



**Statement of
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**Senate Committee on Judiciary
Legislative Hearing on
Senate Bill 2371**

Chairwoman Larson, and Members of the Judiciary Committee, thank you for the opportunity to provide testimony in opposition to Senate Bill 2371. My name is Mark Schramek, I am the Executive Director, Corporate and Government Affairs for Cirrus Aircraft.

Aircraft is an American-made general aviation industry leader. Revolutionizing the aviation industry with innovations like the Cirrus Aircraft Parachute System (CAPS), which has saved over 240 lives to date. Every Cirrus aircraft we have ever manufactured since its inception has been developed in the states by my fellow Americans. They have been designed and engineered by Americans and supported by American suppliers. Over 400 suppliers from 34 States provide 96% of the components and parts for every Cirrus Aircraft built.

What started as a dream of two brothers in Baraboo, Wisconsin, has grown to be a leader in the general aviation industry. For over 38 years, Cirrus Aircraft has been driving aviation innovation and design.

In 1997, Cirrus Aircraft, through a partnership with the Bank of North Dakota, established the Dakota Aircraft Corporation in Grand Forks. Today, the Dakota Aircraft Corporation is one of the top 10 employers in Grand Forks and second largest manufacturer. Throughout our 24-year history in the State of North Dakota, we have maintained strong partnerships with our State and local community and supported economic development and job growth.

Due to lingering impacts of the economic downturns in 2008, Cirrus Aircraft sold to an Israeli holding company. In 2011, the China Aviation Industry General Aircraft Company (CAIGA) acquired Cirrus, a Chinese aircraft manufacturer headquartered in Zhuhai, Guangdong, a subordinate company to the Chinese government owned company, Aviation Industry Corporation of China (AVIC).

Prior to the purchase of Cirrus Aircraft by CAIGA being completed, Cirrus Aircraft underwent a comprehensive review by the U.S. Department of Commerce Committee on Foreign Investment in the United States, or commonly referred to as CFIUS. As part of the CFIUS approval, a formal National Security Agreement was put in-place between the U.S. Government and Cirrus, which requires Cirrus to report on any activities with



foreign nationals. For this reason, it is unfortunate that we are here today testifying before the Committee. Cirrus Aircraft has been approved under CFIUS and is in full compliance with the National Security Agreement put in-place 12-years ago by the United States Government, which regulates foreign policy. Due to national security concerns with FuFeng's attempted development adjacent to Grand Forks Air Force Base, we have artificially been lumped into the same category, due to our parent company, which happens to be Chinese.

Cirrus Aircraft has grown to be recognized as the global leader in personal aviation and maker of the best-selling SR Series piston aircraft. Since CAIGA's ownership, we have engineered, certified, and now produce the Vision Jet, the world's first single-engine Personal Jet. The Vision Jet is a two-time recipient of the prestigious Robert J. Collier Trophy for revolutionary aviation innovations like the Cirrus Airframe Parachute System®, which is the first FAA-certified whole-airframe parachute safety system and is standard equipment on every SR Series and Vision Jet and for including Safe Return Emergency Autoland powered by Garmin in every Vision Jet.

The components for these aircraft are all built at the Cirrus Aircraft facility in Grand Forks. In 2022, the Grand Forks team produced over 125,000 pieces of composite components to support the production of 629 aircraft last year.

In 2022, we invested over \$7.3 million in equipment and building renovations to our North Dakota facility. Over the coming year, we anticipate further expansion of our existing 186,000-square foot North Dakota facility by adding up to an additional 35,000 square feet and implementing automation to the assembly line process. Additionally, over the past three-years, we have almost doubled our workforce from 240 to over 430 employees and we anticipate through expansion of the facilities and automation, we will increase our workforce by an additional 150+ new employees over the next five-years. Maintaining our status as the second largest manufacturer and amongst the top 10 employers in Grand Forks. In addition, University of North Dakota graduates currently rank as the second largest alumni group within Cirrus's employees.

In 2022, the Dakota Aircraft Corporation's annual payroll was \$23.1 million. The company will report for 2022 a total annual sales revenue of \$62.6 million for the Dakota Aircraft Corporation.

If Senate Bill 2371 is passed, under the terms of the current legislation, it would reverse any ordinance previously approved, which could include build, occupancy, or health department permits, and prohibit future development on land already owned by Cirrus Aircraft. Under these conditions, we would be forced to halt all expansion plans, including the growth of our workforce with 150 additional jobs, and potentially close our operations in North Dakota resulting in the loss of over 430 well-paying manufacturing jobs.



By contrast, while North Dakota considers banning foreign direct investment, Cirrus Aircraft, through partnerships with the City of Duluth and Minnesota Department of Employment and Economic Development (DEED), in 2022, expanded our paint facilities and acquired an additional 185,000 square foot hangar to stand-up a new Innovation and Engineering Center.

As an employer and manufacturer in good standing in the community and State, I would request you oppose Senate Bill 2371 that artificially categorizes all foreign-owned entities as enemies of the State. However, if the Committee opts to pass Senate Bill 2371, we would request the Committee include language that exempts registered businesses in good standing with the State for seven years or longer, or an entity which has been approved by the Committee for Foreign Direct Investment in the United States (CFIUS) and maintains an active National Security Agreement with the United States Government. This would enable you to address other concerns you may have without excluding those longtime partners with the state who have been good citizens and continue to comply with needed measures to affirm our commitment to being valuable partners to the community.

Our goal at Cirrus Aircraft is to grow our business, while promoting the growth of general aviation. This can only be accomplished through partnerships with State and local community leaders who support a free and open economic system.

Thank you for the opportunity to appear before you today to discuss the impacts Senate Bill 2371 would have on Cirrus Aircraft's continued operations in the State of North Dakota. This concludes my written statement. I am happy to answer any questions.