



www.Aerostates.org



Overview

- Background
- Aerospace Clusters
- Actions You Can Take



What is ASA

- **ASA is a non-partisan organization of Lt. Governors and other top-ranking state leaders.**
- **Why Lt. Governors?**
 - **Political Connection at top of State Government**
 - **Have Time to Focus on the Aerospace Industry in their State**
 - **Want a Portfolio of Accomplishments Important to Their State**
- **ASA represents states' interests in federal aviation and space policy development.**
- **ASA advocates on behalf of states for:**
 - **R&D funding for NASA, FAA, etc.**
 - **workforce training,**
 - **economic development thru aviation and space,**
 - **excellence in math and science education in every state, and**
 - **keeping states competitive in a global marketplace.**

Special Role of Small to Medium Aerospace Manufacturers

- Small to medium-size manufacturing firms are a critical part of the U.S. aerospace industry.
 - Firms with less than 1,000 employees account for over 93 percent of the companies that produce aerospace products and parts.
 - Firms with less than 1,000 employees account for almost 25 percent of domestic R&D expenditures.
- Evidence suggests that some of these firms are struggling
- New models for collaboration offer new opportunities for SMMs

Workforce Challenges

- Despite an enviable record of achievement, and good wages, many are worried about the future of America's aerospace workforce.
- Older workers are retiring
- Not enough people with the right skills in the pipeline.
- For firms of all sizes, lack of qualified workers can
 - Slow production
 - increase the cost of on-the-job training
 - Reduce productivity, and
 - Limit innovation.
- Greatest challenge may be replacing production workers, which represent the largest category of aerospace workers that are eligible to retire.

Clusters in growing sectors are important to the sustainability of regional economies. **Aerospace is particularly significant because it is an industry driven by innovation and knowledge-driven work.**

Dave Lopez
Secretary
Department of Commerce
Oklahoma, 2011

What is a Cluster?

- Clusters are networks of related industries that connect
 - Manufacturers
 - Suppliers
 - Service providers
 - Economic developers
 - Universities, and
 - Other institutions that provide specialized training, education, information, or technical support.

