



444 N. Capitol St. NW, Suite 837
Washington, DC 20001
31 January 2014

Ms. Sherrie Kinkle
CA State Board of Equalization
450 N. Street
Sacramento, CA 94279-0064

Dear Ms. Kinkle,

On behalf of the Commercial Spaceflight Federation, a trade organization with over 45 company members in the commercial spaceflight business, including many in California, I am pleased to see that the State Board of Equalization is making an effort to ensure that space launch vehicles and parts are properly classified as business inventory for the purposes of California tax provisions.

Commercial spaceflight promises to expand the nation's space capabilities to enable new and improved missions for commerce, science, defense and exploration. By using technical and business developments pioneered by NASA and a number of high-tech industries, commercial space is now offering spaceflight services at affordable prices and new services that have never been possible before. A large amount of this commercial space activity currently takes place in California.

California aerospace firms are not only creating the most advanced space vehicles, they are also significantly contributing to the state's economy and local communities. In 2009, California aerospace companies generated \$27 billion in revenue, ranging from the sale of aircraft parts to space satellite research and development. California's significant contribution in aerospace represents 15% of the overall U.S. aerospace industry.

A ruling to properly classify space-related inventory would help ensure that California's space technology innovators stay in business in California, and we support your effort to do so.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Saltman", written in a cursive style.

Alexander Saltman
Executive Director