

Hi, my name is Ray Goforth, I'm the Executive Director of the Society of Professional Engineering Employees in Aerospace – or SPEEA. Our union represents 23,000 engineers, researchers, technical workers, pilots and scientists at The Boeing Company and Triumph Composites in Washington. I appreciate this opportunity to provide public comment on the effectiveness of Washington's aerospace tax preferences in accomplishing their public policy objectives.

First, I'd like to talk a little bit about what our members are experiencing at Boeing as we speak.

When you hear about the aerospace jobs currently moving out of Washington, it is primarily our members' work. In the last year, Boeing has announced plans to move more than 4,000 jobs in design, research, IT and customer support out of Washington. These jobs are going to California, South Carolina, Russia, Ukraine and a handful of other states and countries. Since the aerospace tax preferences were extended in November 2013, over 400 people we represent have already lost their jobs in Washington. We expect the additional announced layoffs to climb rapidly over the next year.

My staff and our union leadership are working now to connect these workers with Unemployment Insurance, WorkSource services, Trade Adjustment Assistance and other public programs to support them in this difficult time. Many of these workers are older, experienced professionals with specialized skills that are not easily transferred to other industries in our state. Younger workers face similar challenges with the added fear of what a new job in a new location will do to their families and school age children.

Unlike the job loss we have experienced in the past, today's layoffs cannot be blamed on the cyclical nature of the aerospace industry. Today's aerospace industry is booming. Engineers and machinists laid off today in Washington will not be called back to work because Boeing is deciding to design and support airplanes outside of our state. The company sees an advantage to creating competing design centers throughout the country and abroad. This is extremely troubling to our members, our brothers and sisters at the Machinists union and thousands of other Boeing employees. Coordination, communication and trust have been the key to designing and manufacturing every successful airplane program ever produced by Boeing. Internal competition and rivalry contradict the problem-solving culture we have used successfully for decades.

Again, we appreciate the opportunity to provide public comment today. Our union, like the Machinist' union, have consistently supported these tax preferences for the aerospace industry. We want to continue supporting this public investment in the aerospace industry in Washington State. It is clear to us, however, that these tax preferences must be modified – as JLARC recommends – to tie our public investment to a clear measurement of jobs maintained and created in the industry in our state. Furthermore, these jobs should be good jobs, paying a wage that clearly supports high-road economic development in aerospace.

In closing, we agree with JLARC that it is difficult to directly measure the success of the aerospace tax preferences as currently written. In your review, however, we ask you to consider the impact of the extensive job loss happening right now in our communities. We also give a reminder that commercial aircraft manufacturers are not required to provide detailed employment data on worksites outside of their manufacturing locations. Increasingly, the design and support work is done in off-site office buildings. We must close this carve-out in reporting requirements to get an accurate picture of the aerospace workforce.

Thank you for your time. We believe we can do better at supporting the state, industry and workforce via Washington's aerospace tax preferences and the Citizens Commission is in an important position to advocate for this change.

[POSSIBLY INSERT MEMBER STORY/TESTIMONY HERE]

Thank you.