



## **Ohio Aerospace and Aviation Technology Committee**

### **May 20, 2015 – Approved Minutes**

*Statehouse Room 017*

Chairman Perales called the meeting of the Ohio Aerospace and Aviation Technology Committee (OAATC) to order at 10:06 AM on May 20, 2015.

- The roll was called. A quorum was present.
- Chairman Perales asked members to review the minutes from the previous meeting. With no objections the minutes were approved.
- Chairman Perales briefed the committee on current legislation related to aerospace and aviation.
- Chairman Perales explained that the report that is mandated by the statute (HB 292) will be due July 1<sup>st</sup>.
- Chairman Perales explained that the Chairman's report will be a starting place and that the committee will continue to refine their recommendations over a significant period of time.
- Chairman Perales introduced Col. Dignan, Commander of the 910<sup>th</sup> Airlift Wing, Youngstown Air Base, Ohio.
  - He testified about the value of the OAATC and the need for a unified strategy for the state of Ohio.
- Chairman Perales introduced Professor Jim Gregory from the Department of Mechanical and Aerospace and Engineering at The Ohio State University.
  - He informed the committee that the University joined a national team to run a new National Center of Excellence for Unmanned Aircraft Systems.
- Chairman Perales thanked the guests for speaking and opened up the discussion of the focus area reports. He then asked for the Outreach workgroup to begin with their priorities.
- Tony Bailey presents on the priorities of the Outreach workgroup.
  - He explained that the goals of the Outreach workgroup were to brand Ohio as a leading aerospace and aviation state both within and outside of the state.
  - He explained that there should be an emphasis on the historical role of Ohio in aviation and aerospace, the current role and the future role.
  - Mr. Bailey listed the major content areas for the marketing message:
    - Existing labor force and infrastructure
    - Colleges and universities supporting aviation and aerospace

- Business taxes and incentives compared to other states
  - Cost of living in Ohio compared to other states
  - Marketing themes, facts, and figures
- Mr. Bailey explained that Ohio should have a more significant presence at trade shows and conferences.
- Chairman Perales agreed that the OAATC should have representation on other committees and councils as well as a presence at aerospace and aviation events and conferences. He adds that if priorities of the groups require expanding the resources of the committee, that responsibility falls to the legislative members of the committee.
- Tony Bailey continued to present on the priorities of the Outreach workgroup.
  - He explained that the four main components in creating this type of program are:
    - Message
    - Target Audience
    - Message Mediums
    - Scheduling
  - He stated that in summary, there is a lot here. It seems daunting, but we need to break it into parts and pick off one thing at a time.
- Chairman Perales opened up the floor for questions
- Glenn Richardson (audience) from JobsOhio brought up that JobsOhio is currently in the process of doing some of what was brought up by Mr. Bailey.
- Mr. Bailey asked if Glenn Richardson would like to join the workgroup in order to aid in their efforts.
- Mr. Richardson replied absolutely and expressed that JobsOhio could be a key resource for the committee and workgroups.
- Chairman Perales thanked Mr. Richardson and added that the Outreach workgroup should add a strategy to create a compilation of events so that the committee could choose selectively which events to be present at.
- Mr. Richardson expressed that there are so many of these events and conferences going on constantly, that the committee would have to choose wisely which to attend.
- Ron Shroder emphasized that communication between workgroups is very important since there is a lot of overlap between different working groups.
- Vince Russo added that every year Ohio hosts the Oscars of Aviation, and that very few people even within the industry are aware of its existence. He asked that this particular event be added to the thought and considerations of the Outreach group.
- Mr. Bailey expressed that there was a common theme of not knowing what was out there, and expressed a need for a strategy for leveraging those opportunities.
- Chairman Perales expressed a need for an inventory of these events in an attempt to make the state smaller and more interconnected.
- Chairman Perales moved on to the Workforce Development workgroup.
- Vince Russo presented the Workforce groups priorities.
  - Mr. Russo explained that a key factor for the Workforce group will be to ensure they are not duplicating the efforts of the Ohio Federal Military Jobs Commission (FMJC).

