

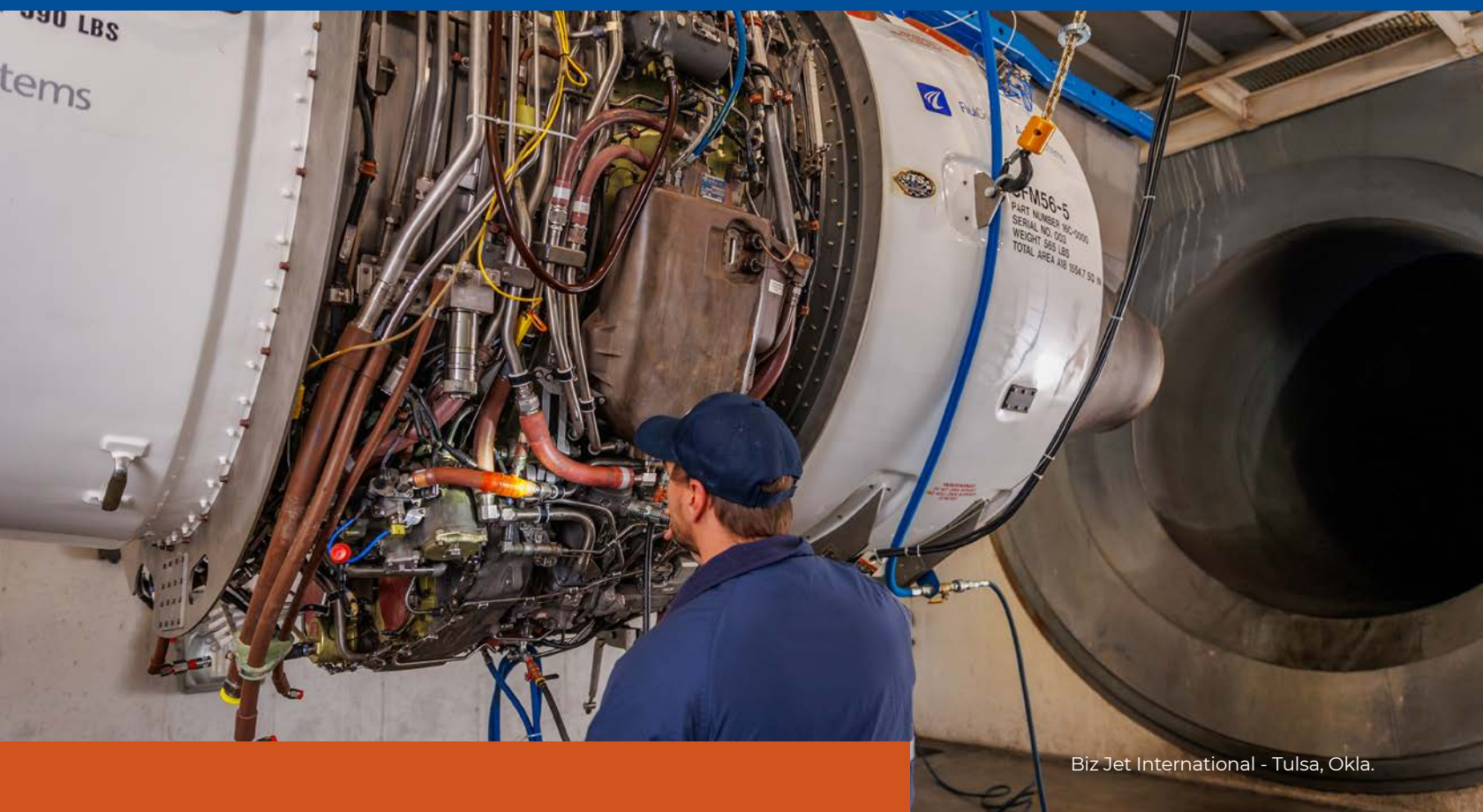


OKLAHOMA  
Commerce

OKLAHOMA  
**ACES**  
A DIVISION OF THE OKLAHOMA  
DEPARTMENT OF COMMERCE

# Annual Report

## 2023



Biz Jet International - Tulsa, Okla.

# Letter from the State Director of Aerospace & Defense



Vince Howie

State Director

Aerospace & Defense

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With the end of 2023 and the start of a new year, I want to take a moment to once again set forth the primary goal of the ACES program: To grow the aerospace and defense industry in Oklahoma.

