

January 18, 2018

Assembly Member Al Muratsuchi  
State Capitol 4117  
Sacramento, CA 95814

**Re: Assembly Bill 427 (Muratsuchi) – SUPPORT**

Dear Assembly Member Muratsuchi:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to advancing opportunity and prosperity, I am pleased to offer our support for Assembly Bill (AB) 427. The LAEDC believes that AB 427, which establishes the California Aerospace and Aviation Commission, will enhance the global competitiveness of the state's aerospace and defense industry, which is a historic, but rapidly evolving industry in California.

The aerospace and defense industry has experienced a long and golden history in California. Through cycles of expansion, contraction, change and now meteoric growth in many areas including the satellite business, California continues to play a leading role in the national and international aerospace, defense and aviation markets, driving global research, design, and innovation throughout the industry.

Here at home, hundreds of thousands of families across California depend on aerospace's continued success in the state. The aerospace industry's economic impact in California is massive; it sustains high-paying jobs and creates state revenue directly through wide range of industries, including research and development, engineering, manufacturing and logistics, as well as indirectly through additional goods and services. In fact, aerospace has one of the highest economic multipliers of any industry, meaning that the broader California economy is greatly helped by the "ripple" or "spillover" effects of a highly concentrated and globally competitive aerospace industry cluster. Overall, the aerospace industry contributes over \$30 billion to California's GDP.

What is less known, is how the aerospace industry feeds technology and drives innovation in other growth industries, such as alternative transportation, autonomous vehicles, and advanced manufacturing. In this regard, our aerospace industry continues to provide well-paying jobs not just for workers today, but for Californians down the road in the future.

As you can see, it is vitally important for California to sustain its technological and productive advantages in aerospace. This means competing aggressively with the myriad other states that are looking to poach our aerospace assets. Already, Texas, Georgia and Michigan have created or are in the process of creating aerospace commissions completely dedicated to growing their states' aerospace industries – with strategic funds, dedicated staff, and targeted marketing efforts to educate, retain, and attract an educated workforce and aerospace firms to their states.

Similarly, California will need to create its own aerospace commission to compete effectively with these states' efforts to retain and grow their own aerospace assets. AB 427 does just that, and the announcement effects of a new Aerospace and Aviation Commission will send a strong message to the aerospace industry that California cares deeply about defending, strengthening, and expanding this all-important industry.

For all of the above reasons, the LAEDC commends your leadership on this and other important aerospace issues, and offers its support for AB 427—and the California Aerospace and Aviation Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Flaks", with a long horizontal flourish extending to the right.

David Flaks, Chief Operating Officer  
Los Angeles County Economic Development Corporation