



Oklahoma Aeronautics Commission

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NEWS RELEASE

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Legislators Kickoff Interim Study on Aerospace Industry with Tulsa Visit

OKLAHOMA CITY – A group of Oklahoma legislators, along with several public and private officials, were in Tulsa recently to kickoff a House interim study focused upon how the state’s air transportation system is funded compared to other states and how the state is doing insofar as fostering the growth of Oklahoma’s aerospace industry, one of the state’s top employers.

Members of the House Aerospace and Technology Subcommittee and several other legislators, along with other state and local officials, toured some of Tulsa’s top aerospace facilities located at the Tulsa International Airport to gather information for the study.

Rep. Mike Jackson, R-Enid, who serves as subcommittee chairman, said that the interim study should help lawmakers determine what the industry’s needs are, which in turn will help them next session as they debate pending legislation aimed at assuring the vitality and growth of Oklahoma’s aerospace industry.

“The sky is the limit insofar as the growth of our aerospace industry is concerned. It’s one of the top job producers in the state, easily one of the three pillars of our state’s economy. So we (the Legislature) need to do what we can to help foster this growth and move our state forward,” Jackson said.

The tour’s first stop was at Spirit AeroSystems where Victor Bird, director of the Oklahoma Aeronautics Commission, provided an overview of the day’s events and a summary of the state’s aviation and aerospace industry, including its economic impact on the state.

“Our nation’s aerospace industry enjoys a \$52 billion trade surplus on the international market,” Bird said. “It’s one of the few industries that can make that claim. And Oklahoma is a big part of that success.”

Don Carlisle, vice president and general manager of Spirit AeroSystems, gave a brief presentation to legislators, detailing the company’s recent growth and what obstacles it faces as business continues to expand, namely the lack of building space and a shortage of skilled workers.

Legislators next boarded buses for drive-by guided tours of other aerospace companies located in and around the airport, including Lufthansa Technik, BizJet and American Airlines’ Maintenance and Engineering Center, the world’s largest commercial maintenance, repair and overhaul facility.

“Among Oklahoma’s nearly 400 aerospace companies, we have one of the highest concentrations of companies and skilled workers engaged in the maintenance, modification, repair and overhaul (MMRO) of aircraft in the world. In fact, Oklahoma is recognized as one of six centers in the world for the MMRO of aircraft,” Bird said.

Economic studies show that Oklahoma's aerospace industry yields an industrial output of \$12.5 billion a year, provides 150,000 direct, indirect and induced jobs, and generates an annual payroll of \$5 billion. A recent report showed that the average salary of an Oklahoman working in the aerospace industry is nearly \$55,000, while the average salary of all Oklahoma workers is a little more than \$29,000.

"One in 10 Oklahomans derive their income from the aerospace/aviation industry in some way, shape or form. And, most importantly, these are good jobs, the kind we must keep and increase in order to keep our best and brightest living and working here in Oklahoma," Bird said.

Following the bus tour, lawmakers spent the early afternoon at NORDAM where Meredith Siegfried, vice president for global aftermarket, military sales and corporate marketing, briefed them on the impact NORDAM and other Oklahoma aerospace companies have on Oklahoma's economy, as well as some of the issues and obstacles they are currently facing. She emphasized the need for more engineers in the state and a coordinated statewide effort to encourage more school-aged children to pursue careers in the industry.

Attendees also received brief presentations from Spirit Bank regarding tax credits and private financing to support the retention and growth of Oklahoma's aerospace industry.

During the 2007 legislative session, two bills were overwhelmingly passed by the House and Senate that would have addressed some of the industry's concerns but never made it out of conference committee, House Bill 2085 and House Bill 2082.

HB 2085, also referred to as the Aerospace Engineer Workforce Bill, provides tax credits to both Oklahoma aerospace companies that hire engineering graduates and engineering graduates who choose to work for an Oklahoma aerospace company.

HB 2082, the Airport Modernization Bill, provides \$30 million for the renovation or construction of airport terminals and hangars for general aviation purposes, including any pavement work associated with those projects, at many of Oklahoma's regional business airports. The funds would also help airports acquire the necessary navigational equipment pilots need to safely land their aircraft, even in bad weather.

Although conferees last spring could not agree on how to ultimately fund HB 2082 and HB 2085, the bills will again be considered during the 2008 legislative session.

Lawmakers are also being asked to consider legislation that will fund the Oklahoma Center for Aerospace Supplier Quality, an effort to help Oklahoma companies compete more effectively for the \$5 billion of federal contracts that are annually outsourced by Tinker Air Force Base, as well as contracts from other defense installations.

"Oklahoma companies only receive about \$500 million of these dollars. We can and must do better with such an opportunity that is right here. We don't have to go looking for it," Bird said.

Following the Tulsa stop, one more tour has been scheduled for October 30 in Oklahoma City. Lawmakers will visit aerospace companies located around Tinker AFB and Will Rogers World Airport, including Boeing, Northrop Grumman, ARINC and AAR.

The Oklahoma Aeronautics Commission's mission is to promote aviation, which includes fostering the growth of the aerospace industry and ensuring that the needs of commerce and communities across Oklahoma are met by the state's 114 public airports, which comprise the state's air transportation system.