

**Written Testimony of Will Fulton**  
**Vice President, Business Development, Robinson Helicopter Company Inc.**  
**U.S. House Committee on Ways and Means**  
**Field Hearing on the One, Big, Beautiful Bill Delivering for the American Economy at the**  
**Ronald Reagan Presidential Library**  
**July 26, 2025**

Good morning Chairman Smith, Ranking Member Neal and members of the Ways and Means Committee. Thank you for the opportunity to appear before you today and for holding this important hearing at the Ronald Reagan Presidential Library in Simi Valley, California.

My name is Will Fulton, and I am the Vice President of Business Development at Robinson Helicopter. I joined Robinson Helicopter last year but have been working in the industry for more than 15 years, and before that served in the U.S. Army as a Longbow Apache helicopter pilot.

Founded by Frank Robinson in his home in 1973, Robinson Helicopter accomplishes every aspect of helicopter production in the United States – from design to manufacturing, assembling, inspecting, and flight testing. After the initial sale of an aircraft, we continue to work closely with our customers to maintain our helicopters and ensure we are meeting our customers' requirements. Our code is simple: The work we do makes the world work. We build helicopters for a variety of critical uses, including for first responders, wildfire prevention, disaster relief, and military training.

Recognizing how these vital services depend on our helicopters for their mission, we go to great lengths to ensure quality and reliability in every helicopter we make. To safeguard that quality, we manufacture 80% of the components used in our products ourselves, with the remaining 20% supplied locally by our partners in the robust Southern California aerospace industry. Most of our suppliers are within 100 miles of our headquarters facility in Torrance. Our 1,300 employees make more commercial helicopters in a year than any other company in the world, and our network of suppliers support many more jobs in the area. We are incredibly proud of our workforce, and many are from families who have worked at Robinson Helicopter across multiple generations.

The success of our company and our workforce means we are now looking to expand and grow our company, and I'm grateful for the opportunity today to talk about how the tax provisions in the One Big Beautiful Bill Act will enable us to do that.

Before the passage of the OBBBA, we were looking at two very different paths for next year: preservation of the Tax Cuts and Jobs Act, or potential very large tax increases. I am here today because Congress chose the first path—and I want to thank you in advance for the impact that decision will have on Robinson Helicopter.

## **Preserving Tax Reform**

Following the passage of the TCJA, manufacturers like Robinson Helicopter increased wages, invested in capital equipment, and expanded our operations. Significant machinery investment occurred at Robinson beginning in 2018 to include:

- \$2,000,000 for two large metal forming presses (pneumatic and hydro forming);
- \$1,500,000 for a gun drill used to make long slender steel driveshafts. This capability allows Robinson to vertically integrate a process that was performed externally and had constrained production in the past.
- \$1,200,000 for a robotic metallizing booth to ensure higher production consistency and lower scrap rates of more robust flight critical helicopter flight components;
- \$750,000 investment in polishing and sanding booths that have improved product quality in our paint shop and rotor blade spar finishing areas. These also help us with occupational safety to better control the movement and capture of sanding and polishing debris.
- \$400,000 investment in a Swiss turn lathe.
- \$200,000 for a computer controlled raw material straightening machine.

The improvements above represent the larger capital equipment additions to our facilities since 2018 TCJA passage. There have been numerous other smaller capital expenditure investments to continue growing and modernizing our facility.

Key TCJA provisions were set to expire at the end of this year, threatening future growth. If the TCJA had been allowed to expire, the economic damage would have been enormous: 6 million lost jobs, \$540 billion lost wages, and \$1 trillion lost GDP. At Robinson Helicopter, it would have been much more difficult for us to expand, invest, and create jobs here in Southern California.

Robinson Helicopter is taxed as a corporation, and though the corporate tax rate was made permanent in 2017, there was concern from manufacturers that an increase in the corporate rate, as some members of Congress had suggested, would be part of the tax bill this year. I want to thank the Committee and all of Congress for holding firm on the 21% corporate rate.

