

2SSB 5269 - H COMM AMD  
By Committee on Appropriations

ADOPTED 04/06/2023

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds and declares that:

4 (1) In 2021, Washington state set an aspirational goal in statute  
5 to double manufacturing jobs, firms, and the participation of women  
6 and minorities in the ownership of manufacturing firms. To create and  
7 maintain unity around the state manufacturing growth target, chapter  
8 64, Laws of 2021 sought to foster a partnership between business and  
9 labor. It established a manufacturing council with membership that  
10 was intentionally balanced equally between business and labor and  
11 represented the geographic and demographic diversity of the state.  
12 The manufacturing council was tasked with advising the department of  
13 commerce on policy recommendations to strengthen the manufacturing  
14 sector by 2030 and submitting reports to the legislature every two  
15 years containing those recommendations.

16 (2) The legislature intends for an independent assessment of  
17 growth opportunities in clean manufacturing to be considered by the  
18 manufacturing council. Furthermore, the legislature intends that a  
19 state industrial strategy that incorporates any input from the  
20 independent assessment not be published in any form or considered the  
21 state strategy until there is consensus of the manufacturing council  
22 on the recommendations and policies to be included in that strategy.

23 (3) Washington state, with its strong climate commitments, highly  
24 skilled workforce, and existing world-class manufacturing base is  
25 well positioned to be a global leader in clean manufacturing.

26 (4) A strong state and domestic manufacturing sector can provide  
27 stable, high-wage jobs and is a prerequisite to achieving Washington  
28 state's statutory commitment to net zero greenhouse gas emissions by  
29 2050.

30 (5) All Washingtonians deserve the opportunity of a high-road  
31 manufacturing career. In building the Washington manufacturing  
32 workforce pipeline, the state should fully leverage the transferable

1 skills of our existing manufacturing workforce and develop a  
2 comprehensive, in-state pipeline with wraparound services and  
3 equitable opportunities to ensure that every Washingtonian has a fair  
4 shake at a manufacturing career and intergenerational well-being and  
5 career growth opportunities.

6 (6) A holistic and coordinated state industrial strategy that  
7 seeks simultaneously to transform and revitalize Washington state's  
8 manufacturing base is vital to prevent the leakage of jobs and carbon  
9 pollution.

10 (7) Washington has demonstrated a deep commitment to growing  
11 manufacturing. In 2021, the legislature set a goal of doubling the  
12 state's manufacturing base over 10 years. In 2022, the legislature  
13 created tax incentives and updated siting and permitting practices to  
14 accelerate the in-state production of clean energy product  
15 manufacturing. Developing a statewide industrial strategy is an  
16 important complement to accelerate progress and maximize the benefit  
17 of new tax incentives and siting and permitting practices.

18 (8) The bipartisan infrastructure act and inflation reduction act  
19 present a once in a generation opportunity to rapidly transform and  
20 grow Washington's manufacturing base in a way that advances the  
21 state's climate goals. The state has an important role to play in  
22 ensuring that Washington fully leverages federal funding  
23 opportunities and that the benefits are shared equitably.

24 (9) Washington must take steps to ensure that the transformation  
25 and growth of the state's manufacturing base simultaneously addresses  
26 and does not contribute to the disproportionate burden of pollution  
27 on overburdened communities.

28 NEW SECTION. **Sec. 2.** (1) The department of commerce must  
29 perform an independent assessment of opportunities for Washington to  
30 capture new and emerging industries that align with statewide  
31 greenhouse gas reduction limits and strengthen its existing  
32 manufacturing base. By October 1, 2024, and in compliance with RCW  
33 43.01.036, the department of commerce shall submit the independent  
34 assessment to the appropriate committees of the legislature, and  
35 shall submit the assessment to the state manufacturing council  
36 established in RCW 43.330.762.

37 (2) By June 1, 2025, the department of commerce must develop a  
38 proactive state industrial strategy that seeks to strengthen and  
39 transform Washington's existing manufacturing base and capture new

1 and emerging industries. The strategy should be informed by the  
2 independent assessment required by subsection (1) of this section.  
3 The manufacturing council convened pursuant to RCW 43.330.762 shall  
4 advise and consult on the development of the strategy.

5 (3) The independent assessment must include, but is not limited  
6 to:

7 (a) Assessing how the transition to net-zero emissions by 2050  
8 will impact the potential futures of manufacturing in Washington,  
9 including identifying specific opportunities for Washington to  
10 actively seek investment in new and emerging industries and to  
11 transform and strengthen the state's existing manufacturing base to  
12 meet the needs of a net-zero economy, taking into account the  
13 Washington's existing key sectors, job quality, and regional  
14 diversity;

15 (b) Assessing the needs of Washington's existing manufacturers,  
16 including supply chain challenges and resources required to meet the  
17 statutory greenhouse gas emissions reductions in RCW 70A.45.020;

18 (c) Identifying opportunities to build and maximize the  
19 environmental and economic benefits of a circular economy for both  
20 new and existing industries in building out and strengthening  
21 Washington's manufacturing base;

22 (d) Identifying what is required to attract new private  
23 investment and transform and strengthen Washington's existing  
24 manufacturing base, including needs related to:

25 (i) Transportation and port infrastructure;

26 (ii) Supply chains;

27 (iii) Workforce; and

28 (iv) Energy;

29 (e) Identifying opportunities to support minority and women-owned  
30 firms and small and medium-sized firms in capturing new and emerging  
31 industries;

32 (f) Identifying existing and potential future gaps in the state's  
33 manufacturing sector that inhibit in-state manufacturers from  
34 producing the necessary goods, services, and infrastructure to  
35 transition to the net-zero economy and attract new investment in the  
36 state to accelerate the in-state production of clean energy product  
37 manufacturing; and

38 (g) Evaluating opportunities for the state's use of public  
39 ownership investment in developed and emerging manufacturing  
40 industries to address the existing and potential future gaps

1 identified in (f) of this subsection. This evaluation shall provide  
2 recommendations on the highest and best uses of public resources as  
3 part of the state industrial strategy as provided in subsection (2)  
4 of this section.

5 (4) The workforce assessment referenced in subsection (3)(d)(iii)  
6 of this section should: (a) Catalogue and examine how to maximize the  
7 use of the existing manufacturing workforce's transferable skills;  
8 (b) address any remaining skills gaps and identify opportunities to  
9 build a manufacturing workforce pipeline that ensures all current and  
10 future Washingtonians have fair access to a manufacturing career by  
11 sector; and (c) ensure equitable and accessible pathways and  
12 advancement opportunities in manufacturing by sector.

13 (5) The energy assessment referenced in subsection (3)(d)(iv) of  
14 this section should include the quantity, price, and location of  
15 electricity necessary to decarbonize and grow Washington's existing  
16 manufacturing base and capture new and emerging industries.

17 (6) The independent assessment will not replace but may inform  
18 the work of the manufacturing council created in RCW 43.330.762 to  
19 advise and consult on the department of commerce's recommendations to  
20 achieve the goals established in RCW 43.330.760.

21 NEW SECTION. **Sec. 3.** (1) The department of commerce must  
22 appoint an industrial policy advisor to ensure that Washington state  
23 fully leverages available federal funding for manufacturing to meet  
24 the state's economic development goals in RCW 43.330.760 and the  
25 statutory greenhouse gas emissions reductions in RCW 70A.45.020 and  
26 guide the implementation of the state industrial strategy created  
27 pursuant to section 2 of this act.

28 (2) The industrial policy advisor must:

29 (a) Track federal and other funding opportunities to transform  
30 and strengthen existing Washington manufacturers and promote the  
31 growth of new and emerging industries;

32 (b) Alert Washington manufacturers to relevant federal and other  
33 funding opportunities;

34 (c) Support Washington manufacturers in applying for federal and  
35 other funding opportunities and in completing required reporting;

36 (d) Work to ensure that Washington's pursuit of its goals in RCW  
37 43.330.760 and 70A.45.020 are aligned and mutually reinforcing;

38 (e) Foster interagency and coordination and collaboration,  
39 including with the department of commerce sector leads, on

1 manufacturing-related policymaking and activities, including both  
2 climate and economic development manufacturing-related policymaking;

3 (f) Coordinate with the workforce innovation sector lead,  
4 particularly with respect to building the manufacturing workforce  
5 pipeline; and

6 (g) Provide quarterly reports to the manufacturing council  
7 created in RCW 43.330.762.

8 (3) The industry policy advisor may also:

9 (a) Form expert committees with industry representatives to  
10 develop sector-specific strategies for attracting new investment and  
11 transforming and strengthening existing manufacturing consistent with  
12 the industrial strategy created pursuant to section 2 of this act;

13 (b) Assist local governments with economic plans to attract new  
14 investment and transform and strengthen existing manufacturing  
15 consistent with the industrial strategy created pursuant to section 2  
16 of this act; and

17 (c) Support communities negatively impacted by the closure or  
18 relocation of manufacturing facilities by supporting efforts to  
19 attract new investment consistent with the industrial strategy  
20 created pursuant to section 2 of this act and facilitate the movement  
21 of existing skilled manufacturing workers into new industrial  
22 sectors.

23 NEW SECTION. **Sec. 4.** This act may be known and cited as the  
24 Washington clean manufacturing leadership act.

25 NEW SECTION. **Sec. 5.** Section 2 of this act is added to chapter  
26 43.330 RCW and codified with the subchapter heading of "MANUFACTURING  
27 AND RESEARCH AND DEVELOPMENT SECTOR PROMOTION."

28 Correct the title.

EFFECT: (1) Adds intent language relating to state manufacturing goals and the State Manufacturing Council and expresses intent that a state industrial strategy that includes input from the independent assessment not be published or considered the state strategy unless there is consensus of the State Manufacturing Council on the recommendations and policies included in the strategy.

(2) Requires the Department of Commerce to submit the independent assessment to the State Manufacturing Council.

(3) Requires that the state industrial strategy seek to strengthen and transform Washington's manufacturing base and capture new and emerging industries and provides that the strategy should be informed by the independent assessment.

(4) Requires the State Manufacturing Council to advise and consult on the development of the state industrial strategy.

--- END ---