Twenty twenty-four looks very promising for the aerospace and defense industry which will continue to positively impact Oklahoma's economy. Our team will venture to various locations, both domestic and abroad, to showcase Oklahoma to the global aerospace industry and promote it as a prime destination for business. These efforts raise Oklahoma's brand among the global aerospace and defense sector and bring new sales and growth opportunities to Oklahoma companies. Working with our domestic and local partners and businesses, we will continue to help grow Oklahoma companies and attract new businesses and technologies to the state.

In November of 2023, we celebrated the 5th anniversary of the creation of the ACES program. Since 2018, ACES has seen exceptional growth and increased opportunities for the state. I look forward to continuing to grow the aerospace and defense industry in Oklahoma alongside the rest of the ACES team and our tremendous partners statewide. Together, I'm confident we will see new jobs and investment in our state and make aerospace and defense the state's largest industry!

## ACES FOCUS AREAS:

- DOD OEMs & vendors
- Propulsion
- Civil aviation (services & manufacturing)
- Space & UAS
- Non-aerospace defense

## STATEWIDE CROSSCUTTERS:

- Higher Ed
- Career Tech
- Existing facilities & infrastructure
- Incentives/legislation
- Statewide outreach
- Partnerships with state and local entities

# Aerospace & Defense Economic Development Progress

Since 2018, the state has invested \$6.2 million in the ACES program. Over that time, the ACES team has secured \$1.9 billion in new capital investment.



## FROM THE BEGINNING

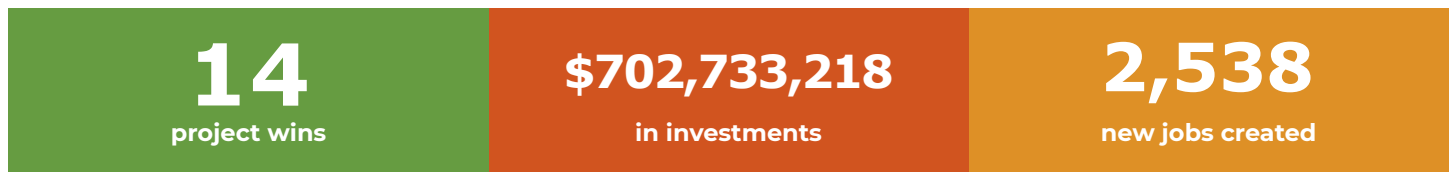
Since Nov. 1, 2018, Oklahoma ACES has helped secure



METRO AREA WINS: 61% | RURAL AREA WINS: 39%

\*ACES CORRECTED THE TOTAL FROM PREVIOUS YEAR CALCULATION

## A RECAP OF 2023



METRO AREA WINS: 71% | RURAL AREA WINS: 29%

OKLAHOMA COMPANY EXPANSIONS: 85% | NEW TO OKLAHOMA COMPANIES: 15%

With the close of 2023, ACES had 46 open A&D projects with the potential for \$1.16 billion in capital investment and more than 5,400 new jobs with an average salary of \$85,596.



**IN THE PIPELINE**  
**\$1.16 billion**  
 capital investment



**5,400+**  
 new jobs



**\$85,596**  
 average annual salary

# Major Aerospace & Defense News and Announcements

## OKLAHOMA AEROSPACE FORUM HIGHLIGHTS INDUSTRY GROWTH, OPPORTUNITIES



Held in November, the Oklahoma Aerospace Forum provided an opportunity for individuals working in the aerospace and aviation industry to hear from experts on the current state of aerospace in Oklahoma, emerging technologies, workforce development and more. ACES served as the signature sponsor for the 2023 forum.

## STATEWIDE PARTNERSHIPS ENHANCE ECONOMIC DEVELOPMENT OPPORTUNITIES



Research and development (R&D) is integral to economic development, especially in the areas of aerospace and defense. In Oklahoma, R&D related to emerging technologies as well as sustainment efforts for aging aircraft and weapon systems is critical. Oklahoma's higher education research institutions have positioned themselves to be at the forefront of this R&D effort and support economic development initiatives.

ACES works alongside Oklahoma's higher education partners to promote the exciting work being done on this front in the state and how it can positively impact Oklahoma's aerospace and defense companies. This work impacts existing business, our military bases and new business we are bringing to the state.

### **Oklahoma Aerospace and Defense Innovation Institute (OADII) - University of Oklahoma**

OADII brings together the full range of the university's capabilities and resources to provide holistic solutions addressing the aerospace, defense and global security challenges of today and tomorrow.

### **Oklahoma Aerospace Institute for Research and Education (OAIRE) - Oklahoma State University**

OAIRE develops and nurtures unique ideas and research technologies within autonomous systems and provides related expertise for Oklahoma State University, the state of Oklahoma and the global autonomous community.



