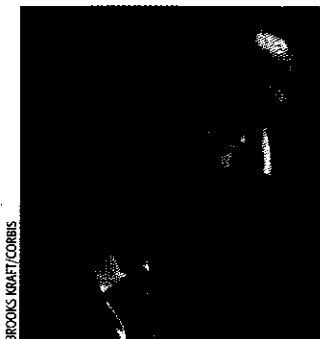


Dear Mr. Obama . . .

Export Control Reforms Critical to Aerospace Success

Seventh in a series



BROOKS KRAFT/CORBIS

Your administration faces major challenges, but rightfully acknowledges that job No. 1 is economic recovery. With that in mind, I'd like to raise an issue that impacts the economic success of the aerospace industry as well as our national security, and that we believe needs continued attention from policymakers: U.S. export control policies, laws and regulations.

Aerospace is one of our nation's most important industries, supporting more than two million American jobs in all 50 states, exporting close to \$100 billion worth of goods and services in 2008, and pioneering technologies that help create and sustain a strong industrial base and the jobs of the future. I think those are impressive facts, but in today's highly competitive and challenging global business environment, nothing can be taken for granted. Having an export control system that is as efficient as it is effective is critical to the long-term success of America's aerospace industry.

We must have an export licensing system that is both rational and efficient.

Last January, the Bush administration took an important step toward reforming the current system, issuing two presidential directives aimed at streamlining export control policies and processes at the Commerce and State Depts. Among other things, the directives created important measures to facilitate exports of items that are standard equipment on FAA-certified commercial products and considered integral to airplanes. Both departments deserve credit for this and for other positive changes stemming from the directives.

Our industry hopes your administration builds on those successes and continues the bipartisan efforts we have seen this past year to further improve the system. America's global competitiveness and security demand that we have an export licensing system that is both rational and efficient and enables strong cooperation on defense programs between the U.S. and its allies.

Both State and Commerce will need support from the top if they are to continue to reshape the export regulatory environment. They also will need adequate

resources. The State Dept.'s Office of Defense Trade Control is critical to the reform effort and should be fully staffed and funded. What specific additional reforms are needed? Many organizations have studied export control issues and produced excellent analysis and recommendations. We suggest your administration review the recommendations of the Coalition for Security and Competitiveness (CSC), a group representing more than 18 of the leading professional and trade associations involved in export-related issues.

There is not sufficient room here to go into the details of CSC's reform agenda—it is available online at www.securityandcompetitiveness.org—so I will mention just one of them. The coalition has recommended the appointment of a senior director at the National Security Council with responsibility for defense trade, export control policy (dual-use and munitions) and technology cooperation among allies. Such a position could serve a critical function in increasing the dialogue between industry and government on export reform and process management within the various departments that administer U.S. export controls.

Our industry also would like your administration to work closely with Congress to achieve early ratification of the defense cooperation treaties recently negotiated with the U.K. and Australia. These treaties have the potential to create a paradigm shift in the way allies manage exports of defense and technology products. If fully implemented, the treaties will bring substantially strengthened and streamlined defense trade between the U.S. and two of its most trusted allies.

As America and the world face the economic and security challenges ahead, it will be more important than ever to advance our competitive edge while simultaneously protecting our national security. Continuing the process of improving and reforming the export control system should be a key part of your administration's agenda.

*Sincerely,
Jim McNerney
Chairman, President and CEO
Boeing Co.*