

# VINCE FONG

MEMBER FOR THE 32ND ASSEMBLY DISTRICT



## FACT SHEET

### AB 635 – Aerospace Liability

#### IN BRIEF

California leads the way in technological advancement, but the support for one of its largest industries – the aerospace industry – has waned in recent years. AB 635 will expand liability protections in the aerospace industry to the manufacturers of spacecraft parts. This will remedy the pressing issue of manufacturers shouldering the majority of liability for spaceflight accidents.

Through extending this liability protection, more aerospace manufacturers will be able to operate in California and the business may continue to grow here at home.

#### BACKGROUND & ISSUE

In 2012, former Assemblymember Steve Knight, successfully authored AB 2243 which codified aerospace liability protections for space flight entities who conduct aerospace flights across California. Coined the “Space Flight Liability and Immunity Act,” this piece of legislation allowed for space flight companies to conduct missions out of California with much more assurance of liability protections and a more supportive regulatory framework. The support of the state government attracted spaceflight companies and kept them in California.

Now in 2023, eleven years after AB 2243 was signed, space flight manufacturers bear the bulk of this liability. Because the space flight entity has significant liability protections authorized under state law, parts manufacturers are even more liable for accidents. This is causing a mass exodus of parts manufacturers out of California and to more aerospace friendly states like Virginia, New Mexico, and Texas. These states want to grow their aerospace industries, which means that California will now lose a variety of blue-and-white-collar jobs to states across the country. Since the 2012 law was enacted, revenues from the aerospace product

and parts manufacturing in California has decreased from a peak of \$32 billion to a projected \$23.8 billion in 2023<sup>1</sup> – that is over an \$8 billion decrease in revenue.

Aerospace manufacturers should be afforded the same liability protections that aerospace flight providers receive. It is the dual responsibility of both entities to provide safe and reliable space flight operations, which can be achieved when both have similar liability responsibilities. California’s aerospace laws and regulations must be updated to remain relevant as a state that is geographically and politically supportive of this growing, innovative industry.

#### SOLUTION

AB 635 will extend liability protections to aerospace manufacturers by mirroring AB 2243. In this way, aerospace manufacturers may be able to continue to innovate while providing jobs and California-made products to other aerospace companies based in this state and nationally.

This bill does not preclude space flight participants from being able to seek retribution for a space flight injury. Aerospace manufacturers will still be liable in the event that an accident occurs which could have been prevented as the entity reasonably should have known of the dangerous condition or malfunction of a part. With these liability protections, the aerospace industry in California will provide safe spaceflight as the industry continues to expand.

#### SUPPORT

Pending

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<sup>1</sup> <https://www.statista.com/forecasts/1204549/aerospace-product-and-parts-manufacturing-revenue-in-california>