On top of that risk, critical investment incentives had already expired, with our R&D costs being deducted over five years instead of one beginning in 2022 and full expensing for our capital equipment purchases beginning to phase down in 2023. Our ability to deduct interest payments was also weakened starting in 2022, undermining debt financing that is often critical to manufacturing investment. Manufacturers like Robinson Helicopter and our critical suppliers disproportionately benefited from these provisions—so we were the most at risk coming into this year.

The situation for pass-through manufacturers, which make up 96% of all manufacturing businesses, was also critical. Though Robinson Helicopter is organized as a corporation, many of our suppliers and customers are pass-throughs. For these businesses, both the 20% pass-through deduction and TCJA's reduced individual tax rates were set to expire at the end of this year, which would have led to an across-the-board tax hike throughout the manufacturing supply chain. Similarly, family-owned manufacturers would have seen their estate tax exemption cut in half, subjecting many more family businesses to the burdensome 40% estate tax. These changes would have been felt across manufacturing—for example, a survey conducted before the OBBBA's passage found that 93% of pass-through manufacturers said that losing the pass-through deduction would have cost jobs, growth, and investment.

Fortunately, Congress rejected across-the-board tax hikes and passed the OBBBA, which not only extends the pro-growth tax code enacted in 2017 but builds on it. Thanks to Congress and the current White House administration, immediate R&D expensing, full expensing for capital equipment purchases, and an EBITDA standard for interest deductibility are now permanent. Robinson Helicopter will not be forced to endure expiring provisions and tax uncertainty that threaten our ability to invest and grow. There's also a new incentive to help us expand our production facilities. And our workers will directly benefit as well—the OBBBA makes the TCJA's tax cuts for low and middle-income families permanent, and it includes a new No Tax on Overtime provision that will result in further tax cuts for our workers.

The OBBBA helps make our ambitions to grow and create jobs a reality. To achieve our goals, we will need to push the boundaries of US based manufacturing technology and innovation while investing in the equipment, workforce, and facilities needed to expand our capacity and capabilities. For each of these key steps, the One Big Beautiful Bill Act included specific provisions to reduce the cost of investment and make our plans to expand and create jobs more achievable. That's why this bill is a manufacturers' bill—and why I'm glad to be here today to tell the Robinson Helicopter Company story.

### **Immediate R&D Expensing**

One of the most important components of H.R. 1 is the restoration of immediate R&D expensing. Though manufacturing accounts for only 10% of the country's GDP, we make up 53% of all private sector research spending. Innovation is key to our success, and, as manufacturers, we need to invest both in the design of new technology enabled products and the iterative production processes that will enable appropriate development scales. Robinson Helicopter is a great example of a manufacturer who handles both the design and the production .

We have recently launched our newest helicopter, the R88, which will further enhance our product offerings with more robust and mission focused first responder capabilities. The Robinson R88 is a major leap forward in our efforts to provide simple, affordable, and robust U.S. made vertical lift solutions. The design is still being improved and refined based on the needs of our customers. Our research and development efforts for the R88 include the ability to

fit the helicopter with purpose-built equipment utilized for firefighting, military training, disaster response, and emergency medical services. Our research will help ensure these critical services are equipped with the tools they need to keep our communities safe.

Our research will also help prevent and respond to the destructive wildfires that have been prevalent in California in recent years. One solution we are developing is to have our new R88 helicopters act as the operational control center to a fleet of fire surveillance drones, which will be able to more thoroughly scan forests for any signs of ignition so that fires can be identified and extinguished early. Once the forest surveillance drones have identified a fire, they'll be able to clear the airspace to make way for firefighting equipped helicopters to come in and extinguish it. After these helicopters have dropped their water payload and cleared the airspace, then the drones will return to surveillance to assess the extinguishing effects and identify any further signs of fire. All of these drones can dock from an R88 helicopter, which will carry the drones to the surveillance area. The drones can then recover to designated areas for battery swap and relaunch. This enhanced manned-unmanned teaming will enable better surveillance, faster response times, and expand the capacity of fire departments to identify and stop fires before they get out of control.

These types of innovative solutions require a significant amount of research and development spend. By allowing R&D expenses to be deducted immediately instead of amortized over five years, the OBBBA accelerates our ability to innovate and increases the speed with which we can bring these property and life-saving innovations to market.

