

National Center for Aviation Training

South Central Kansas Legislative

Policy Summit

Friday, December 4, 2009

Jim Walters

Sr. Vice President Human Resources

Cessna Aircraft Company

Chairman, Sedgwick County Technical Education and
Training Authority

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Agenda

- Business Outlook
- Economic Impact
- NCAT – Update
- Why NCAT / NIAR?
- Questions?

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Business Outlook

General Aviation (G.A.) Industry

Key Indicators Status

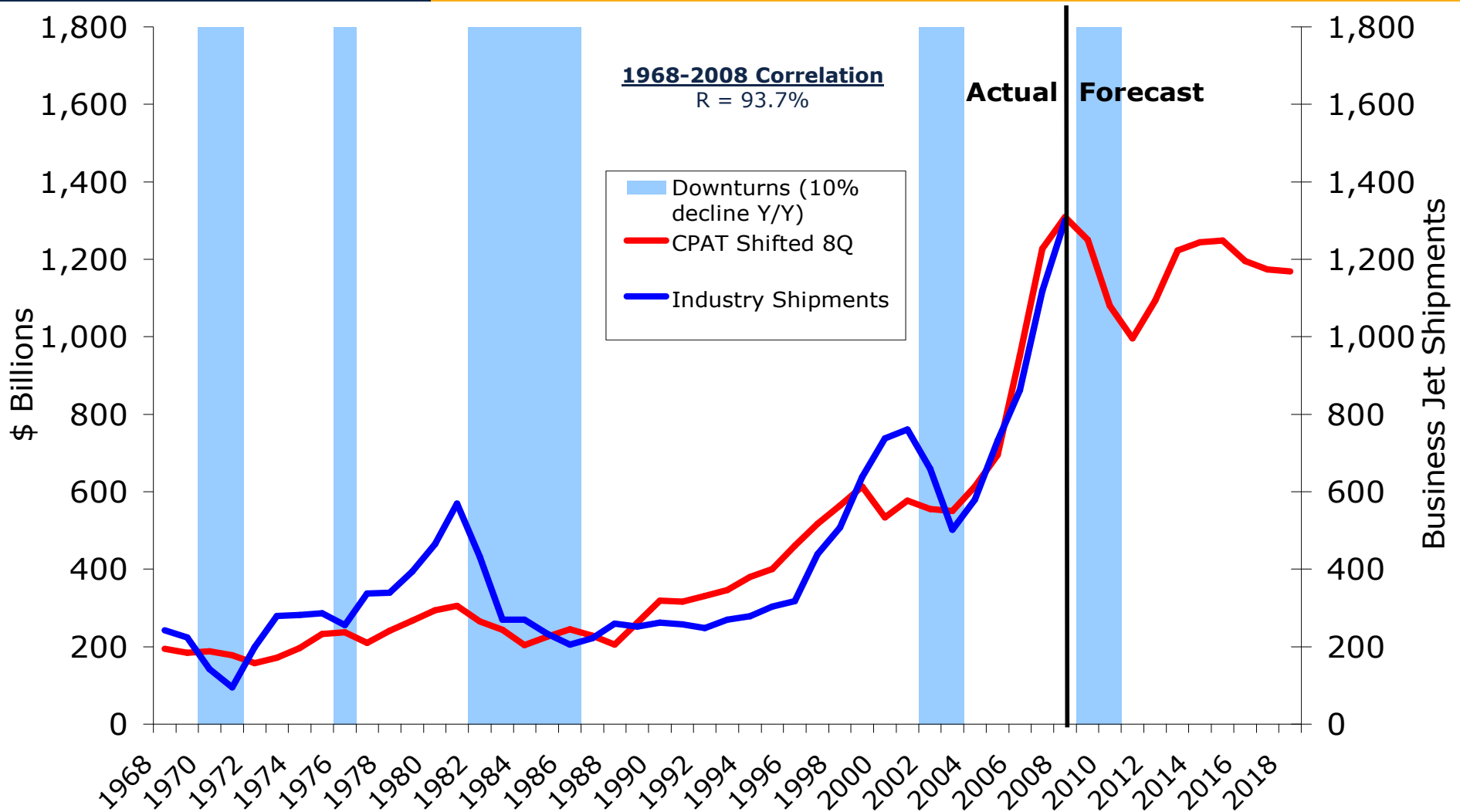
- General economy – profits, GDP, dollar, orders, inflation
- Regulatory, governance and social trends
- Aircraft financing – options, availability
- Used aircraft – availability, pricing
- Fractional, charter
- Backlog – orders, cancellations, deferrals
- Average daily utilization
- Single-engine piston environment

