The uture o the .S. Aerospace Industry

Presented By

Mr. Paul . Piscopo

Sta irector

Commission on the uture o the . S. Aerospace Industry

at the

Program Management Shared Experience Program (PMSEP 6)

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COMMISSION ON THE FUTURE OF THE U.S. AEROSPACE INDUSTRY

The ay The Earth Stood Still

COMMISSION ON THE FUTURE OF THE U.S. AEROSPACE INDUSTRY

Reverberations ere elt Across America

Aerospace Importance as nderscored

Americans depend in no uncertain terms on aerospace products and service or their national security, economic prosperity, and quality-o -li e

A Century of Aerospace Achievement

- **We know how far we have come in the past century**
  - flown so far and fast it almost defies imagination
  - humans have walked on the moon
  - developed and utilized stealth aircraft
  - use space-based communications, navigation and reconnaissance
  - built and occupying a permanent habitat in space
  - robotic exploration of the solar system and beyond

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- **But we could have done more**
  - build the blackbird and 30 years later it still hold the speed record
  - walked on the moon 30 years ago, but failed to return

The State of U.S. Aerospace Today

.S. aerospace capabilities have trans ormed war are and created a global economy

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- **The Health of the U.S. Aerospace Industry Is In Jeopardy**
- **The United States is at a Landmark Time in its History**
- **Opportunities Exist for Improvement in the Future**

And Beyond: *The Role o Technology*

A recurring message we hear rom the inputs the Commission has received is that investments in technology will provide the KE enablers to our nation s uture aerospace capability

- **Quieter, cleaner, civil aviation operations around the world**
- **Air taxis**
- **Unmanned air vehicles**
- **Hypersonic vehicles for rapid, cost-effective space access**
- **Travel to the outermost reaches of our solar system and beyond**

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and consistent and stable funding streams are vital to achieving the nation s technology goals

Interim Report Recommendations
Technology Investment

Administration and Congress:

(1) Fully fund air traffic control modernization efforts in FY2003 and beyond, and prioritize FAA and NASA R&D efforts that are the critical building blocks for the future

(2) Establish, maintain, and protect a stable top line for DoD R&D investments

(3) Support the DoD goal to increase science and technology investment to three percent of the overall budget

Interim Report Recommendations

Management Policy

Administration and Congress:

(1) Provide a sectoral budget analysis for aerospace

- Breakout by aerospace category as addendum to FY03 PBR (OMB)
- Similar breakout for the aerospace industry (DOC)
- Similar breakout for the FY02 budget (CBO)

(2) Immediately create a multi-agency task force with the leadership to develop and implement an integrated plan to transform our air transportation system

(3) Direct NASA and the DoD to coordinate R&D efforts in areas of common need and provide the appropriate funding for joint programs

Interim Report Recommendations
lobal Business Re orm

(1) USTR seek additional time for US and EU to resolve Foreign Sales Credit (FSC) and Extra-Territorial Income (ETI) Exclusion Dispute

(2) Revise the US tax code to make the R&E tax credit permanent and increase the AIRC to the 3-5 range. In the far-term, enact structural changes to R&E Credit (base period/rates/other)

(3) Accelerate implementation of the Defense Trade Security Initiative as an important first step in a comprehensive reform of the nation s arms transfer policy and regulatory process

(4) Country risk surveys should be updated immediately to align compliance practices with contemporary conditions in US defense export markets

(5) Modernize DELG to create an effective unsubsidized export credit organization that will facilitate financing of defense exports to US allies and friendly nations

