

December 6, 2022

Re: 87R Interim Charge – Sunset Commission Review of Texas Economic Development and Tourism Office

Dear Chairman Schwertner and Vice Chair Holland, Texas Sunset Commission:

Good morning Mr. Chairman and members,

Thank you for the opportunity to address you and the committee this morning.

My name is Stephanie Matthews, and I am the Executive Vice President of the Texas Association of Business. As we celebrate our Centennial anniversary this year, today TAB represents over 1,500 members and over 200 chambers of commerce across Texas. We are also the state affiliate for the National Association of Manufacturers.

The business community in Texas appreciates you and your colleagues considering important issues leading up to the next legislative session, including issues surrounding economic development, reliable water and electricity supplies, environmental quality, and others.

TAB strongly supports the Sunset Commission's report to continue the office of Economic Development and Tourism and remove the Sunset date of EDT's enabling statute. We have been fortunate to work with Adrianna Cruz and her outstanding team over the last two years and she does an amazing job for Texas. We do have a concern about the removal of the Aerospace and Aviation Advisory Committee that I will share as well.

I will be brief in my remarks but want to thank the Sunset staff for their hard work and dedication to this important work.

Again, as a representative of industry as well as the state chamber of commerce, TAB recognizes the important role that both marketing as well as incentives play in attracting the best and brightest to Texas. This is especially the case now, given the passage of the CHIPS Act which is incentivizing semiconductor and technology manufacturing in the United States. There is no doubt, every state in the nation will be competing fiercely to land these projects. Texas cannot afford to lose out on these projects and must be at the forefront of attracting these companies to our great state. Our biggest economic competitors, Florida, Georgia, Arizona etc. are all lining up to incentivize these vital projects and without the EDT, the Lone Star State will fall behind.

Additionally, and equally important - the role that the office of EDT plays with local chambers of commerce is critical: they bring statewide marketing, recruiting and technical assistance to the



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local level. Our chamber communities depend upon this help and TAB believes this is the ideal role of the state and local communities partnering for the benefit of both.

Finally, TAB respectfully requests that the Sunset Commission revisit the recommendation to remove the Aerospace Aviation and Advisory Committee from statute.

Texas is home to several major airports, headquarters for two of the largest commercial airlines, home to major defense and aerospace contractors and manufacturers, and host for major space operations at NASA and newer companies like SpaceX and Blue Origin.

Texas has always been and should remain at the forefront of aerospace, aviation, and national defense. And it is a point of pride that Texas plays such a pivotal role in the national security of our nation.

We encourage you all to retain the Aerospace Aviation and Advisory Committee and a conduit for communications, coordination and support for Texas's robust aviation, space, and defense capabilities.

We view all these issues: the continuation of the office of EDT as well as continuation of this advisory committee as imperative to keeping Texas the economic engine of America. We need to keep Texas as competitive as possible, and these recommendations will ensure Texas remains on top.

On behalf of the Texas Association of Business, I thank you for the opportunity to comment today.