

AIA Workforce Initiatives Gaining Momentum in Two Bills to Establish Aerospace Job Training

The House Education and Workforce Committee has endorsed an AIA-supported proposal calling for the Labor Department to establish a government program for aerospace workforce job training.

In its report on the Job Training Improvement Act of 2005 (HR 27), the committee encourages the secretary of labor “to fund a pilot project focused on the opportunities for workforce development in the high-growth, high-wage aerospace industry.”

AIA Source:
Pat McCartan
703-358-1065

Committee members also included in the report language that highlights aerospace industry contributions to U.S. economic and national security.

The report reflects guidelines written into legislation that Rep. Vern Ehlers (R-Mich.) introduced in February to create an inter-agency task force on “aerospace workforce recruitment, training, and cultivation.”

That bill, HR 758, directs 11 federal agencies, led by the Labor Department, to form a task force to develop strategies to expand public and private aerospace job training programs.

The Ehlers bill specifically requires the task force to report to Congress each year on the status of federal policies and partnerships designed to advance training programs in science, engineering, technology, mathematics, and skilled vocational trades.

“This legislation would bring together the most talented minds in the federal government to produce a national plan

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AEROSPACE FOCUS



AIA is coordinating industry support for two congressional bills to establish aerospace workforce job training. In this photo a technician at Honeywell Aerospace works on an engine for an aircraft auxiliary power unit. See Workforce Initiative story above.

Iraq War Raises “Contractors on the Battlefield” Concerns

Defense Department initiatives that increasingly contract out combat support are raising questions of international and contract law as non-military contractor personnel become more exposed to battlefield conditions in Iraq.

AIA Source:
Patrick Sullivan
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While the answers to some of the questions are found in existing federal acquisition regulations, most concerns must be decided on a case-by-case basis, including the nature and location of the work, who performs it, and conditions under which it is performed.

Questions of law include the local commander’s authority over contractors accompanying military forces, liability for injury or death, and contract oversight and management.

Perhaps the most difficult questions include the area commander’s responsibility to provide force protection, the

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WASHINGTON PIPELINE

Europe and China: Avoiding a Trade Crisis

We agree with every administration since 1989 that selling military technology to China is a bad idea.



Though the European Union is sending mixed signals about plans to lift its embargo on trading sensitive military technologies to China, American aerospace leadership remains concerned with this sensitive issue.

American industry's goal is to make sure any response does not punish the U.S. aerospace industry and further hurt an already fragile trade situation with our European partners.

Most know the background of the problem. Europe joined the United States in embargoing military and defense technology to China after that government's shockingly violent response to the pro-democracy demonstrations in 1989. While that horrifying event was good reason to put the embargo in place, it is not the only reason to keep it. China's policy toward Taiwan makes the military standoff there one of the most delicate situations on the globe.

The U.S. aerospace industry position in the matter is relatively simple. We agree with every administration since 1989 that selling military technology to China is a bad idea.

And we think Europeans — our friends and military partners — shouldn't sell arms to China either.

Meanwhile, our industry recognizes that China is not the closed society it once was. Economic reforms have welcomed foreign involvement and created an exciting new market for commercial aviation.

It takes a lot of airplanes to keep more than a billion people in China connected. So we support engaging China on the commercial front, especially because history has taught us that trade is a great way to promote democracy around the world.

But this task must be done by selling jetliners, not military equipment.

We recognize there is more to the EU-China issue than meets the eye. It is clear China has made lifting the trade block an incentive for access to its civil aviation market.

While the EU now indicates it might wait until next year to consider lifting the embargo, the question will still turn to congressional reaction. Allowing the situation to worsen the trade relationship with Europe at any time would be a huge mistake.

A trade war with Europe, our biggest trading partner and one with which we have an annual positive trade balance in aerospace of about \$10 billion, would not serve the interest of Europe or the United States.

If and when the EU lifts the embargo, European aerospace companies will be faced with two clear alternatives — sell military goods to China or sell to the United States. It's unlikely that Congress will allow European companies to have it both ways.

The challenge for American industry is to work with Congress and the administration to find a way to show Europe's leaders that access to America's aerospace market has its limits without severing the ties that have served both sides of the Atlantic so well.



John W. Douglass

A handwritten signature in black ink, appearing to read 'John W. Douglass'.

AIA President and Chief Executive Officer

WASHINGTON WATCH

AIA Committee Offers 31 Defense Payment Streamlining Suggestions

Representatives of AIA's Economic Advisory Committee met recently with the Defense Finance and Accounting Service (DFAS)-Columbus to discuss suggestions for improving the Mechanization of Contract Administration Services (MOCAS) system.

MOCAS is the electronic database containing comprehensive information for all Defense Department major weapon systems contracts, including contract payment data. DFAS is modernizing the system by re-hosting its software.

DFAS-Columbus, located in Columbus, Ohio, is home for commercial payment and accounting services for defense agencies and is responsible for contractor and vendor payments of more than \$213 billion a year.

AIA committee members presented 31 suggestions, most aimed at improving the payment process. One

recommendation would allow weekly downloads of MOCAS data directly to company computers. That would improve contractor vision into the process and substantially reduce the number of contractor calls to DFAS-Columbus customer service.

The committee also suggested revising the MOCAS system to process invoices now routed through other DFAS pay systems. The change would standardize contract payment invoices and generate savings for industry and the government.