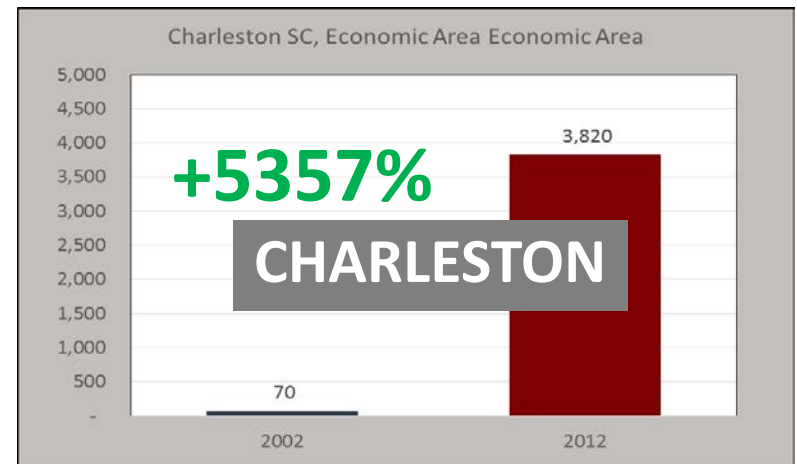
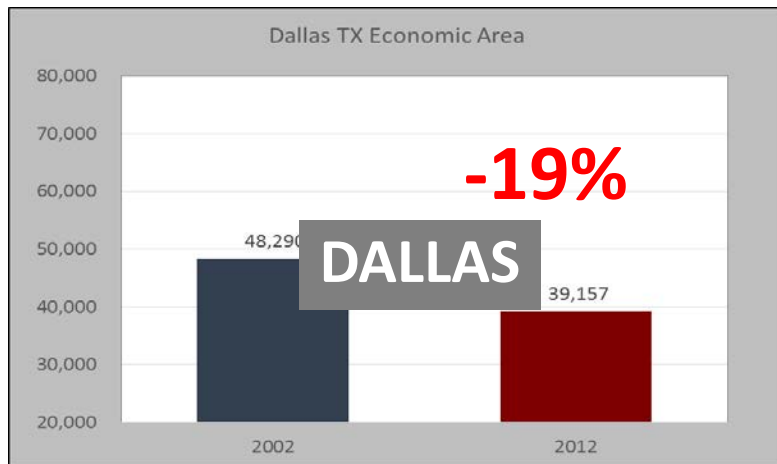
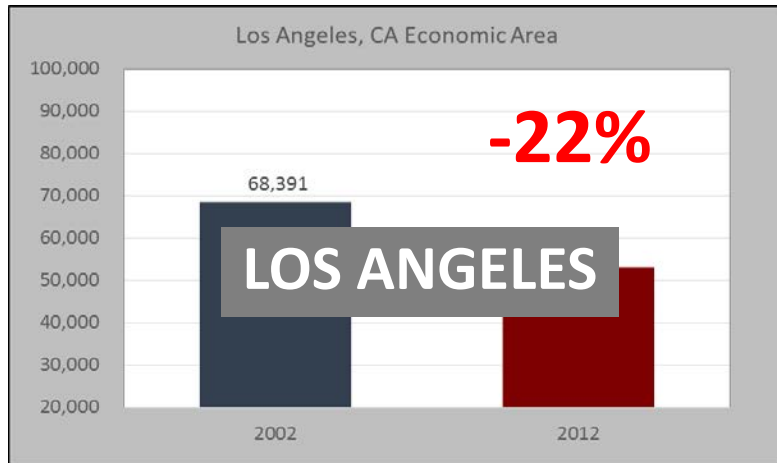
Why Clusters are Important

- Promote efficiencies, resulting in lower costs of production
- Higher rates of entrepreneurship
- Encourage innovation, resulting in more patents issued
- Enhance product improvements
- Promote specialization
- Allow smaller members to benefit as if they had greater scale
- Attract the attention of universities and R&D funding
- More profitable for members of the cluster
- Create higher wage jobs with stronger wage growth

