

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 56th Legislature (2018)

4 HOUSE BILL 2578

By: Teague of the House

5 and

6 Rosino and Fry of the
7 Senate

8
9 AS INTRODUCED

10 An Act relating to state government; creating the
11 Aerospace Commerce Economic Services (ACES) Act;
12 providing purpose; authorizing entity to employ
13 certain programs and enter contracts; describing
14 certain opportunities for the program to facilitate;
15 establishing industry integrator; specifying certain
16 integrator duties; requiring entity to be focal point
17 of industry information; providing for center of
18 applied research; requiring entity acquire expertise
19 and provide consulting services; authorizing
20 acceptance of certain funding; providing for
21 codification; and providing an effective date.

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 5003.12 of Title 74, unless
25 there is created a duplication in numbering, reads as follows:

26 A. This act shall be known and may be cited as the "Aerospace
27 Commerce Economic Services Act".

1 B. There is hereby created within the Oklahoma Department of
2 Commerce, Aerospace Commerce Economic Services (ACES), whose purpose
3 shall be to create a partnership of service providers to more
4 effectively respond to the needs of the aviation, aerospace and
5 defense industries in the areas of education and training, research,
6 and economic development. ACES will focus available resources to
7 promote cooperation and collaboration among businesses,
8 manufacturers, military installations, commercial aviation,
9 educational institutions, nonprofit research institutions and state
10 government for the purpose of strengthening the economy of the State
11 of Oklahoma. Contingent upon the availability of funds, the
12 Oklahoma Department of Commerce may employ established program
13 processes or may contract with other qualified entities to operate
14 ACES.

15 C. ACES is designed to serve as a conduit between the aviation,
16 aerospace and defense industries in Oklahoma, as well as commercial
17 and military aviation, to promote quick response to opportunities
18 that will:

19 1. Increase contracts between companies in the aviation,
20 aerospace and defense industries in Oklahoma and the Department of
21 Defense and its prime contractors;

22 2. Create and retain more high-wage, high-skill jobs;

23 3. Strengthen collaborations between businesses and aviation,
24 aerospace and defense interests;

- 1 4. Reduce the flow of federal defense contract dollars out-of-
- 2 state;
- 3 5. Expand the aviation, aerospace and defense industries in
- 4 Oklahoma;
- 5 6. Provide engineering and technical assistance;
- 6 7. Provide more suppliers for Oklahoma military installations
- 7 and the aviation, aerospace and defense industries;
- 8 8. Reduce costs for the Department of Defense and Oklahoma
- 9 military installations and increase the competitiveness of aviation,
- 10 aerospace and defense businesses in Oklahoma;
- 11 9. Creating and aligning goals to grow aerospace to the top
- 12 industry in Oklahoma by providing a forum to bring agencies,
- 13 industry and government together;
- 14 10. Enhance Oklahoma's supply chain utilization in the industry
- 15 to fill existing gaps in supplier networks;
- 16 11. Develop a recruitment strategy to attract new businesses
- 17 that reside or have a presence in Oklahoma; and
- 18 12. Create a conglomerate or commission of all aerospace
- 19 stakeholders in Oklahoma to come together to pool ideas and
- 20 resources to advance aerospace in the state. State aerospace
- 21 stakeholders include but are not limited to Federal Aviation
- 22 Administration, Veterans Administration, Tinker Air Force Base, all
- 23 Oklahoma military installations, chambers of commerce, Oklahoma
- 24 Space Industry Development Authority, Oklahoma Department of

Commerce, Oklahoma State Regents for Higher Education, Oklahoma Aeronautics Commission, Small Business Administration, Unmanned Aerial Systems Cluster Initiative of Oklahoma and Kansas, Oklahoma Manufacturing Alliance, Career Tech, Oklahoma Center for the Advancement of Science and Technology, Governor's Unmanned Aerial Systems Alliance of Oklahoma, Unmanned Aerial Systems Council and Oklahoma Bid Assistance Network.

D. ACES shall establish an Aerospace and Defense Industry Integrator. The integrator shall be used to engage key players from the industry, government, academia and other key stakeholders to create an industry-wide vision and strategic map that details a plan to enhance the industry. The integrator shall initiate the following activities:

1. Assessing the current state of the industry, developing and defining a vision for the future of the industry;

2. Identifying supplier network gaps and developing solutions to fill those gaps;

3. Identifying funding requirements and developing funding opportunities; and

4. Establishing ongoing mechanisms to monitor activities and devising a process that includes the development and reporting of metrics to track and manage ongoing progress.

E. In order to streamline the use of resources with the goal of eliminating duplication of efforts, ACES shall act as a

1 clearinghouse of information and activities concerning the aviation,
2 aerospace and defense industries. ACES shall provide a focal point
3 to coordinate the plans and activities of state agencies, task
4 forces, departments, boards, commissions and other entities that
5 have responsibilities or duties regarding the aviation, aerospace
6 and defense industries with the goal of eliminating duplication of
7 effort.

8 F. ACES shall include a center for applied research and will
9 primarily undertake applied research, development and technology
10 transfer that have long-term potential for commercial development.
11 The center shall build upon institutional strengths and conduct
12 activity in areas of research in which the participating research
13 institutions and businesses have achieved or have true promise of
14 attaining a standard of excellence in applied research and
15 development.

16 G. ACES shall support and foster the growth of the aviation,
17 aerospace and defense industries. ACES shall acquire aerospace
18 executive expertise and provide consulting services to the aviation,
19 aerospace and defense industries, government agencies and
20 organizations across the State of Oklahoma in order to strengthen
21 the policy framework, economic development initiatives and
22 activities of the state.

23 H. ACES may accept funding that includes, but is not limited
24 to:

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

SECTION 2. This act shall become effective November 1, 2018.

COMMITTEE REPORT BY: COMMITTEE ON BANKING AND BUSINESS, dated
02/27/2018 - DO PASS, As Coauthored.