

HOUSE BILL REPORT

HB 1673

As Reported By House Committee On:
Trade, Economic Development, and Housing

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

Brief Description: Creating the aerospace industry legislative task force.

Sponsors: Representatives Roland, Eide, Vance, Brough, Campbell, Wang, Jacobsen, Patterson and Forner.

Brief History:

Reported by House Committee on:
Trade, Economic Development, and Housing, February 26, 1993, DPS.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT, AND 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).

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 Substitute 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.

Substitute Bill Compared to Original Bill: The substitute bill: (1) requires the task force to consider the impact of the aerospace slowdown on state and local government, service providers, and other businesses; (2) expands the county council representative from one to four and adds a county elected official from Snohomish, Pierce, and Spokane counties; (3) expands the at-large members from four to six, and requires at least one member from Snohomish, Pierce, and Spokane counties; and (4) provides legislative staffing to assist the task force.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: 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.

Testimony Against: None.

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