- Mr. Russo added that the OAATC could focus on K-12 STEM education and leave the post-secondary level to the FMJC.
- He suggested that retraining programs could also be important to support.
- Mr. Russo also expressed a need for administrative help and a need to widen the scope of the group.
- Chairman Perales asked how to best provide this help and asked how Mr. Russo would widen the groups' diversity.
- Mr. Russo suggested including more persons with experience in k-12 STEM education and/or experience with internship programs.
- Mr. Richardson added that the Office of Workforce Transformation could have some resources for the inclusion of retraining programs.
- Chairman Perales moved on to the Technology Development workgroup.
- Mike Heil presented the report of the Technology Development workgroup. He emphasized the history of technology innovation in Ohio beginning with the Wright Brothers and continuing today with the variety of federal and state research institutions. He continued to include the importance of supporting the FMJC Centers of Excellence model to encourage industry input and commercialization to the research institutions.
- Mrs. McFarland added that priority 1 of the Technology development group, "Identify the critical technologies needed by the Ohio aerospace industry and government laboratories, and foster their development at Ohio academic and research institutions", should be the lead priority of the full committee. She also suggested that the full committee develop a list of priorities moving forward.
- Mr. Shroder added that it is important to have a mechanism to distribute that data to companies, citing that at his small business, he has no way to know who in academia he would be able to call in order to bridge the gap.
- Mr. Heil explained that a full package of resources should be available to companies, and that the committee itself would need further resources to accomplish that task.
- Mr. Bailey explained that some technologies are able to be repurposed to different applications.
- Ricky Peters (audience) from the Air Force Research Laboratory (AFRL) explained that currently the majority of money is spent supporting small businesses and that the amount of AFOSR monies going to universities is currently only 4%. He added that he believes that number to be far too low.
- Chairman Perales thanked Mr. Peters for his contribution.
- Jim Free (audience) from NASA Glenn Research Center added that he believes that NASA has lost contact with the state's universities, and suggested that teaming up with universities can be critical in order to leverage federal research dollars. He added that currently 70% of those research dollars are going to small businesses.
- Mrs. McFarland posed the question that with respect to the discussion on federal research dollars and state universities, how many students are remaining in Ohio after they graduate.
- Mr. Russo remarked that Mrs. McFarland's question was very valid and asked whether that responsibility would fall to the OAATC or the FMJC?

- Mr. Shroder added that if the process of commercialization and cooperation between industry and universities is done properly, a possible by-product could be that more Ohio graduates would stay in the state following graduation.
- Chairman Perales moved on to the Industry Support group.
- Mr. Bailey presented the priorities of the Industry Support group.
  - Priority 1 - Data Gathering & Community Feedback – Determine Community’s Priorities and Action Plans
    - Example: Investments with best ROI for Aviation Manufacturing
    - Example: Impact for Industry and Gov of Shared Ohio Technology Thrusts
- Mr. Bailey explained that further research needs to be done before further priorities could be established. He listed the following questions that need to be addressed:
  - What academic and research institution support exists for the industry?
  - What existing programs are there for aviation related services and manufacturing?
  - What commercialization / technology transfer support does the state offer?
  - What legislation is in work currently?
  - What positive incentives exist in other states?
  - What AFOSR collaboration exists for Ohio and what existing support exist for AFSOR?
  - What can be done to facilitate technology from and to various federal orgs in the state?
  - What existing foreign contracting support programs exist for aviation businesses?
  - Can the State set up contracting office in foreign territories?
  - Can industry form some sort of foreign support network?
  - What existing support programs exist for aviation manufacturers?
  - Can the State set up “hunting” teams to go after potential manufacturers?
  - Can industry form some sort of manufacturing support network?
  - What aviation government representation exists for Ohio?
  - What existing support programs exist for regulatory relief?
  - Can industry form some sort of certification support network?
- Mr. Bailey moved on to Priority 2 of the Industry Support group.
  - Priority 2 - Taxes – Identification of Opportunities
    - Example: Fly-Over Taxes
    - Example: Aircraft Lease Tax Incentives
- Mr. Bailey explained that 30 states already have some form of a fly away tax exemption in which the purchaser of an aircraft would not pay sales tax in that state, provided that the aircraft was in the state only temporarily for the purpose of sale and maintenance.
- Mr. Bailey moved on to Priority 3 of the Industry Support group.
  - Priority 3 -Small Business
    - Example: SBIR Incentives
    - Example: AFOSR Collaboration with Academia
- Mr. Tanner explained that all of the focus groups have been looking at similar issues through different lenses. He suggested that all of the priorities mentioned so far fit into three basic areas:
  - Economic development
  - Enhancing of business capabilities

- Federal and state regulatory policy
- Chairman Perales suggested that it is important for the committee to remain open to any changes to the organization of the committee that could make the committee run more efficiently or effectively.
- Chairman Perales moved on to the Installations Support group.
- Mr. Jabour started by explaining that if we continue to focus solely on supporting the physical structures of Ohio's federal and state defense and aerospace installations, that we are fighting battles and not the war.
- Mr. Jabour suggested that the installations group provide support to the Industry Support group in order to identify economic or regulatory recommendations for the committee that would enhance Ohio businesses and suppliers to State and Federal Installations to better posture those installations during force structure evaluations.
- Mr. Jabour suggested that the installations group provide support to the Workforce Development group in order to identify specific workforce related initiatives that Federal installations could benefit from and recommend to the committee how to implement them.
- Mr. Jabour added that the value of internship when looking at retaining Ohio's students and training the next generation of workers is very high, and the committee should support internship opportunities or programs at these state and federal installations.
- Col. Dignan (audience) added that the FMJC is a good start for these installations. He added that the Dayton Development Coalition has had success working in collaboration with Wright-Patterson Air Force Base, however most other bases in Ohio do not have that kind of support. He mentioned that the Youngstown Air Reserve Base has had trouble with finding support at any level including local, regional and state. He continued to add that in Alabama the Governor is responsible for a program that provides a statewide strategic initiative aerospace and aviation.
- Chairman Perales thanked all of the committee members and audience for attending the meeting.
- Chairman Perales adjourned the meeting at 12:04pm.