The American economy has many strengths, one of which is that we lead the world in research and innovation. Restoring the United States as the preeminent manufacturing power requires us to be on the cutting edge, both in the products that we make and the processes we design to make it. There are many exciting technologies being developed and implemented that together can transform the manufacturing industry, and I'm proud of Robinson Helicopter's contributions to the innovation at the heart of manufacturing. American manufacturing's leadership in these technologies will be key to America's competitiveness. That leadership would not be possible without a tax code that recognizes the importance of innovation, and the OBBBA delivers on that promise with the permanent, immediate expensing of research costs.

### **Full Expensing for Equipment Purchases**

In addition to leading in innovation, Robinson Helicopter's plans for expansion require us to build out our manufacturing capabilities to meet new demand for our existing products and to build from scratch the production lines for our forthcoming products, such as the drone system that would be used in wildfire prevention and response. As we build out these production lines, the immediate expensing of equipment will enable us to do so faster, cheaper, and better.

Manufacturing is a capital-intensive industry, with many of our most important machines costing a little more than one million dollars each. These investments are expensive, so tax provisions

that reduce that cost go a long way to support the competitiveness of Robinson Helicopter and manufacturers across the country. That's why, after the TCJA was signed into law, manufacturing capital spending grew 4.5% and 5.7% in 2018 and 2019, compared to only 1.4% growth in 2017.

The TCJA included a number of key changes that made that jump in investment possible, including reduced tax rates for businesses of all types and sizes that freed up capital to hire, invest, and conduct research. The law also introduced full expensing for equipment purchases, enabling the significant jump in capital spending we saw in 2018 and 2019. Under full expensing, we could write off the entire cost of a piece of equipment in the year we purchased it.

But full expensing began to phase down a few years after the TCJA became law, dropping from 100% in 2018-2022 to 80% in 2023 and decreasing by 20 percentage points each year thereafter. These year over year reductions combined with the impacts of the economic impacts of a global pandemic discouraged investment and made it more difficult for us to create jobs and expand our operations.

The OBBBA restored immediate equipment expensing to the 100% level—and made this pro-growth, pro-manufacturing policy permanent. Thanks to the OBBBA, manufacturers and their associated suppliers now have both the policy tools and the certainty needed to compete in this capital-intensive industry.

For Robinson Helicopter, this means being able to carry out our plans to grow our business and create jobs faster. We are acquiring a new Torrance based warehouse very close to our Zamperini Field based headquarters that will allow us to expand our logistics capabilities and more effectively serve the maintenance needs of our customers. We expect that this expansion will lead to additional equipment purchases and increased workforce for this new space. The same is true for the expanded production lines we have planned, which will require a significant amount of research to develop both the best product and a cost-effective, scalable manufacturing processes. Once that process has been developed, it needs to be executed with significant investment in tools, equipment, and workers.

Full and immediate expensing of equipment positively impacts not only our ability to compete and grow our products and services, but also the workforce we will need to hire to operate our expanded manufacturing and logistics capability. That's going to be true across the manufacturing sector, where full expensing leads to lower costs of investment, more equipment purchases, accelerated workforce hiring, and an overall more competitive labor market and associated wages.

Across the economy, the TCJA accelerated U.S. job growth by 1.5 percentage points—a significant nominal increase representing hundreds of thousands of new nonfarm jobs. The TCJA also led to a 1.0 percentage point increase in the labor force participation rate, signifying hundreds of thousands of civilians entering the labor force. As you might expect in this type of

tight labor market, in the two years after the TCJA's enactment, average earnings for production workers rose 6.0%, compared with just 4.9% for the two years prior to the TCJA.

This economic growth was a direct result of pro-investment policies like full expensing. And now, in the OBBBA, Congress has made full expensing permanent. We've already seen how these policies lead to economic growth, more jobs, and higher wages—and Robinson Helicopter is already rolling up our sleeves to take advantage of incentives like full expensing. For Robinson Helicopter, it's one of the most important components of this bill, and we look forward to helping deliver economic growth and job creation.