**Key Indicators Have Not Yet Signaled Recovery,
Though We Are Seeing Early Signs of *Stability***

Industry Review and Outlook

Business Jet Industry Shipments

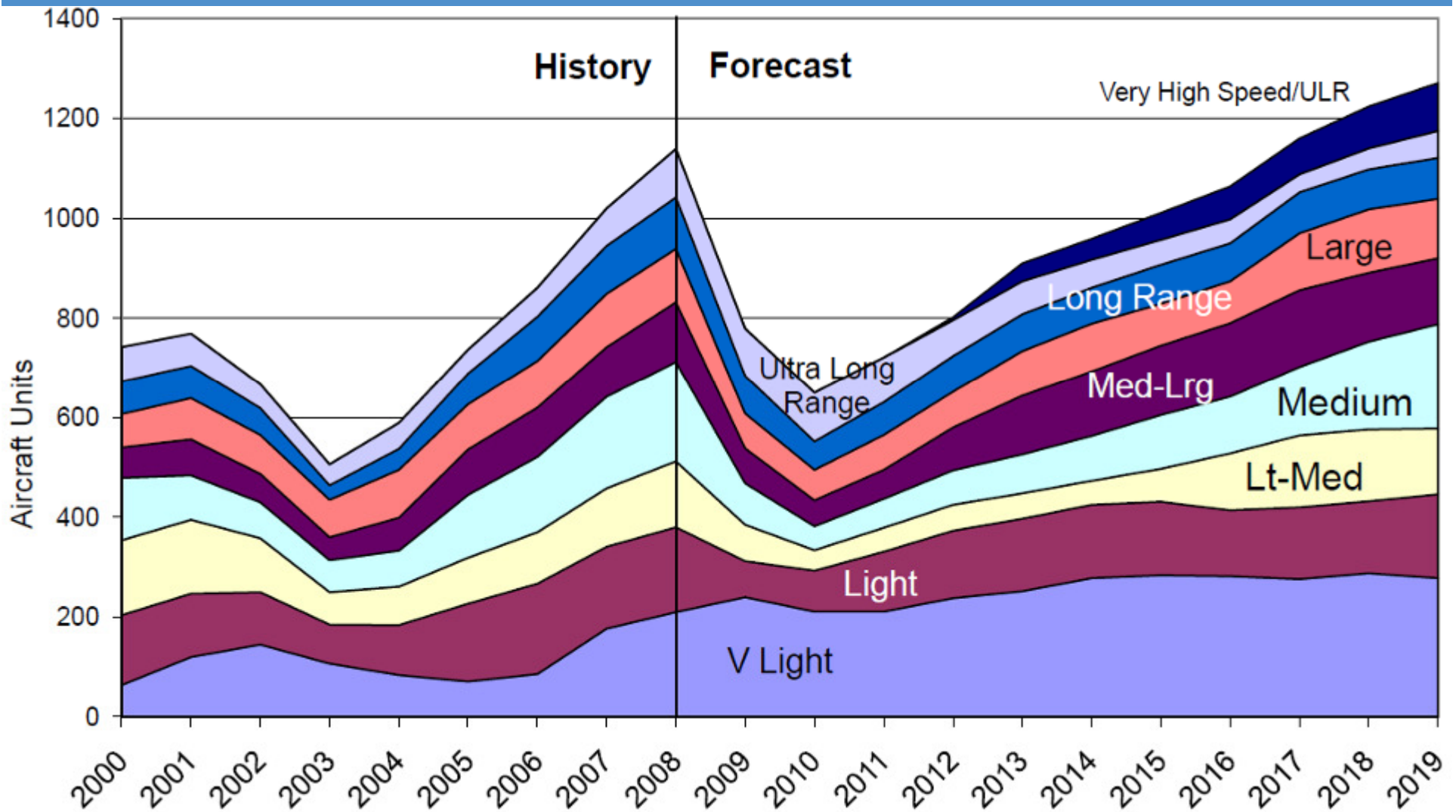
2008



Downturn defined by units decreasing > 10% year-over-year. Average downturn lasted 2.8 years with 42% total decline in units.

