

HOUSE BILL REPORT

HB 1375

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 B. Sullivan, Priest, Ericks, Jarrett, Morrell, Sells, Condotta, Upthegrove, Chase, Simpson, Conway and Linville.

Brief History:

Committee Activity:

Community & Economic Development & Trade: 2/8/07, 2/22/07 [DP].

Brief Summary of 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 COMMUNITY & ECONOMIC DEVELOPMENT & TRADE

Majority Report: 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 P. Sullivan.

Staff: Tracey Taylor (786-7196).

Background:

Aerospace Industry in Washington

- The aerospace industry is a significant part of Washington's economy.
- The aerospace industry is the state's largest manufacturing employer, providing 71,300 jobs as of December 2005.
- The aerospace industry is the state's largest exporter, accounting for \$17 billion or 51 percent of the \$33 billion in total state exports in 2004.

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.

- 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 Workgroup 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, and 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, and flight instruction). However, some airports also include special operations (e.g., search and rescue, medical evacuations, and air shows) or specialized industries (e.g., food processing, aerospace manufacturing and services, aerial sightseeing, and higher education).

Summary of 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, 2008.

Membership and Staffing

The 20-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;
- two Representatives, one from each caucus;
- three aerospace industry representatives;
- two airport owner and manager representatives, one from eastern Washington and one from western Washington;
- two airport tenant representatives;
- two higher education workforce training representatives;
- two members representing counties, one from eastern Washington and one from western Washington;
- two members representing cities near a regional airport, 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 Department of Transportation and the Department of 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.

The expenses, including the travel expenses of the legislative and nonlegislative members, of the Task Force shall be paid jointly by the Senate and the House of Representatives.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: 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 very important to Washington. We have several industrial airports in this state -- Airway Heights, Moses Lake, Paine Field, Boeing Field -- however, many are underutilized. In addition, there may be opportunities in the future we should prepare for such as the Boeing 787 second line siting and the Boeing 737 retrofit. This bill would create a four corners approach to examine the opportunities, challenges, and issues surrounding the aerospace industry and create sound public policy addressing education, transportation, and regulatory issues in order to maintain and create aerospace related family wage jobs. We did an excellent job on the defense with the Boeing 787 final assembly deal; however, we need to be on the offense ready for the next opportunity to expand the industry. In addition, recognizing that this is a cyclic industry, we need to plan for those downturns and ensure workers have transferrable skills. A Task Force would provide a holistic approach to address the many issues, including the underutilized industrial airports and the lack of locally grown engineers, that face one of Washington's most important industries -- aerospace.

(Opposed) None.

Persons Testifying: (In support) Representative B. Sullivan, prime sponsor; Linda Lanham, Aerospace Futures Alliance of Washington; and Larry Brown, Aerospace Machinists 751.

Persons Signed In To Testify But Not Testifying: None.