Why Clusters are Important

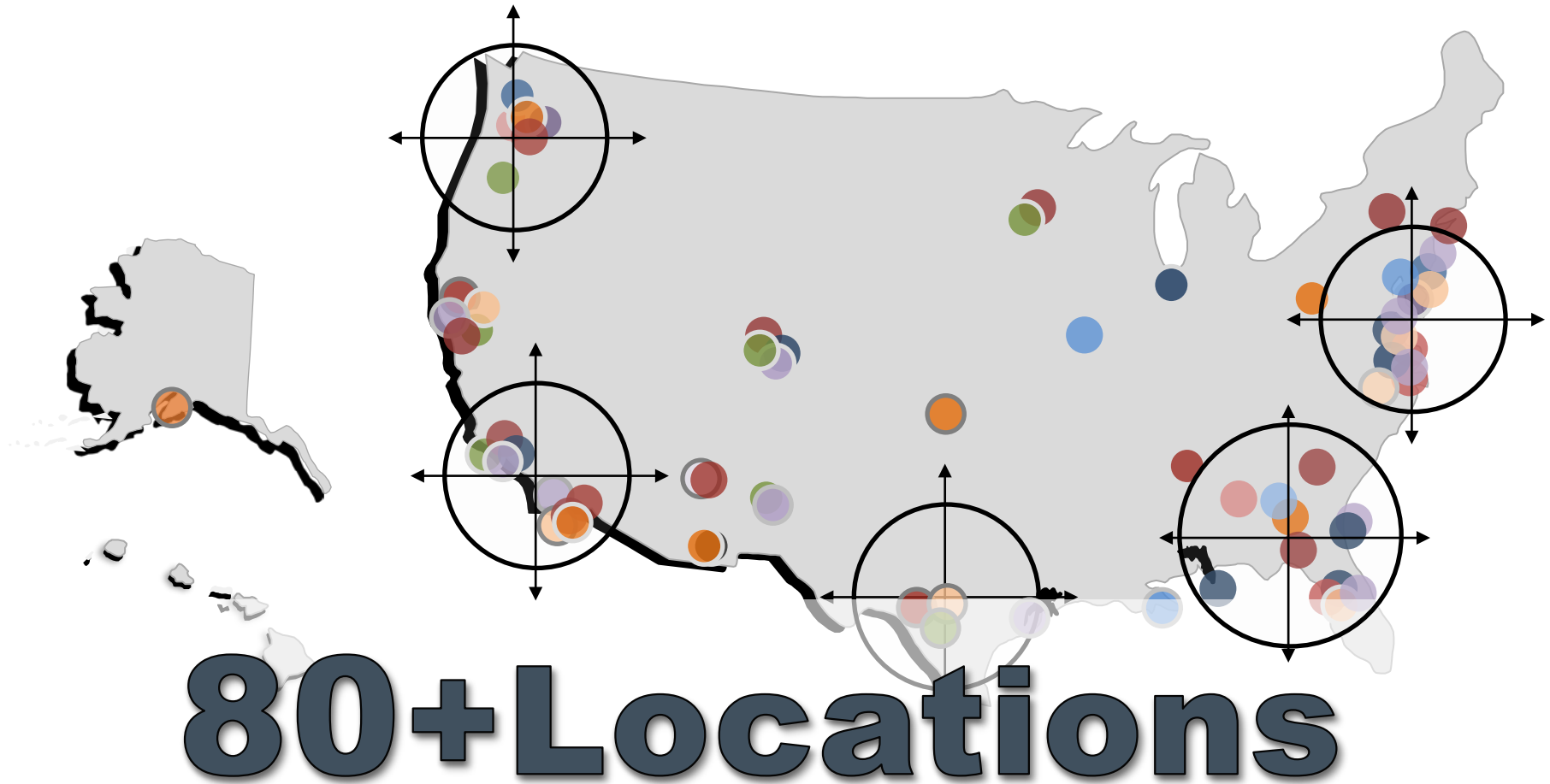
- Higher rates of employment growth
- Better trading relationships
- Higher rates of business creation
- Drive prosperity for the city or region; and, in some cases
- Sustain and enhance national security.
- In sum, industry clusters can be a key source of competitive advantage.

Aerospace Cluster Dynamics 2002-2012



Special Thanks to Embry-Riddle University

Growing UAV Manufacturing Clusters in U.S.



What Makes a Good Cluster?

- Proactive government - **YOU**
 - Purposeful: build on complementarities
 - Proactive: seek opportunities
 - Positive: reach across boundaries
 - Safe: provide economic and political stability
- Engaged stakeholders
 - OEMs
 - Suppliers and service providers
 - Local, state and federal agencies
 - Universities and vocational schools
 - Banks and other sources of capital
 - Consultants and others.



What Makes a Good Cluster?

- Business environment that enhances productivity
 - Minimizes taxes
 - Limits regulations
 - Protects intellectual property
 - Attracts new business
 - Mobilizes existing businesses
 - Engages universities
 - Promotes STEM and ensure quality workforce



Actions You Can Take



Role of the States

- Educate and train aerospace professionals (the next generation of scientists, engineers and entrepreneurs) who will pioneer advances in aviation and the frontiers of space.
- Develop, test and incubate new technologies across a wide spectrum of corporate, academic, and private innovation infrastructures.
- Sponsor aerospace conferences and business roundtables to enable networking among key aerospace leaders.
- Facilitate attractive tax structures, leverage venture capital, and seed public-private partnerships to promote entrepreneurship and expand space enterprise.
- Provide adequate infrastructure (e.g., roads, communications, internet access) and leverage unique geographical assets (e.g., landforms, location, climate) to develop terrestrial analog test sites.
- Dedicate public lands for airports, space launch and other aviation and space-related activities, and create research and education centers to both support these programs and facilitate technology transfer.
- Convey the multiple scientific, educational and commercial benefits of space exploration to the general public.