Industry Review and Outlook

Honeywell Business Jet Shipment Forecast



Broad Consensus on 2010 Trough, Slow Climb and Return to Peak

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Economic Impact

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Aviation Industry and Investment

Global Competition

- Five global aviation clusters
 - Dallas-Fort Worth, Montreal, Puget Sound, Toulouse, **South Central Kansas**

- Other strong competitors
 - Canada, Brazil, Mexico, European Union, Russia, Japan and China

“It is difficult to build an aviation cluster, but easy to destroy one!” Richard Aboulafia, Teal Group

General Aviation

Economic Impact

- U.S. contributions
 - >\$150B economic output annually
 - Strengthens balance of trade. In 2008, GA manufacturers generated \$5.9B in new airplane export revenue or 44% U.S. manufactured GA airplanes
 - Employs >1,265,000 people whose collective earnings exceeded \$53B
 - Full-time employees average \$26 per hour

Output, Employment and Earnings Multiply

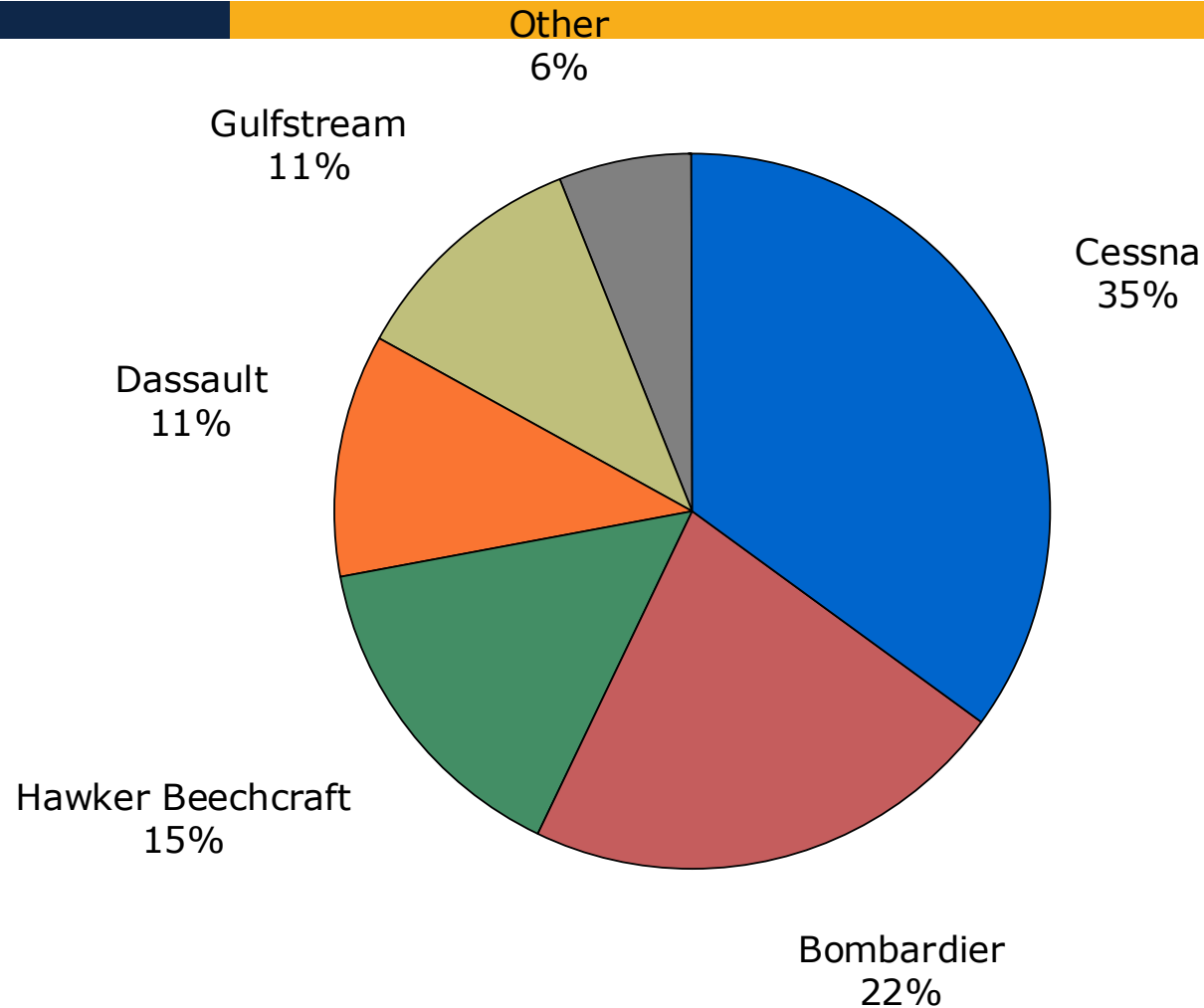
General Aviation *Economic Impact*

- Kansas contributions
 - ~\$7.1B annual economic impact, leading the nation with \$2,561 per capita contribution (twice that of the next most competitive state)
 - Industry leading OEM's such as Cessna, Bombardier Learjet, Hawker Beechcraft, Airbus (Engineering) and Boeing (Military)
 - Kansas GA OEM's shipped 1,708 airplanes worth \$5.8B with exports accounting for 537 airplanes or \$2.3B (40%)
 - Kansas aviation companies deliver over 50% of all GA aircraft employing 17.8% of all Kansas manufacturing employees

Output, Employment and Earnings Multiply

Industry Review and Outlook

2008 Global Business Jet Fleet by OEM



KS OEM's Represent ~54% of 2008 Global BizJet Shipments

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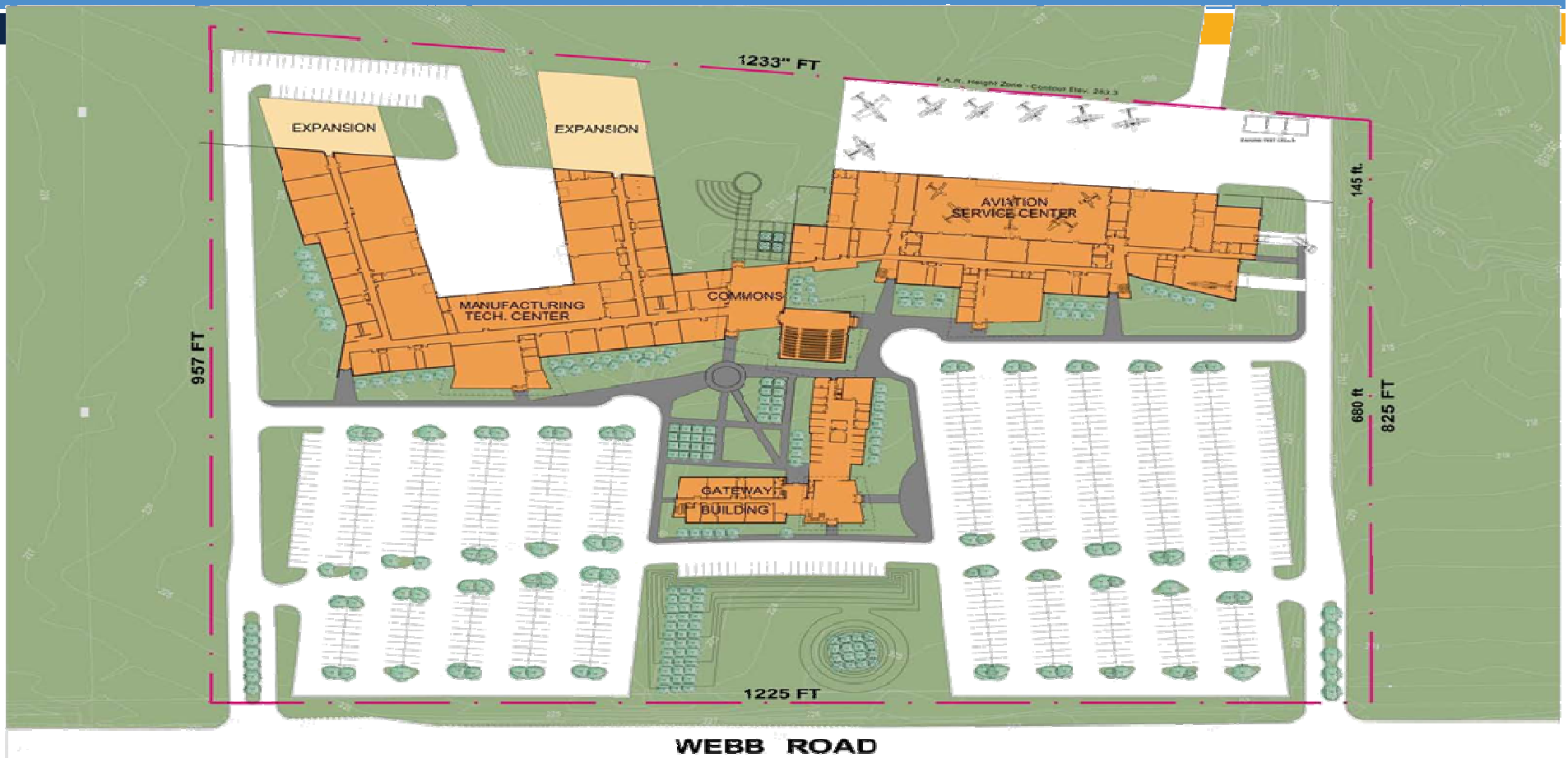
NCAT Update