## TRADE SHOWS CREATE NEW PATHWAYS FOR OKLAHOMA COMPANIES



In December, Oklahoma City-based Avtrac announced its merger with M3 Aviation Group. This strategic merger brought together two esteemed independent technical consultancies, solidifying the newly combined company as a global presence for the lifecycle management of commercial and private aviation assets.

Avtrac partnered with the Oklahoma Department of Commerce in October 2023 to attend Aviation Week's MRO Europe Conference and Exhibition in Amsterdam, The Netherlands. It was during a meeting with M3 at this event that Avtrac was able to close the deal on this merger.

"This merger is a significant milestone for Avtrac and M3 Aviation Group, as it brings together expertise, resources, and networks to provide unparalleled services to clients in the aviation industry," said Adam Beluska, Global Head – Sales & Business Development, Avtrac. "We appreciate Commerce and the ACES team for facilitating our presence at MRO Europe and bringing about an opportunity to close the deal with M3 in person."

# Major Industry Announcements

## BOEING

**HEADQUARTERS:** Oklahoma City, Okla.

Further expansion is expected to add more than 900 new jobs to the company's Oklahoma City operation. Boeing was approved to participate in the Quality Jobs and 21st Century Quality Jobs programs as part of this announcement.

## PRATT & WHITNEY

**HEADQUARTERS:** Oklahoma City, Okla.

Pratt & Whitney announced and broke ground on a new 845,000-square-foot facility, representing a \$255 million investment. The company is expected to add 100 new jobs.

## SWANDA AEROSPACE, LLC

**HEADQUARTERS:** Oklahoma City, Okla.

Expanding in Oklahoma City, Swanda, a custom fabricator of equipment utilized in test cells for jet engines, plans to add more than 100 new jobs over the next 5 years.

## WINDSHAPE, LTD

**HEADQUARTERS:** Tulsa, Okla.

A Swiss drone research lab announced a partnership with the Osage Nation and opened a new headquarters in Tulsa. The company plans to build a testing and validation facility at Tulsa's Skyway 36 Droneport.



# Statewide Outreach



## GROWING EXPOSURE FOR DEPARTMENT OF DEFENSE OPPORTUNITIES

### Oklahoma Aerospace & Defense Industry Day

ACES hosted an Aerospace & Defense Industry Day at Rose State College alongside the USAF Strategic Alternate Sourcing Program Office (SASPO) at Tinker Air Force Base. This event supports ACES's legislative mandate to increase contracts between Oklahoma aerospace and defense companies and the DOD and its prime contractors as well as provide more suppliers for Oklahoma military installations and the aviation, aerospace and defense industries. This event presented a special opportunity for Oklahoma companies to hear from Air Force leadership and program offices, including 448 SCMW, 848 SCMG, OC-ALC/OBP, Vance AFB, AFSC/SB, AFSC/PK and Strategic Sourcing. The event included face-to-face sessions with AF Supply Chain leadership, Oklahoma City Air Logistics Complex (OC-ALC) Business Office and Small Business Office.

USAF provided examples and details on where to find potential USAF opportunities and parts. Briefings were also provided by Vance AFB Business Development and the 848th Supply Chain Management Group Director of Engineering.

### Department of Defense Contract Support for Oklahoma Companies

In 2023, ACES renewed its contract with Source Approval Packaging & Aerospace Consultation, LLC (SAPAC) to provide aerospace and defense contracting consulting services for Oklahoma small- and medium-sized businesses in the aviation, aerospace and defense industries. The primary purpose of this service is to help expand Oklahoma's aerospace industry and increase Department of Defense spending in the state with





Oklahoma businesses. ACES and the SAPAC team also hosted a series of virtual information sessions to provide companies with an introduction to U.S. Government and DOD service contract opportunities as well as alternate contract arrangements.

SAPAC has expertise in identifying and evaluating DOD contracting and supplier needs, preparing relevant DOD responses (i.e. SAR packages, bids, etc), connecting with appropriate program offices or DOD personnel and assessing vendor capabilities.

### **Oklahoma Boeing Industry Day**

Boeing and ACES joined together to host more than 60 people from 35 companies for the first-ever Boeing Industry Day. The event provided an interactive forum for Boeing OKC to network with Oklahoma companies, discussing the on-site programs as well as engineering needs. During the event, companies also learned about Boeing, basic requirements for how to become a Boeing supplier and participated in table discussions about their capabilities. While this event was a first for Boeing, it aligned with other events that ACES coordinates or hosts throughout the year. These events help small businesses connect and succeed while simultaneously making it possible for larger companies to be able to source the supplies and services they need to keep Oklahoma's second largest industry growing and thriving.

