

HOUSE BILL REPORT

SHB 1673

As Amended by the Senate

Title: An act relating to creating an aerospace industry legislative task force.

Brief Description: Creating the aerospace industry legislative task force.

Sponsors: By House Committee on Trade, Economic Development & Housing (originally sponsored by Representatives Roland, Eide, Vance, Brough, Campbell, Wang, Jacobsen, Patterson and Forner.)

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, February 26, 1993, DPS;
Appropriations, March 6, 1993, DPS(TEH);
Passed House, March 11, 1993, 96-0;
Amended by Senate.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Campbell; Conway; Quall; Schoesler; Sheldon; Springer; Valle; and Wood.

Staff: Kenny Pittman (786-7392).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Trade, Economic Development & Housing be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Locke, Chair; Valle, Vice Chair; Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Appelwick; Ballasiotes; Basich; Cooke; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Linville; Peery; Rust; Sehlin; Sheahan; Sommers; Stevens; Talcott; Wang; Wineberry; and Wolfe.

Staff: Dwight Edwards (786-7118).

Background: The Washington economy is heavily dependent upon aerospace and aerospace-related employment. The aerospace industry is the major manufacturing base industry in the state with 107,300 employees. In 1992, direct aerospace employment accounted for 4.5 percent of the state's total employment, and 30 percent of the manufacturing employment.

Between 1983 and 1991, the state's aerospace industry experienced rapid growth as airlines began replacing their fleet of older passenger jets and the number of defense contracts increased. Recently, the Boeing Company announced that reductions in the production levels of its 737, 757, and 767 passenger jets would result in workforce reductions of approximately 10,500 employees. The reductions are scheduled for the second half of 1993. It is expected that the majority of the reductions will occur in King and Snohomish counties.

Proponents feel that Washington's economy has become too dependent upon the fluctuations of the aerospace industry and that efforts should be made to diversify the state's manufacturing employment base.

Summary of Bill: The Aerospace Industry Legislative Task Force is established to examine the impacts of the aerospace industry work slowdown on state and local government, service providers, and other businesses.

The task force will be made up of 21 members that represent the Legislature, the Governor's Office, the aerospace industry, the chambers of commerce, the aerospace unions, the county councils of King, Pierce, Snohomish, and Spokane, the Suburban Cities Association, and six members at-large. The task force co-chairs shall be appointed from the legislative members, one from the House of Representatives and one from the Senate.

The purpose of the task force is to make recommendations, to the Legislature regarding: (a) short-term and long-term assistance for workers made unemployed by the slowdown in the aerospace industry; and (b) long-term approaches to effectively diversify the region of the state most affected by fluctuations in the aerospace industry.

Staffing to the task force is provided by Senate and House of Representatives staff.

The task force shall submit a report summarizing its findings and recommendation to the appropriate legislative committees by December 31, 1993.

EFFECT OF SENATE AMENDMENT(S): The Aerospace Industry Legislative Task Force is replaced with a Subcommittee on the Aerospace Industry that is part of the proposed Executive-Legislative Committee on Economic Development. Language on long-term approaches on educational facilities, attracting new industries and businesses, and infrastructure concerns is deleted. The subcommittee recommendations are to be made to the full Executive-Legislative Committee on Economic Development, the governor, and the Legislature. The subcommittee membership must include at least three members of the full committee and may include advisory members. The stated number of representatives from each group on the subcommittee is deleted. The requirement that legislative staff assist the subcommittee is deleted. A preliminary report is required by September 15, 1993.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately. However, the bill is null and void if not funded in the budget.

Testimony For: (Trade, Economic Development & Housing) We need to look at the impact of the aerospace industry slowdown and resultant job layoffs. The impacts will be more than just aerospace workers without jobs, it will affect the region's economy. The task force will come up with ideas to address the immediate and future problems and make recommendations that will lead to meaningful legislation.

(Appropriations) None.

Testimony Against: (Trade, Economic Development & Housing) None.

(Appropriations) None.

Witnesses: (Trade, Economic Development & Housing) Representative Roland, prime sponsor (Pro); Larry Kenney, Washington State Labor Council, AFL-CIO (Pro); and Mike Morrisett, Auburn Chamber of Commerce (Pro).

(Appropriations) None.

VOTE ON FINAL PASSAGE:

Yeas 96; Excused 1; Absent 1

Excused: Representative Springer

Absent: Representative Wineberry