

THE HOUSE OF REPRESENTATIVES
Thursday, February 21, 2008

Committee Substitute for
House Bill No. 3098

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3098 - By: BANZ, COVEY, MCCULLOUGH, MCNIEL, PITTMAN AND WALKER of the House and ALDRIDGE of the Senate.

An Act relating to aerospace; amending Section 1, Chapter 263, O.S.L. 2006 (74 O.S. Supp. 2007, Section 5060.3a), which relates to the Oklahoma Aerospace Institute; creating the Aerospace Development Act of 2008; providing short title; creating the Center for Aerospace Supplier Quality; removing the Oklahoma Aerospace Institute from within the Oklahoma Center for the Advancement of Science and Technology; modifying purpose; modifying contingency requirements; providing for the Center for Aerospace Supplier Quality to act as a conduit between certain military installations and the aerospace industry; stating duties of the Center for Aerospace Supplier Quality; removing the Center of Excellence for Aerospace Technology from within the Oklahoma Center for the Advancement of Science and Technology; providing for the Oklahoma Aerospace Institute to act as a clearinghouse of information; stating duties of the Oklahoma Aerospace Institute; providing for creation of a partnership of education and training providers; stating purpose of partnership; providing for center for applied research; stating purpose of center; providing certain duties of the Oklahoma Aerospace Institute; listing sources of funding that may be accepted by the Oklahoma Aerospace Institute; providing for recodification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

- 1 SECTION 1. AMENDATORY Section 1, Chapter 263, O.S.L. 2006 (74 O.S.
2 Supp. 2007, Section 5060.3a), is amended to read as follows:
3 Section 5060.3a A. This act shall be known and may be cited as the “Aerospace
4 Development Act of 2008”.

1 ~~B.~~ There is hereby created within the Oklahoma ~~Center for the Advancement of~~
2 ~~Science and Technology (OCAST), Aeronautics Commission, the Center for Aerospace~~
3 ~~Supplier Quality (CASQ), and the Oklahoma Aerospace Institute (OAI) to serve as a~~
4 ~~strategic partnership that whose purpose shall be to create a partnership of service~~
5 ~~providers to more effectively respond to the needs of the aerospace industry in the areas~~
6 ~~of education and training, research, and economic development. The CASQ and OAI will~~
7 ~~focus available resources to promote cooperation and collaboration among Oklahoma~~
8 ~~businesses, manufacturers, military installations, commercial aviation, higher education~~
9 ~~educational institutions, nonprofit research institutions, and state government for the~~
10 ~~purpose of strengthening Oklahoma's the economy of the State of Oklahoma. Contingent~~
11 ~~upon the availability of funds, OCAST provision of Two Million Five Hundred Thousand~~
12 ~~Dollars (\$2,500,000.00) or so much thereof as needed, per year, the Commission may~~
13 ~~employ established program processes or may contract with other qualified entities to~~
14 ~~operate the CASQ and the OAI which will consist of the following initiatives:~~

- 15 1. ~~Center of Excellence for Aerospace Technology (COEAT); and~~
16 2. ~~Center for Aerospace Supplier Quality (CASQ).~~

17 ~~B. C.~~ The CASQ is designed to serve as a conduit between Oklahoma's military
18 installations and aerospace industry to promote quick response to opportunities that will:

- 19 1. Increase Department of Defense ~~awards in~~ contracts with Oklahoma aerospace
20 companies and contracts between Oklahoma aerospace companies and prime contractors
21 in the aerospace and defense industries;
22 2. Create and retain more high-wage, high-skill jobs;

- 1 3. Strengthen collaborations between businesses and aerospace interests;
- 2 4. Reduce the flow of federal defense contract dollars to out-of-state businesses;
- 3 5. ~~Increase Oklahoma's small~~ Expand the aerospace firms industry in Oklahoma;
- 4 6. Provide engineering/ and technical assistance;
- 5 7. Provide more manufacturing sources for Oklahoma military installations and the
- 6 aerospace industry; and
- 7 8. Reduce costs and increase competitiveness for Oklahoma military installations
- 8 and the aerospace industry.

