \$2.7 trillion economy supporting over 4 million California jobs. The importance of trade to the California economy is increasing, as reflected in the percentage of California jobs tied to trade having more than doubled from 1992 to 2011: 10.6% vs. 22.0%. Nationally, jobs supported by U.S. exports totaled 10.7 million, with nearly 684,000 of those jobs being in California.

California's largest industry sector by employment is Trade, Transportation, and Utilities, which encompasses everything from major retail outlets, to import-export businesses, to transportation and warehousing. Workers in trade-related jobs earn on average 10% to 28% higher wages than the national average. California leads the nation in the number of export-related jobs. The U.S. Department of Commerce estimates that 683,772 jobs were directly supported by the export of products in 2016, with nearly 630,000 (92%) in the manufacturing sector.

Advances in transportation and communication technologies are encouraging the development of previously undeveloped markets and expanding multinational business opportunities for California firms. With more than 95% of consumers located **outside** the U.S. and emerging economies experiencing a growing middle class, accessing these global markets is key to California's continued economic growth. Today, four of California's top five exports include component parts, which leave the state to be combined and assembled into final products in foreign countries.

California's land, sea, and air ports-of-entry serve as key international commercial gateways. In 2018, \$619.5 billion in products entered and exited the U.S. through these ports. If California were a country, it would be the 28th largest exporter and the 13th largest importer of goods in the world, based on 2018 trade numbers. Exports out of California were valued at \$178.4 billion and represented 10.7% (\$1.6 trillion) of total U.S. exports in 2018. Imports of goods into California were valued at \$441.1 billion and represented 17.3% of total U.S. imports in 2018.



Chart 3 shows data of the export of goods to the state's top six trade partners, based on origin of movement. [Please note that federal reporting separates data from China and Hong Kong.] If combined, California's largest export market in 2018 was Mexico, who received over \$30.7 billion in California products.

| | Partner | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | World | \$159.4 | \$161.7 | \$168.0 | \$174.1 | \$165.3 | \$163.5 | \$171.9 | \$178.4 |
| 1 | Mexico | \$25.8 | \$26.3 | \$23.9 | \$25.4 | \$26.7 | \$25.2 | \$26.7 | \$30.7 |
| 2 | Canada | \$17.2 | \$17.4 | \$18.8 | \$18.2 | \$17.2 | \$16.1 | \$16.7 | \$17.7 |
| 3 | China | \$14.2 | \$13.9 | \$16.2 | \$16.0 | \$14.3 | \$14.3 | \$16.4 | \$16.3 |
| 4 | Japan | \$13.1 | \$13.0 | \$12.7 | \$12.2 | \$11.7 | \$11.7 | \$12.8 | \$13.0 |
| 5 | Hong Kong | \$7.6 | \$7.8 | \$7.7 | \$8.5 | \$8.7 | \$9.6 | \$12.1 | \$9.9 |
| 6 | South Korea | \$8.4 | \$8.2 | \$8.3 | \$8.6 | \$8.6 | \$8.2 | \$9.6 | \$9.9 |

Source: International Trade Administration, accessed 4/8/19

Mexico has consistently ranked as one of California's top export markets for the past several decades. The state and national markets have become increasingly integrated, with both component parts and semi-assembly products regularly moving across the border. *Chart 4* shows that more than 50% of California goods exports to Mexico are comprised of technology-based products, including electronics, machinery, and transportation equipment.

| | Value | Percent |
|--|------------------|----------------|
| Computer and Electronic Products | \$7,932,785,829 | 25.8 % |
| Transportation Equipment | \$3,717,786,524 | 12.1 % |
| Machinery, Except Electrical | \$2,275,376,239 | 7.4 % |
| Electrical Equipment, Appliances, and Components | \$2,216,666,741 | 7.2 % |
| All Others | \$14,620,087,088 | 47.5 % |
| <i>Grand Total</i> | \$30,762,702,421 | 100% |

California also exports services to businesses, consumers, other organizations, and governments around the world. Between 2006 and 2016, the export of California services has increased 87%, increasing from \$73 billion to \$136 billion in services. California's largest export service sectors in 2016 included:

- Royalties and License Fees at \$37.5 billion
- Travel Services at \$32.9 billion
- Business, Professional, and Technical Services at \$28.4 billion
- Transportation Services at \$12.2 billion
- Financial Services at \$11.2 billion
- Telecommunications, Computer, and Information Services at \$10.4 billion

Canada was California's largest service export market receiving \$9.4 billion in services in 2016, which supported an estimated 61,315 jobs. California's second largest service export market was China with \$9.1 billion in services in 2016 supporting 61,349 jobs.

