



C.L. "BUTCH" OTTER
GOVERNOR

OPINION

FOR IMMEDIATE RELEASE:

June 7, 2011

11:038

CONTACT: Jon Hanian

(208) 334-2100

IDAHO'S SLEEPER INDUSTRY IS ON THE RISE

By Governor C.L. "Butch" Otter

There are a few industries in Idaho that get most of the limelight. We talk a lot about agriculture, technology, and lately renewable energy.

But we're fortunate to have a more diverse base these days, which is a big change from where we were two decades ago. Over time, diversity stabilizes our economy, making us less likely to have disruptive booms and busts. You can see the results of such single-industry dependence in some of our former timber communities that have been devastated by federal forest policies.

That's why I'm glad to see a burgeoning aeronautics sector taking off and gaining altitude in Idaho. We're seeing small- and medium-sized companies throughout the state, even in some of our more rural areas. That's gotten the attention of GE Aviation – the world's largest producer of large and small jet engines for commercial and military aircraft – which came to Boise to meet with potential Idaho suppliers of parts and services.

The number of aeronautics companies here has grown steadily over the past decade, from 55 in 2001 to 92 today. There are more than 1,000 Idahoans employed by these companies – a business segment to which we're paying particular attention as part of my Project 60 efforts to grow and diversify Idaho's economy.

Aircraft and aeronautics parts exports from Idaho grew rapidly in 2010. The entire segment grew from \$13.7 million to nearly \$308 million year over year. Aircraft parts alone grew from \$2 million to nearly \$19 million and aircraft exports grew from \$11.5 million to \$18.7 million. The largest segment was for powered aircraft, which grew from zero to \$269.8 million.

Over the past year, several of our companies reported some great news.

Quest Aircraft in Sandpoint received a significant investment from private investors that will help the company ramp up production and invest in its customer service centers. This unique company manufactures the Kodiak, a small, rugged aircraft that's used for everything from humanitarian missions and charter services to work for the U.S. Fish and Wildlife Service. The company received its FAA certification four years ago, and since then has delivered aircraft in more than 10 countries.

The confidence that investors have in Quest bodes well for the growth of this small startup business. It took a hit during the economic downturn but rode out the storm and now is in good position to grow as the nation continues its slow recovery.

Empire Aerospace in Hayden also received a boost a few months ago when it secured a long-term contract for heavy maintenance and aircraft modification work for Horizon Air. That meant creation of about 100 new jobs at Empire's 50,000-square-foot facility at the Coeur d'Alene Airport. These are jobs that typically pay an average of \$44,000 a year for work that had been getting done in Portland, Oregon.

Another interesting aviation-related company is Unitech Composites in Hayden. It's one of the region's largest manufacturers of composite products for aerospace, the military and several other industries. Unitech recently was awarded some new contracts, including one to produce better components for the V-22 Osprey – a hybrid aircraft used by the U.S. military. Unitech will be working with Boeing on that project, which is an important connection to Idaho when the aircraft giant considers additional contracting opportunities.

A second Unitech contract, awarded last year, is for work on a pressurized oxygen tank that soldiers use on missions that take them over bodies of water. Unitech will reduce the weight and improve the performance of the product, increasing breathable air time of the system by 50 percent. That's critical to survivability in emergency situations.

You might not be familiar with these companies. After all, flying in Idaho often is seen as a necessity over our rugged terrain and sometimes becomes a favorite hobby for enthusiasts, but seldom is the business end of aviation highlighted.

The fact is there are a number of companies serving the aeronautics industry. While most are relatively small and specialized, together they do everything from providing interior design services for corporate aircraft to making complex composite aircraft parts and even entire planes.

They are quietly successful. They also are among our Project 60 Partners, contributing to Idaho's economic diversity and continued growth.

###

Governor C.L. "Butch" Otter will issue his Project 60 Update periodically, providing information about career opportunities and business growth throughout Idaho.

(702 words)