9 ~~C. The COEAT will be a center of excellence for applied research and will primarily~~
10 ~~undertake applied research, development and technology transfer that has long-term~~
11 ~~potential for commercial development. The center should build on institutional strengths~~
12 ~~and conduct activity in areas of research in which the participating research institutions~~
13 ~~and businesses have achieved or have true promise of attaining a standard of excellence~~
14 ~~in applied research and development.~~

15 ~~D. OCAST shall award funding to the Center of Excellence for Aerospace~~
16 ~~Technology (COEAT) contingent on the availability of funds and only after:~~

17 ~~1. Developing, adopting and publishing the criteria it shall use when evaluating~~
18 ~~centers of excellence; and~~

19 ~~2. Reviewing proposals for new or established centers of excellence containing:~~

- 20 a. ~~documentation that not less than fifty percent (50%) of the center's~~
21 ~~total funding will be provided by sources other than OCAST and other~~
22 ~~than state-appropriated money,~~

- 1 b. ~~a description of the proposed center's potential contribution to the~~
2 ~~state's economic development interests,~~
3 e. ~~an itemized operations budget, and~~
4 d. ~~other information that may be required by the OCAST board~~

5 D. In order to streamline the use of resources with the goal of eliminating
6 duplication of efforts, the OAI shall act as a clearinghouse of information and activities
7 concerning the aerospace industry. The OAI will provide a focal point to coordinate the
8 plans and activities of state agencies, programs, task forces, departments, boards,
9 commissions, and other entities that have responsibilities or duties regarding the
10 aerospace industry with the goal of eliminating duplication of effort.

11 E. The OAI shall create a partnership of education and training providers to meet
12 the specific needs of the aerospace industry to build a credentialed work force for the
13 future. Participating educational institutions shall act cooperatively to create programs
14 that complement rather than compete.

15 ~~F. The board may approve proposals to establish the Center of Excellence for~~
16 ~~Aerospace Technology (COEAT) only after the board finds, based upon the proposal~~
17 ~~submitted, external peer reviews, and such additional investigation as the staff of~~
18 ~~OCAST shall make and incorporate in its minutes that:~~

19 ~~1. The proposed center of excellence involves higher education institution(s),~~
20 ~~nonprofit research institution(s), and private enterprise;~~

1 ~~2. The proposed center of excellence is funded at Nine Hundred Thousand Dollars~~
2 ~~(\$900,000.00), or so much thereof as is needed, per year for five (5) years, above the~~
3 ~~annual appropriation for OCAST;~~

4 ~~3. The proposed center of excellence has the potential to stimulate economic~~
5 ~~development in Oklahoma by fostering partnership between Oklahoma military~~
6 ~~installations, higher education institutions, nonprofit research institutions, and~~
7 ~~businesses; and~~

8 ~~4. The proposed center has the long-term potential to benefit Oklahoma's military~~
9 ~~installations and the state's aerospace industry through innovation and development of~~
10 ~~new technology~~ OAI shall include a center for applied research and will primarily
11 undertake applied research, development and technology transfer that have long-term
12 potential for commercial development. The center shall build upon institutional
13 strengths and conduct activity in areas of research in which the participating research
14 institutions and businesses have achieved or have true promise of attaining a standard of
15 excellence in applied research and development.

16 ~~F. Any commercialized research that results from the funding of the Center of~~
17 ~~Excellence for Aerospace Technology shall be subject to negotiations and policies~~
18 ~~pursuant to the provisions of this act~~

19 G. The OAI shall support and foster the growth of the aerospace industry. The OAI
20 shall acquire aerospace executive expertise and provide consulting services to the
21 aerospace industry, government agencies and organizations across the State of

1 Oklahoma in order to strengthen the policy framework, economic development initiatives
2 and programs of the state.

3 H. The OAI may accept funding that includes, but is not limited to:

- 4 1. Monetary contributions;
- 5 2. Contractual arrangements;
- 6 3. In-kind services;
- 7 4. Federal- and state-appropriated dollars;
- 8 5. Private and public foundation grants; and
- 9 6. Fee-for-service products.

10 SECTION 2. RECODIFICATION Section 1, Chapter 263, O.S.L. 2006 (74 O.S.
11 Supp. 2007, Section 5060.3a), as amended by Section 1 of this act, shall be recodified as
12 Section 85.3 of Title 3 of the Oklahoma Statutes, unless there is created a duplication in
13 numbering.

14 SECTION 3. This act shall become effective November 1, 2008.

15 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TECHNOLOGY, dated
16 02-20-08 - DO PASS, As Amended and Coauthored.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.