Support A State Chapter of ASA

- **MISSION:** To educate, coordinate, facilitate, and advance the aerospace community **within each state** through policy development, educational discussions, and focused events, involving state elected and other government officials.
- **GOAL:** Establish active state Chapters in all 50 states and 5 territories within 5 years. The chapter's primary goal will be to host at least one aerospace educational event each year for their state legislature. The Chapter is to become the repository of information for the state's aerospace community and connection to ASA at the national level.
- **MEMBERSHIP:** All Aerospace interests in the state. – [Help form a cluster](#)
- CA Chapter - Senator Fuller and Assembly Member O'Donnell
- Get the ASA Daily Brief
- Find out more at www.aerostates.org or ASA@aerostates.org



Support STEM Education

Real World Design Challenge

- Real Problems – Improved Aircraft Design
- Real Tools - \$1M Free Software
- Real Roles
- Real Contributions
- Free to all students and schools
- 3,174 teams with nearly 17,000 students have participated in the Challenge. Teams from all 50 states have participated in the RWDC
- www.realworlddesignchallenge.org.

Attract Foreign Investment To Grow Clusters

National Aerospace FDI Exposition - October 26-28

Don't Miss Out



The National Aerospace Foreign Direct Investment Exposition offers you a truly unique opportunity to grow awareness of products and services to a group of aerospace firms, professionals, government officials and investors that rarely assemble in one location for an extended period of time.



Background

- The Department of Commerce's Aerospace Team, a unit of ITA/I&A, and SelectUSA have partnered with the Aerospace States Association (ASA) to organize an exposition at the Hyatt Century City Hotel in Los Angeles, October 26-28, 2015, that will promote FDI in the U.S. aerospace manufacturing industry.
- The core activity at the aerospace FDI expo will be non-U.S. entities (including manufacturers and investment companies) that are interested in investing in the U.S. aerospace industry meeting with state officials, economic development organizations (EDOs), and others (such as lawyers and consultants) to discuss investment opportunities.
- We plan to arrange meetings in advance that will match the interests of potential investors with those of the EDOs and other U.S. participants.
- In addition to the one-on-one meetings, there will be a series of presentations aimed at informing US and foreign companies of the dynamics of the U.S. aerospace industry, including factors that make investment attractive.
- National Aerospace FDI Expo website: <http://www.aeroinvestmentexpo.com/>



You are Invited

- Learn more about aerospace in the in the west by attending the Expo
- Legislator's Breakfast scheduled on Tuesday, October 27 Hyatt Century Plaza Hotel in Los Angeles, California.
- We would be honored to welcome you to the breakfast to meet foreign investors, sponsors, and other elected officials. This will be followed by tours of state booths and an opportunity to participate in the networking reception that evening. The **deadline to register for the breakfast is September 1, 2015.**
- Featured speakers, the Secretary of Commerce, the President of Airbus Americas, and the Department of Defense's Acting Deputy Assistant Secretary for Defense Manufacturing and Industrial Base Policy
- You might consider getting a table of legislators from your state to attend. You can register and book a hotel room at:
<http://www.aeroinvestmentexpo.com/2015-01-08-20-27-38>.
- Please let Taylor Nichols know that you are coming and who you would like at your table at Taylor.Nichols@LtGov.Alabama.gov

Colorado – Successful Space Cluster

- Support of State Government
- ASA Chapter
- Aggressive STEM Program – Workforce of Future
- Booth and Sponsorship of FDI
- Result
 - Innovation
 - Growing Jobs
- What is Your State Doing?