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- County, City, State, Aviation Manufacturers, and Federal Partnership
 - \$50M+ in facility invested
 - Requires millions in infrastructure support (equipment, technology, infrastructure, curriculum & start-up)
- Manufacturing Tech Center & Aviation Service Center
 - Opening early 2011

The Layout Expandable – Easy Access



CENTER FOR AVIATION TRAINING
Jabara Campus



**SCHAFFER
JOHNSON
COOK
FREY
ARCHITECTURE**

National Center for Aviation Training

Business Support

Over \$3M Equipment & Scholarships Business Investment in last two years.

Sample of Donors include:

- Rockwell Collins
- Boeing IDS
- Bombardier Learjet
- Cessna Aircraft Co.
- Spirit AeroSystems Co.
- Garmin International
- Hawker-Beechcraft Co.



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Aviation Programs – New & Expanding

Enrollment	2007	2008	2009¹ July-Dec	2010-11²
➤ FAA Aviation Maintenance Technician	127	253	204	410
➤ Avionics Technician	0	28	32	65
➤ Composites Technician	128	88	29	60
➤ Aero structures Technician	182	143	0	150
➤ Mechanical Design Technician	0	40	33	70
➤ Machine Technology	10	34	38	60
➤ Metal Joining Technology	25	49	72	145
➤ Non-Destructive Testing	0	0	13	30
➤ Aviation Manufacturing			5	10

1 July through December 2009
2 Projections

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New Programs Launched or Planned for Launch in 2009 -2011

- Advanced Engineering
 - Manufacturing Engineering Design
 - CATIA - Design
 - Machining
 - Manufacturing Engineering Technician
 - Manufacturing Robotics Engineering
 - Industrial Engineering Technician
 - Quality Engineering Technician
 - Aeronautical Engineering Technician
- Mechanical Systems Technology
- Programmable Logic Controls Technician
- Nondestructive Testing
- Lean Manufacturing Process Technician
- Industrial Systems Technology
- Aerospace Quality Control
- Composite Technician
 - Repair
- Aerospace Fiber Optics
- Project Management Certification
- Six Sigma Certification

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Why NIAR / NCAT ?

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Why NIAR / NCAT ?

- “Fuel” growth
 - New product development
 - Workforce development

NIAR/ WSU/ NCAT Partnership

National Institute for Aviation Research

- First national partnership of research and technical education
- Transfer research to education & training
- Great opportunity for students to see their future

Wichita State University

- Seamless path of transfer
- University students access to high tech labs
- Technical students access to university faculty

Business Environment

Success Factors

- Retain existing aviation industry – strong companies and suppliers
- Grow our position as global leader in aviation research
= NIAR
- Flexible, business-driven, high-tech training to meet future skilled workforce needs
= NCAT

**Business Friendly Environment Required to Grow Kansas Economy,
Long-term Aviation Forecast Remains Robust**

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Thank you !

Questions?