### **Career Fair to Address Aerospace & Defense Workforce Needs**

In Q2 2023, ACES hosted a free career fair in Oklahoma City for people in the aerospace and defense sector. This event drew more than 800 job seekers to meet with 16 Oklahoma aerospace and defense companies. From high school students to senior engineers, the exhibiting companies had immediate openings for every level of qualification. More than 200 jobs were offered, including warehouse workers, accountants, program managers, welders, technicians and engineers.

American Airlines Tech Ops - Tulsa, Okla.



# Aerospace & Defense Team Services

## ➤ FACILITATING GROWTH OPPORTUNITIES FOR OKLAHOMA COMPANIES

The Commerce ACES Team facilitates multiple avenues to growth opportunities for existing Oklahoma aerospace and defense companies. This includes national and international trade show delegations, providing an opportunity for Oklahoma companies that may not have the budget to attend on their own to display and meet with potential customers at some of the most highly attended industry events.

## DURING 2023, THE ACES TEAM ATTENDED 10 TRADE SHOWS ALLOWING THEM TO PARTNER WITH:

➤ **34** OKLAHOMA COMPANIES

➤ **16** AGENCIES OR ORGANIZATIONS

➤ **16** ECONOMIC DEVELOPMENT ORGANIZATIONS

➤ **5** HIGHER EDUCATION INSTITUTIONS



Federal STEP funds support Oklahoma small businesses, increase export sales and diversify into international markets. During 2023, the program supported 30 Oklahoma companies, including those in the aerospace sector.

ACES Team and Partners - Air Show 2023





Vertical Aerospace - Bristow, Okla.

## **DIGITAL MARKETING**

Through the ACES Advocate, a regular digital newsletter, and active social media accounts, ACES delivers valuable content, including exclusive event announcements, business opportunities, program updates and relevant industry news.



**LINKEDIN**  
**+21%**



**FACEBOOK**  
**+27%**

**+17%** 

**ACES ADVOCATE SUBSCRIBERS**



**+18%**

**TOTAL AUDIENCE  
INCREASE ACROSS  
DIGITAL MARKETING  
PLATFORMS**

# Looking Forward

Oklahoma boasts a robust legacy in space, aviation (together known as aerospace) and defense. For over 70 years, the state has played host to what are now the largest military and commercial aircraft maintenance, repair and overhaul (MRO) centers in the world: Tinker Air Force Base (AFB) in Oklahoma City and American Airlines Technical Operations in Tulsa.

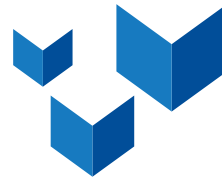
Oklahoma remains an extremely competitive and attractive state for manufacturing-heavy operations. It is from this position the state will grow the A&D industry to the number one economic engine. Existing public policy and tax laws are favorable to business, especially in the A&D industry.

Moving forward, it is critical the state's strategy pivots to the establishment and development of cutting-edge technologies that can take root and grow here. This includes the rapidly changing space industry.



## Oklahoma has numerous assets that will help it become a leader in the space sector:

- A university system with space-flight heritage and advanced research and medical capabilities
- Private industry manufacturing and spaceflight expertise
- Availability of private capital for space-based investments/initiatives
- Federal government centers of excellence – FAA Mike Monroney Aeronautical Center
- Key government officials at the state and federal level
- State-owned asset: Oklahoma Air and Space Port



While Oklahoma will continue to focus on its legacy areas of expertise across the A&D sector, the ACES team, alongside state partners, will pursue advanced technologies, new research and development opportunities and new collaborations to build on its aerospace legacy and become a nation-leading incubator for technology innovation in A&D, attracting startups and larger companies to the state.



Matt Pinnell, Lieutenant Governor of Oklahoma, and Partners - Boeing Industry Day 2023



Shen Te Enterprises - Tulsa, Okla

## ACES AEROSPACE & DEFENSE RECRUITING STRATEGY

The state's A&D industries are vast and highly complex. In order to maximize efforts, the ACES team is focusing on four broad-based objectives that are designed to provide the greatest return.

**1** Provide the infrastructure to recruit, educate and train the workforce needed to sustain and grow the aerospace industry within the state.

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**2** Create an environment to attract startups of advanced technologies (additive technologies, batteries, electric propulsion, commercial space, unmanned systems) that are interwoven and connected to one another.

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**3** Develop a university-led innovation cluster to support the aerospace and defense industry of the future.

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**4** Position Oklahoma to be the center of excellence for the aviation engine sustainment enterprise.





**OKLAHOMA**  
**Commerce**

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