

HOUSE BILL REPORT

HB 2383

As Reported by House Committee On:
Economic Development, Agriculture & Trade

Title: An act relating to a joint legislative task force on aerospace manufacturing.

Brief Description: Creating a joint legislative task force on aerospace manufacturing.

Sponsors: Representatives B. Sullivan, McCoy, Conway, Ericks, Strow, Upthegrove, Ormsby and O'Brien.

Brief History:

Committee Activity:

Economic Development, Agriculture & Trade: 1/25/06, 1/27/06 [DPS].

Brief Summary of Substitute Bill

- Establishes a joint legislative task force to examine how underutilized property and facilities at airports of regional significance can be used to expand the aerospace manufacturing industry.

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Appleton, Bailey, Blake, Buri, Chase, Clibborn, Dunn, Grant, Haler, Holmquist, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

Staff: Meg Van Schoorl (786-7105).

Background:

Aerospace Industry in Washington

The aerospace industry is a significant part of the Washington economy.

- It is the state's largest manufacturing employer, providing 71,300 jobs as of December 2005.
- It is the state's largest exporter, accounting for \$17 billion or 51 percent of the \$33 billion in total state exports in 2004.
- Ninety-eight percent of the jobs in aerospace are concentrated in King, Snohomish, and Pierce counties.

- Aerospace companies are present in 17 of 39 counties.
- According to the 1997 Washington State Input Output Study, aerospace manufacturing has a multiplier effect of 2.5; for every aerospace job created, another 1.5 jobs are created elsewhere in the economy.

Airports in Washington

The state aviation system includes 139 public use airports. Airports are owned by: cities or towns (61); counties (3); port districts (31); private businesses (22); the state (16); and local governments jointly (6).

In 2004, a Washington State Department of Transportation (WSDOT) Aviation Work Group identified five airport classifications:

- Commercial Service: Airports providing scheduled passenger service and meeting Federal Aviation Administration criteria for Commercial and Primary Airports.
- Regional: High activity airports capable of accommodating all types of aircraft including business jets, including aircraft in inclement weather, and have 40 or more based aircraft and a runway length of 4,200 linear feet.
- Local Community: Serve small to medium-sized communities and local business activities and are capable of accommodating single and multi-general aviation aircraft.
- Recreation or Remote: Serve recreation areas and communities, destinations and back country airports. May be strategically located for emergency, medical, firefighting access.
- Seaplane Bases: Approved as designated water land areas.

Services available on airport property generally include aviation-related facilities and services (e.g., commercial and charter flights for passengers and cargo, equipment repairs, flight instruction). However, some airports also include special operations (e.g., search and rescue, medical evacuations, air shows) or specialized industries (e.g., food processing, aerospace manufacturing and services, aerial sightseeing, and higher education).

Summary of Substitute Bill:

Task Force Creation, Scope, Report and Timeline

A Joint Legislative Task Force on Aerospace Manufacturing (Task Force) is created to examine the potential use of underutilized facilities and property at regionally-significant airports to expand the state's aerospace manufacturing industry, associated research and development, education and training businesses. The Task Force will review:

- current industry composition;
- major trends impacting business retention, expansion, and recruitment;
- types of companies that are now or could in the future be sited at these airports;
- inventory of underutilized facilities and property;
- statutory or regulatory changes required; and

- availability and gaps in financial and technical resources.

The Task Force will report its findings and recommendations to the Legislature by June 30, 2007.

Membership and Staffing

The twenty member Task Force will be appointed by the President of the Senate and the Speaker of the House, with bipartisan co-chairs, and will include:

- two senators, one from each caucus;
- two representatives, one from each caucus;
- three aerospace industry members;
- two airport owner and manager members, one each from eastern and western Washington;
- two airport business tenant members;
- two organized labor members, representing aerospace and transportation;
- two higher education and workforce training members;
- two county members, one each from eastern and western Washington;
- two members from cities near a regional airport, one each from eastern and western Washington;
- one Federal Aviation Administration member.

The Departments of Transportation and Community, Trade and Economic Development will each maintain a non-voting liaison member to cooperate with the Task Force and provide information as requested.

The Task Force will be staffed by Senate Committee Services and the House Office of Program Research, will use legislative facilities, and may, if necessary, hire additional staff or contractors with technical expertise.

Substitute Bill Compared to Original Bill:

The Task Force membership is modified. Two members are added from organized labor. Two members are added from cities near a regional airport, one each from eastern and western Washington. The one member representing a county planning organization is replaced with two members from counties, one each from eastern and western Washington. The requirement to make Task Force appointments within 45 days is removed. The \$250,000 General Fund-State appropriation is removed, as is the emergency clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) This bill originated from brainstorming about potential uses of Paine Field property other than commercial air flights. The idea has statewide significance because there are regional airports throughout Washington whose underutilized property and facilities could be used for manufacturing, business incubators, and education tied to aerospace. The bill offers a comprehensive approach to examining how to keep Washington competitive in aerospace. Potential opportunities in manufacturing can be dovetailed with the needs of Boeing to provide jobs within Washington for current and future workers.

(In support with amendments) The Task Force composition should include representatives of eastern and western Washington, aerospace and transportation labor unions, and local governments.