Interim Report Recommendations

The 21st Century ork orce

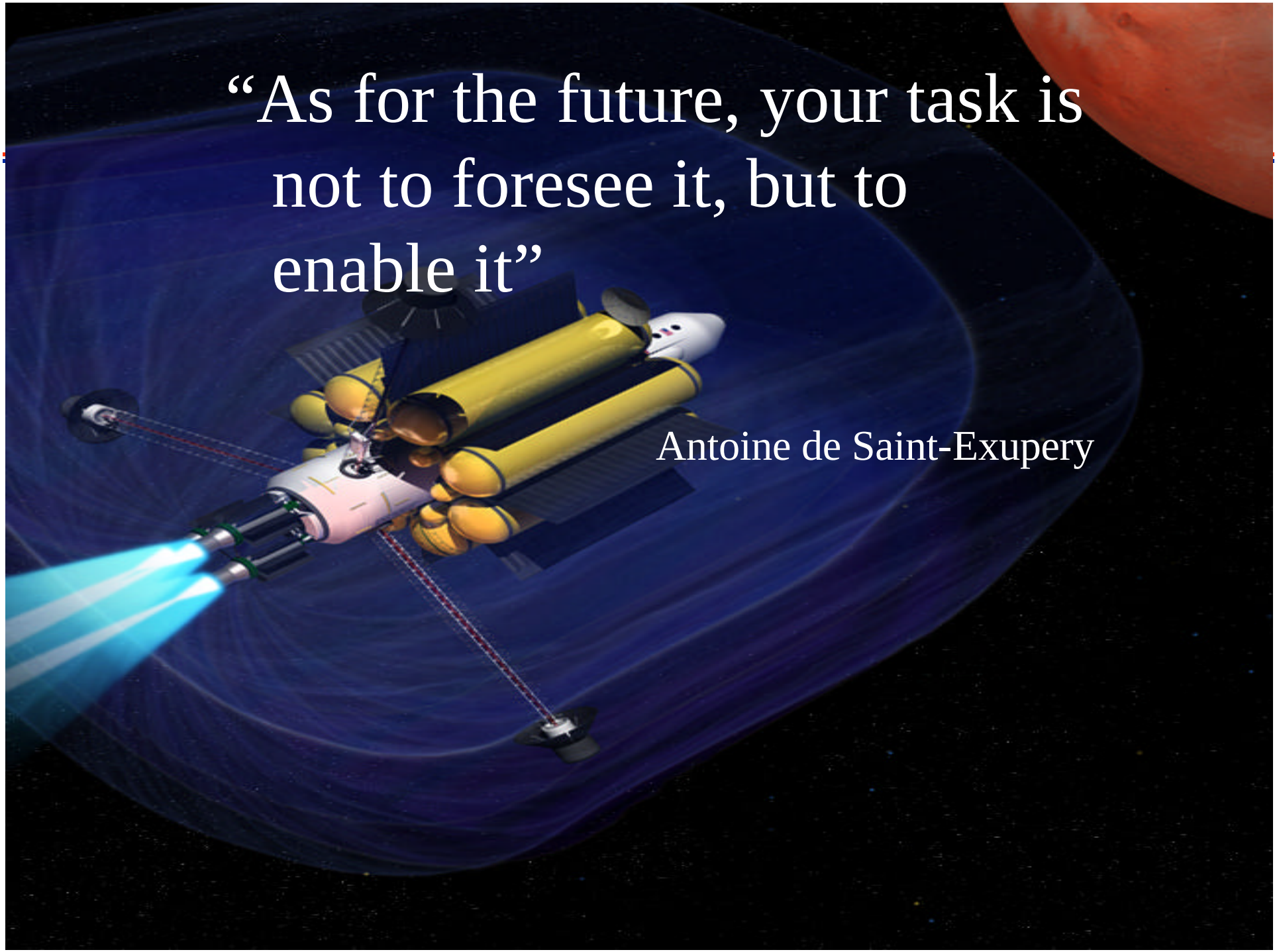
(1) U.S. policy towards domestic aerospace employment must reaffirm the goal of stabilizing and increasing the number of good and decent jobs in the industry

(2) Administration create an Interagency Workforce Task Force to coordinate programs/initiatives among the Departments of Labor, Commerce, Education, and other agencies to respond to industry workforce and training needs

(3) Administration develop a national program to attract public attention to the importance and opportunities within the aerospace industry

(4) Administration/Congress consider targeted tax credits for employers who invest in workforce skills and training (e.g., registered apprenticeship programs, short-term occupational training programs)

(5) Make long-term education/training investments


“As for the future, your task is not to foresee it, but to enable it”
Antoine de Saint-Exupery

Contacting the Commission

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