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April 11, 2018

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2578

By: Teague of the House

and

Rosino, Fry, Pugh, Kidd,
Pittman, Scott, Leewright,
Bergstrom, Dugger and
Simpson of the Senate

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[ state government - creating the Aerospace Commerce  
Economic Services (ACES) Act - codification -  
effective date ]
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~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

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

B. There is hereby created within the Oklahoma Department of Commerce, the Aerospace Commerce Economic Services (ACES), whose purpose shall be to create a partnership of service providers to more effectively respond to the needs of the aviation, aerospace and

1 defense industries in the areas of education and training, research,
2 and economic development. ACES will focus available resources to
3 promote cooperation and collaboration among businesses,
4 manufacturers, military installations, commercial aviation,
5 educational institutions, nonprofit research institutions and state
6 government for the purpose of strengthening the economy of the State
7 of Oklahoma. Contingent upon the availability of funds, the
8 Oklahoma Department of Commerce may employ established program
9 processes or may contract with other qualified entities to operate
10 ACES.

11 C. ACES is designed to coordinate and integrate the various
12 aerospace resources that currently exist within state and local
13 agencies. The primary goal of ACES is to establish a common
14 statewide strategy for the growth of the Oklahoma aerospace
15 industry. Under the leadership of the Oklahoma Department of
16 Commerce, ACES will focus the collective aerospace resources, all or
17 new aerospace resources, to achieve one or more of the following
18 objectives into an integrated, coordinated statewide effort that
19 will:

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

23 2. Create and retain more high-wage, high-skill jobs;
24

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

1 Oklahoma military installations, chambers of commerce, Oklahoma
2 Space Industry Development Authority, Oklahoma Department of
3 Commerce, Oklahoma State Regents for Higher Education, Oklahoma
4 Aeronautics Commission, Small Business Administration, Unmanned
5 Aerial Systems Cluster Initiative of Oklahoma and Kansas, Oklahoma
6 Manufacturing Alliance, Career Tech, Oklahoma Center for the
7 Advancement of Science and Technology, Governor's Unmanned Aerial
8 Systems Alliance of Oklahoma, Unmanned Aerial Systems Council and
9 Oklahoma Bid Assistance Network.

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

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

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

20 3. Identifying funding requirements and developing funding
21 opportunities; and

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

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

10 F. ACES shall support and foster the growth of the aviation,
11 aerospace and defense industries. ACES shall acquire aerospace
12 executive expertise and provide consulting services to the aviation,
13 aerospace and defense industries, government agencies and
14 organizations across the State of Oklahoma in order to strengthen
15 the policy framework, economic development initiatives and
16 activities of the state.

17 G. ACES may accept funding that includes, but is not limited
18 to:

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

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

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
April 11, 2018 - DO PASS AS AMENDED