

March 22, 2019

Assembly Member Sabrina Cervantes
Chair of the Jobs, Economic Development, and the Economy Committee
Legislative Office Building
1020 N Street, Room 359
Sacramento, CA 95814

Re: Assembly Bill 245 (Muratsuchi) – SUPPORT

Dear Assembly Member Cervantes:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to advancing opportunity and prosperity for the residents of Los Angeles County, I am pleased to offer our support for Assembly Bill (AB) 245. The LAEDC believes that AB 245, 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 and rapidly evolving industry in California.

The aerospace and defense industry have experienced a golden history in California. Through cycles of expansion, contraction, and now meteoric growth in many areas such as the satellite business, California continues to lead the nation and the world in aerospace, defense and aviation markets as well as research, design, and innovation.

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 research and development, engineering, manufacturing and logistics, and 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, however, is how the aerospace industry propels 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 future Californians.

As you can see, it is vital for California to sustain its technological and productive advantages in aerospace. This means competing aggressively with 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 that are dedicated to growing their states' aerospace industries. Through strategic funds,

full-time staff, and targeted marketing efforts to educate, retain, and attract a solid workforce and existing and emerging aerospace firms, these states are steadily gaining on California.

California will need to create its own aerospace commission to compete effectively with these states' efforts, and AB 245 does just that. The announcement 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 245 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