### **Immediate Expensing of New Manufacturing Facilities**

The OBBBA recognizes the critical role that immediate expensing plays for the competitiveness of manufacturers by making it permanent for equipment purchases, but it also goes beyond to expand the pro-growth policy of U.S. based production facilities for four years. Now, when a manufacturer builds a new production facility or makes improvements to an existing facility, both the building and the manufacturing equipment that fills it can be expensed in a single year, and the same positive feedback loop of investment, jobs, and wage growth I discussed for equipment purchases will be multiplied by the investment in manufacturing facilities.

In the case of Robinson Helicopter, we are planning for new facilities, but the timing largely depends on the early success of our product and services growth strategy. The OBBBA is accelerating that timeline, both by providing a broadly competitive tax code that helps ensure the early success we are pursuing, and by introducing this new provision which significantly reduces the cost of the investment. With the prospect of that new incentive for facilities investment, we are much more likely to reevaluate our timeline to see if we can accelerate the acquisition and construction to within the lifespan of the provision. Many manufacturers will be making similar considerations, either to build a new facility that they otherwise might not have, or to accelerate existing plans to build or improve a facility so that they can take advantage of the new incentive.

New facilities and facility improvements are economic drivers—construction itself boosts the economy in the short term, and then a business's expanded capacity leads to job growth and increased production over the long term. Robinson Helicopter is planning to make the most of this new incentive, and I am incredibly appreciative that Congress included it in the OBBBA.

### **No Tax on Overtime**

I've discussed the positive feedback loop between investment, jobs, and wage growth, specifically how the improved treatment of investment in the tax code will empower manufacturers to hire, with increasingly competitive wages, new workers to operate the new equipment and facilities.

More jobs and higher wages are only part of the equation for manufacturing workers. Another part is No Tax on Overtime. The manufacturing workforce is one of the hardest working in the

country. According to the Bureau of Labor Statistics, manufacturing employees work on average six hours more per week than the national average for hourly workers. Many of those hours are overtime hours, where workers already are able to benefit from a 1.5x wage multiplier. Now, those workers won't need to pay taxes on those overtime hours.

So on one hand, manufacturing workers can expect more job options and higher wages from a tight labor market, and, on the other hand, they will see higher take-home pay as a result of the tax deduction for overtime. That's a win for our employees and for our industry.

Many of our workers at Robinson Helicopter have the option to work overtime that supports critical component builds and surge periods for both new helicopters and supporting the current in service global fleet of over 12,500 aircraft. Most of this overtime is voluntary unless flight safety critical issues force a mandatory overtime effort to meet regulatory or contractual requirements. The OBBBA enables those workers to take more income home to their families. As I mentioned, many of our employees are second or third generation employees, following in the footsteps of parents and grandparents who also built their careers at Robinson Helicopter. We are incredibly proud of the deep roots we've built in our community, and in the strong relationships we build with our employees and their families. It is a great pleasure to inform them that the OBBBA directly increases their pay for the overtime hours they work. That's no small thing to those workers, who can now invest more in their families, their communities, and their future. On behalf of our hourly workers at Robinson Helicopter, I thank you for passing No Tax on Overtime.

\* \* \* \*

The past few years have seen a number of uncertainties that have clouded the economic trajectory for manufacturers, and one of those was the impending tax hikes at the end of 2025. At Robinson Helicopter Company, like most businesses, we typically plan our capital investments years in advance—so not knowing the tax treatment of those investments make future business planning extremely difficult. Our costs began rising as provisions like immediate R&D expensing began expiring in 2022, and much more was on the line at the end of 2025.

Thanks to the decisive leadership of Congress and the current White House administration, we no longer have to live with that uncertainty or those looming increased costs. Robinson Helicopter and manufacturers across the country will now be empowered to continue to create jobs, invest in equipment, innovate through R&D, and drive economic growth. That's the power of a pro-growth tax code.

In other words, the OBBBA is a manufacturers' bill, through and through. By restoring, expanding, and making permanent competitive tax rates and key provisions to reduce the cost of investment, Congress has ensured that manufacturers in America can compete and win in a competitive global economy.

I want to express my gratitude to the Committee for inviting me here today, and for your historic work to pass the OBBBA. On behalf of the 1,300 employees at Robinson Helicopter and the 13 million people who make things in America, thank you.