In addition to exporting goods and services, the California economy benefits from foreign-owned firms. The federal International Trade Administration estimates that in 2015 (most recent data) over 710,000 California workers have benefited from jobs with foreign-owned firms.

California has had the highest level of employment in foreign-owned firms in the nation since at least 1997. In 2015, jobs in California foreign-owned firms represented 5.1% of all private sector jobs in the state, up from 4.1% in 2013. Along with employment, foreign-owned firms own more property, plants, and equipment in California than in any other state.

- 7) **Proposed Amendments:** Below is a list of amendments the committee members may wish to review when considering the bill.
- a) Provide legislative intent that the Initiative for Californians Abroad serves as a model to open California service centers in other regions in the world, especially in those where there are a particularly large number of Californians traveling and living abroad.
 - b) Authorize rather than require the Lt. Governor and the University of California to participate in the Mexico Initiative. The amendment also includes the Community College Chancellor's Office and the California State University to participate.
 - c) Remove the requirement that the advisory board be exclusively comprised of contributors or their representatives.
 - d) Authorize the use of existing boards and commissions as advisory bodies.
 - e) Clarify staffing options, including California government employees and individuals, nonprofits, or businesses under contract.
 - f) Establish a trigger for the commencement of the Mexico Initiative, including a start-up phase to begin to organize donations.
 - g) Expand funding options to include public funding, which may be necessary to cover government employees.
 - h) Require an annual report.
- 8) **Related Legislation:** Below is a list of bills from the current and prior sessions.
- a) ***AB 29 (John A. Pérez, Feuer, and V. Manuel Pérez) Office of Business and Economic Development:*** This bill establishes the Governor's Office of Business and Economic Development (GO-Biz), to be administered by a director appointed by the Governor. The bill also moves the Office of the Small Business Advocate to the Office of Economic Development. Status: Signed by the Governor, Chapter 475, Statutes of 2011.
 - b) ***AB 1727 (JEDE) Trade Omnibus Bill:*** This bill makes technical changes to update the content and the statutory placement of the codes relating to Foreign Trade Zones and the California Foreign Investment Program. Status: Signed by the Governor, Chapter 13, Statutes of 2017.
 - c) ***AB 2012 (John A. Pérez) Economic Development Reorganization:*** This bill transfers the authority for undertaking international trade and foreign investment activities from the Business, Transportation, and Housing Agency to the Governor's Office of Business and Economic Development. In addition, the bill transfers the responsibility for establishing an Internet-based permit assistance center from the Secretary of the California Environmental Protection Agency to GO-Biz. Status: Signed by the Governor, Chapter 294, Statutes of 2012.
 - d) ***SB 357 (Hueso and De León) Mexico Trade Office:*** This bill would have required the establishment of a California foreign trade and investment office in Mexico City, Mexico. Status:

Vetoed by the Governor, 2017. The veto message stated: *“This bill directs the Governor’s Office of Business and Economic Development to establish and operate a trade and investment office in Mexico City. California and Mexico have a proven partnership of trade, commerce, and the exchange of culture that runs long and deep. Our relationship with Mexico is fundamental to our mutual prosperity. Through memorandums of understanding, we are directly working with the Mexican government and business community on climate change, trade, transportation, tourism, and education. As I stated in 2014 when I vetoed a nearly identical bill, I remain unconvinced that California needs a legislatively-mandated trade office to continue our ongoing and enduring partnership with Mexico.”*

- e) **SB 460 (Price) International Trade Marketing and Promotion:** This bill would have required the Secretary of the Business, Transportation, and Housing Agency to convene a statewide business partnership for international trade marketing and promotion. Status: Held on the Suspend File of the Assembly Committee on Appropriations, 2011.
- f) **SB 928 (Correa and Huff) Mexico Trade Office:** This bill would have required the establishment of a trade and investment office in Mexico City by January 1, 2016. Status: Vetoed by the Governor, 2017. The veto message stated: *“This bill requires the Governor’s Office of Business and Economic Development to open a trade and investment office in Mexico City. I agree that trade with Mexico is of significant economic importance which is why I led a trade mission to Mexico City in August and hosted the President of Mexico in Sacramento shortly afterwards. We are working directly with the Mexican government and the business community on increasing bilateral trade and other initiatives. I am not convinced we need a legislatively-mandated trade office to continue our growing partnership with Mexico.”*
- g) **SR 48 (Hueso) Tariffs with Mexico:** Memorializes the Senate’s position that U.S. leaders should avoid tariffs with Mexico as they undermine the interests of U.S. residents and businesses. Status: Pending in the Senate Committee on Business, Professions, and Economic Development.

REGISTERED SUPPORT / OPPOSITION:

Support

Worldwide Environmental Products

Opposition

None on File

Analysis Prepared by: Toni Symonds / J., E.D., & E. / (916) 319-2090