

# HOUSE BILL REPORT

## HB 3076

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**As Reported by House Committee On:**  
Community & Economic Development & 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 Liias, Rodne, Ericks, Campbell, Sells, Upthegrove, Warnick, Jarrett, Roberts, Loomis, Kelley, Pettigrew, Darneille, Skinner, Linville, Priest, Williams, Simpson, Schual-Berke, Sullivan, McIntire, Conway and Ormsby.

**Brief History:**

**Committee Activity:**

Community & Economic Development & Trade: 1/30/08, 1/31/08, 2/5/08 [DPS].

**Brief Summary of Substitute Bill**

- Establishes a joint legislative task force to examine the potential use of underutilized property and facilities at regionally-significant airports to expand the state's aerospace industry.
- Specifies task force membership, staffing, and reporting, and divides the scope of review into two phases, from 2008-2010.

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### HOUSE COMMITTEE ON COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Kenney, Chair; Pettigrew, Vice Chair; Bailey, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Chase, Darneille, Haler, Rolfes and Sullivan.

**Staff:** Meg Van Schoorl (786-7105).

**Background:**

[Aerospace Industry in Washington](#)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

As the state's largest manufacturing employer, the aerospace industry is a significant part of Washington's economy, with an estimated economic impact of \$42 billion.

- As reported by the Employment Security Department, average wages in the aerospace industry have grown substantially in recent years, reaching an all-time high of \$90,166 in 2006.
- Aerospace manufacturing employment increased by 9.4 percent in the third quarter of 2007, compared to other manufacturing which increased by 2.7 percent.
- Transportation equipment, primarily made up of aircraft and parts, is the state's largest export, accounting for \$33 billion or 63 percent of the total state exports in 2006.
- 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; 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, or firefighting access.
- Seaplane Bases: Approved as designated water land areas.

Services available on airport property generally include aviation-related facilities and services, such as commercial and charter flights for passengers and cargo, equipment repairs, and flight instruction. However, some airports also include special operations such as search

and rescue, medical evacuations, and air shows, or specialized industries such as food processing, aerospace manufacturing and services, aerial sightseeing, and higher education.

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## **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, and education and training businesses. The Task Force will undertake the following review in two phases:

#### Phase 1 (2008)

- current industry composition;
- major trends impacting business retention, expansion, and recruitment; and
- types of companies that are now sited at these airports.

#### Phase 2 (2009)

- inventory of underutilized facilities and property;
- types of companies that could in the future be sited at these airports;
- statutory or regulatory changes required; and
- availability and gaps in financial and technical resources.

The Task Force must report its phase 1 findings and recommendations to the Legislature by December 31, 2008. The report may include a request for state financial resources if needed to accomplish phase 2.

### Membership and Staffing

The 15-member Task Force will be appointed by the President of the Senate and the Speaker of the House of Representatives, will have bi-partisan co-chairs, and will include:

- two Senators, one from each caucus, including the chair of the Economic Development, Trade and Management Committee or its successor;
- two Representatives, one from each caucus, including the chair of the Community, Economic Development and Trade Committee or its successor;
- two aerospace industry representatives;
- two airport owner and manager representatives, one from eastern Washington and one from western Washington;
- two higher education workforce training representatives;
- two members representing local governments, one from eastern Washington and one from western Washington;
- one Federal Aviation Administration representative; and
- two members from organized labor representing transportation and aerospace unions.

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 only if a specific appropriation is provided.

Legislative members will be reimbursed for travel expenses. Non-legislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses. Task Force expenses shall be paid jointly by the Senate and House of Representatives.

The Task Force will expire June 30, 2010.

**Substitute Bill Compared to Original Bill:**

The number of task force members is reduced from 20 to 15. Of the four legislative members, two must be the chairs of the respective economic development committees in each house. The Task Force is required to carry out its work in two phases and to report to the appropriate legislative committees after each phase. The Task Force may request state financial resources if needed to accomplish the phase 2 work plan. The Task Force will expire on June 30, 2010.

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**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.

**Staff Summary of Public Testimony:**

(In support) The aerospace industry is a significant economic engine for the state. Seattle has the highest concentration of aerospace companies in the world. Twenty-five percent of the manufacturing employment in Washington is in aerospace manufacturing, at some of the highest average wages in the state. We need to be forward looking in order to continue this success. We have industrial airports on both sides of the state, which we believe have underutilized property. This Task Force will examine how these properties could be used to accommodate and expand the aerospace industry into the future, not only aerospace manufacturing but also connected research and development and higher education.

(Opposed) None.

**Persons Testifying:** Representative Liias, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.