

# HOUSE BILL REPORT

## HB 2596

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**As Reported by House Committee On:**  
Innovation, Technology & Economic Development  
Appropriations

**Title:** An act relating to fostering economic growth in Washington by supporting emerging businesses in the new space economy.

**Brief Description:** Fostering economic growth in Washington by supporting emerging businesses in the new space economy.

**Sponsors:** Representatives Boehnke, Kloba, Slatter, Entenman, Hudgins, Steele, Eslick and Santos.

**Brief History:**

**Committee Activity:**

Innovation, Technology & Economic Development: 1/28/20, 1/29/20 [DP];  
Appropriations: 2/8/20 [DP].

**Brief Summary of Bill**

- Directs the Department of Commerce (Department) to complete a study of public policies that would foster the development of the new space economy and the geographic distribution of space economy sector employment and training opportunities across Washington.
- Requires the Department to submit the results of the study and recommendations to the Legislature by October 31, 2021.

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**HOUSE COMMITTEE ON INNOVATION, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Majority Report:** Do pass. Signed by 9 members: Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman, Slatter, Tarleton, Van Werven and Wylie.

**Staff:** Kyle Raymond (786-7190).

**Background:**

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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.*

### The United States Space Force.

The National Defense Authorization Act of 2020 (Act) established a United States Space Force (USSF) as an armed force within the United States Department of the Air Force (Air Force).

The United States Air Force Space Command (AFSPC) was redesignated as the USSF as a part of the Act.

The Act authorizes the Secretary of the Air Force to transfer all military personnel currently assigned to the AFSPC and other certain Air Force military personnel to the USSF.

The USSF is headed by the Chief of Space Operations, who reports directly to the Secretary of the Air Force.

### The Department of Commerce.

The Department of Commerce (Department) is responsible for growing and improving jobs, as well as facilitating innovation in the state. The Department provides business assistance and economic development services primarily through sector-based and cluster-based regional organizations to: (1) generate greater local capacity to respond to economic growth and environmental challenges; (2) promote partnerships and the use of intermediaries to achieve the Department's goals; and (3) leverage state resources.

The Department is responsible for promoting community and economic development statewide by: (1) assisting communities to increase economic vitality and the quality of citizens' lives; and (2) assisting the state's businesses to maintain and increase economic competitiveness while maintaining a healthy environment. The Department's community and economic development efforts include increasing economic opportunity, engaging in business and trade development, assisting firms and industrial sectors to increase competitiveness, and facilitating technology development.

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### **Summary of Bill:**

The Department of Commerce (Department) is directed to complete a study of public policies that would foster the development of the new space economy and the geographic distribution of space economy sector employment and training opportunities.

The Department is also directed to convene an advisory committee to provide information, advice, and assistance in completing the study. The Department is directed to accept applications for the advisory committee.

The results of the study must be submitted to the Legislature by October 31, 2021, and the study must include:

- a 10-year strategy for a bold expansion of trained workforce to support the industry sector;
- an evaluation of the state's capacity to: (1) train personnel in the cybersecurity protocols necessary for civilian businesses to secure national defense contracts; (2)

- offer grants and incentives to businesses to lower the cost of cybersecurity compliance; and (3) provide technical assistance and mentoring to start-up and emerging businesses competing for national defense contracts;
- an evaluation of the state's level of investment in federal lobbying or federal liaison services related to securing defense and civilian space-related appropriations and procurement; and
  - an assessment of the infrastructure needs to support the new space sector, and the institutional capacity of state agencies and nonprofit organizations to foster economic growth in the new space sector.

In addition, the study must be accompanied by recommendations that include the identification of short-term and long-term action plans for the Legislature to support and sustain a bold vision for economic growth in the new space sector.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Recent federal government action on the space sector provides an opportunity for Washington.

When the federal government makes decisions that affect economic and workforce development across the nation, they look for areas that have an existing foundation that can be expanded upon. Currently, Washington is not on the map when it comes to these decisions.

The state has great foundation to support the growth of the space sector. Washington has great national resources, land to offer, as well as great schools with strong programs in engineering, math, science, technology, and economic development.

This bill is a way to foster economic growth and workforce development in the state.

(Opposed) None.

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

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

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**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** Do pass. Signed by 31 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

**Staff:** Jessica Van Horne (786-7288).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Innovation, Technology & Economic Development:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) None.

**Persons Testifying:** None.

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