

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 Mulilteo; and Jennifer Gregerson, Marko Liias, and Kevin Stoltz, Mulilteo 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.