

**Statement by Jeffrey L. Turner
President and Chief Executive Officer
Spirit AeroSystems, Inc.
before the House Subcommittee on Aviation
on “Keeping U.S. Aviation Manufacturing Competitive”
March 22, 2006**

Chairman Mica and Honorable Subcommittee Members:

Thank you for this opportunity to address the important topic of “Keeping U.S. Aviation Manufacturing Competitive.” This subject is of supreme interest to my company and all of our industry.

I am Jeff Turner, President and CEO of a relatively new company but one with a deep history of aviation manufacturing. Spirit AeroSystems is the world’s largest independent tier-one supplier of aerostructures. Until June of 2005, we were a supplier division in Boeing Commercial Airplanes.

With headquarters here in Wichita, Kan., and operations in Tulsa and McAlester, Okla., we have 10 million square feet of facilities and 9,750 employees (8,500 in Wichita). We have been engaged in aerospace manufacturing for over 75 years.

Our future is dependent on our ability to be competitive. We strive to become the preferred partner to the aircraft industry, supplying top-quality fuselage and propulsion structures, wing components, and tooling services to original equipment manufacturers (OEMs). In addition, we offer spare parts and aftermarket support to airline operators worldwide.

We continue to be the largest supplier to the Boeing commercial product lines and are actively marketing our skills and capabilities to other aerospace companies. Our pending purchase of BAe Systems Aerostructures operations in Scotland and England is a prime opportunity for Spirit to diversify our revenue base and grow as a world leader in our various capabilities.

I do not believe our position on competitiveness is different from that of other aviation manufacturers. Simply put, we want a level playing field upon which to compete in the global competition. Several factors can help or hinder our participation.

The first is the funding of aviation research such as that here at the Wichita State University National Institute for Aviation Research. NIAR houses an FAA Center of Excellence for Advanced Materials and the NASA National Center for Advanced Materials Performance, and all three have helped us compete against non-U.S. manufacturers.

Second, the need for technical training continues to be essential to securing, sustaining, and retaining the skilled workforce needed to expand our business over the next decade. Projections for our community indicate that the five major aviation companies in Wichita may need as many as 4,150 trained workers this year alone.

Third, attention must be given to developing U.S. engineering talent. Aerospace engineers are the source of future innovation that will provide American aviation manufacturers a competitive edge. Yet the supply is exceeded by the demand. At Spirit AeroSystems we hope to hire about 550 engineers over the next five years.

Fourth, capital is needed for product development, new process planning, and new equipment. It is a challenge for Spirit to compete against companies that seem to have an unlimited flow of public assistance to build facilities and fill them with equipment and trained people. This is especially true in developing economies that have targeted the aviation market.

Fifth, health care is the number one rising cost for Spirit and other companies. Health insurance premiums jumped 73 percent over the past five years. Such escalation continues to be not only a source of competitive disadvantage for U.S. manufacturers in our industry, but also a considerable source of employee-company friction and overall employee concern for the future.

Sixth, and finally, while protecting national security, we must be able to compete internationally in an open and collaborative way. Appropriate import/export regulatory measures are important but they must be implemented reasonably with full understanding of their cost and benefits.

In conclusion, thank you again for the opportunity to speak today. This is a critical topic for Spirit AeroSystems. Our customers and our competition are global and so must we be. The technology utilized in our products also is global and our ability to work effectively throughout the world with both customers and partners is essential. To remain competitive, our U.S. industry must be supported with world-class research capability, engineering and technical training, and continuous investment in product, process, and equipment.

Thank you.