Testimony Against: None.

Persons Testifying: (In support) Representative B. Sullivan, prime sponsor; Joe Marine, Mayor of Mukilteo; and Jennifer Gregerson, Marko Lias, and Kevin Stoltz, Mukilteo City Council.

(In support with amendments) Collins Sprague, AVISTA Corporation; Jesse Cote, Machinists Aerospace Union; and Susie Tracy, Washington Airport Management Association.

Persons Signed In To Testify But Not Testifying: None.

SUBSTITUTE HOUSE BILL 2383

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Economic Development, Agriculture & Trade
(originally sponsored by Representatives B. Sullivan, McCoy, Conway,
Ericks, Strow, Upthegrove, Ormsby and O'Brien)

READ FIRST TIME 01/31/06.

1 AN ACT Relating to a joint legislative task force on aerospace
2 manufacturing; creating new sections; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that the aerospace
5 sector, as the state's largest manufacturing and exporting industry,
6 has made a significant contribution to local, regional, state, and
7 national economies. The legislature further finds that airports of
8 regional significance in both eastern and western Washington have
9 underutilized property and facilities that could become substantial
10 tools for economic development. The legislature intends to examine and
11 determine how untapped capacity at airports of regional significance
12 can be used to expand manufacturing, research and development,
13 education, and training for the aerospace industry.

14 NEW SECTION. **Sec. 2.** (1)(a) The joint legislative task force on
15 aerospace manufacturing is established. The task force shall consist
16 of the following voting members:

17 (i) One member from each caucus of the senate, appointed by the
8 president of the senate;

1 (ii) One member from each caucus of the house of representatives,
2 appointed by the speaker of the house of representatives;

3 (iii) Three members representing the aerospace manufacturing and
4 services industry, appointed jointly by the president of the senate and
5 the speaker of the house of representatives;

6 (iv) Two members representing airport owners and managers, one from
7 eastern Washington and one from western Washington, appointed jointly
8 by the president of the senate and the speaker of the house of
9 representatives;

10 (v) Two members representing airport business tenants, appointed
11 jointly by the president of the senate and the speaker of the house of
12 representatives;

13 (vi) Two members representing four-year institutions of higher
14 education and work force training at community and technical colleges,
15 appointed jointly by the president of the senate and the speaker of the
16 house of representatives;

17 (vii) Two members representing counties, one from eastern
18 Washington and one from western Washington, appointed jointly by the
19 president of the senate and the speaker of the house of
20 representatives;

21 (viii) Two members from organized labor representing transportation
22 and aerospace workers, appointed jointly by the president of the senate
23 and the speaker of the house of representatives;

24 (ix) Two members representing cities near a regional airport, one
25 from eastern Washington and one from western Washington, appointed
26 jointly by the president of the senate and the speaker of the house of
27 representatives; and

28 (x) One member representing the federal aviation administration,
29 appointed jointly by the president of the senate and the speaker of the
30 house of representatives.

31 (b) In addition, the departments of transportation and community,
32 trade, and economic development shall each maintain a liaison
33 representative, who shall be a nonvoting member. The departments shall
34 cooperate with the task force and provide information as the task force
35 may reasonably request.

36 (c) The task force shall choose bipartisan cochairs from among its
37 legislative membership.

1 (2) The task force shall review the following issues related to
2 expanding the presence of aerospace manufacturing and associated
3 research and development, education, and training businesses at
4 airports of regional significance:

5 (a) The composition of the current aerospace manufacturing industry
6 in Washington state and significant trends that affect retention,
7 expansion, and recruitment of companies in that industry;

8 (b) Aerospace and nonaerospace businesses currently sited at
9 airports of regional significance;

10 (c) The inventory of untapped or underutilized capacity at airports
11 of regional significance;

12 (d) Types of aerospace manufacturing and associated businesses that
13 could be sited at airports of regional significance;

14 (e) Financial and technical resources that are available and those
15 that would be needed; and

16 (f) Statutory and regulatory changes required to expand the
17 presence of aerospace manufacturing and associated businesses at
18 airports of regional significance.

19 (3) The task force, where feasible, may consult with individuals
20 from the public and private sector or ask such persons to establish an
21 advisory committee.

22 (4) (a) The task force shall use legislative facilities, and staff
23 support shall be provided by senate committee services and the house
24 office of program research.

25 (b) The task force may hire additional staff or contract with
26 additional persons who have specific technical expertise if such
27 expertise is necessary to carry out the mandates of the study.

28 (5) Legislative members of the task force shall be reimbursed for
29 travel expenses in accordance with RCW 44.04.120. Nonlegislative
30 members, except those representing an employer or organization, are
31 entitled to be reimbursed for travel expenses in accordance with RCW
32 43.03.050 and 43.03.060.

33 (6) The expenses of the task force shall be paid jointly by the
34 senate and the house of representatives. Task force expenditures are
35 subject to approval by the senate facilities and operations committee
36 and the house executive rules committee, or their successor committees.

37 (7) The task force shall report its findings and recommendations to

1 the legislature by June 30, 2007.

2 (8) This section expires December 31, 2007.

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