DFAS requested detailed support papers from the committee. Another meeting is planned in April to resolve DFAS questions and concerns

**AIA Source:
Dick Powers
703-358-1042**

Association "Tiger Teams" Supporting Public-Private Partnering Strategy

AIA's Product Support and Engineering Management committees are working with the Defense Department as "tiger" teams seeking to identify strategic partnering opportunities for a national public-private partnering strategy.

Partnership opportunities are expected to be established in the upcoming Quadrennial Defense Review process and will eventually lead to shared-risk and shared-reward scenarios that will benefit industry and government.

Six areas for potential partnering opportunities have been identified:

- Technical Data — technical publications, product data management, professional development,

and technology development.

- Information Services — future network-centric services for weapon system support.
- Technical Support Services — opportunities for sustaining engineering, field support, and lean principles.
- Microelectronics — managing microcircuit components for weapon system sustainment, while contending with obsolescence issues.
- Training and Maintaining Knowledgeable Personnel.
- Distribution of Materials.

**AIA Source:
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AIA's staff will answer your questions and receive your comments on articles appearing in **AIA UPDATE**. For membership information, contact **Michelle Princi, 703-358-1005**.

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FAA Taps AIA for New Institute

An AIA-affiliated, non-profit group will administer a new industry institute to support a sweeping upgrade of the air transportation system, Federal Aviation Authority officials announced in March.

FAA Administrator Marion Blakey said the institute, which will fall under the auspices of the National Center for Advanced Technologies, is needed to ensure that the Next-Generation Air Transportation System (NGATS) is developed with full industry input.

AIA Source:
Mike Romanowksi
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“(To) make sure that the preliminary technical plans we propose have the benefit of private sector expertise before they are delivered...we need the finest and most creative minds working on the task of creating the next-generation system,” Blakey said.

NGATS is an integrated future air transportation system that covers air traffic control, security, and virtually every other aspect of aviation travel. The system is needed to handle the expected huge increases in the number of air travelers in the next several decades and is being developed by the Joint Planning and Development Office.

The institute will include representatives of major aviation stakeholder organizations and will be chaired by the presidents of the Air Traffic Control Association and the Air Transport Association. It will be governed by a 16-member Institute Management Council and have an executive director to manage day-to-day activities.

The institute will recruit, select, and assign private sector experts and technical resources to participate in integrated product teams and perform technical work for the teams and the JPDO.

Staff Added in Two Divisions

AI A has added two new staffers, one in its Civil Aviation division and the other in Communications.

Ron Baker, manager of civil aviation programs, will deal with civil regulatory, safety, and security issues for the association. His duties include identifying emerging issues, reviewing regulatory and aviation policy proposals, and coordinating issue review and position development with committee members.

A graduate of Embry-Riddle Aeronautical University in Daytona Beach, Fla., Baker had been a flight officer for Independence Air and Atlantic Coast Airlines from 2002 until this year.

Kathie Care is the new Web manager in AIA's Communications division. The award-winning Web designer is in charge of design, technical, administrative, and content aspects of the AIA Web site.

Care previously was Web manager for the national Community Pharmacists Association in Alexandria.

Newest Member Is EDS

AI A's newest member, EDS, provides a broad assortment of business and technology solutions to help clients improve business performance.

The association at this time has 103 regular members and 175 associate members.

Based in Plano, Texas, EDS has a core portfolio comprised of information technology applications, business processes, and transformation services.

The firm is 87th on the 2004 Fortune 500 list of leading companies and is one of the federal government's largest contractors. It has about 117,000 employees and supports companies and governments in more than 60 countries.

AIA Source:
Trish Maguder Ward
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for increasing the number of students who choose aerospace-related scientific or engineering careers,” said AIA President and CEO John W. Douglass.

In its November 2002 report to the president, the bipartisan Commission on the Future of the U.S. Aerospace Industry recommended establishment of a multi-agency strategy panel to counter “the nation’s apathy toward developing a scientifically and technologically trained workforce.”

The commission warned that apathy could lead to “intellectual and industrial disarmament” and pose a “direct threat to our nation’s capability to continue as a world leader.”

Douglass also pointed out that the bill responds to a significant shortage of younger, technically-skilled professionals in the aerospace industry. The average age of the American aerospace employee is now over 50. In 2008, 27 percent of aerospace workers will become eligible for retirement.

As of early March, Ehlers’ bill had won co-sponsorship of Reps. Dave Weldon (R-Fla.), Ellen Tauscher (D-Calif.), Fred Upton (R-Mich.), and Adam Smith (D-Wash.).

Team America Rocketry Challenge Finals Nearing May 21 Launch

Skies across America are filling with the whoosh of model rockets as student teams vie for a coveted spot in the finals of the AIA-sponsored Team America Rocketry Challenge.

The public is invited to view the finals of the competition, scheduled for May 21 at Great Meadow in The Plains, Virginia.

A total of 712 teams from 49 states and the District of Columbia — and even an American middle school in Germany — are taking part in the competition, the largest model rocket showcase on the planet.

Teams of middle and high school students registered for the contest in November and worked into April to qualify for the finals. That's a task much easier

said than done — they must design and build a rocket and boost it and its payload aloft for 60 seconds before safely returning to earth.

The delicate payload — one or two raw eggs.

The top 100 teams based on qualifying scores compete live against one another during the finals. Teams eligible for the finals will learn their selection this month.

AIA is sponsoring the contest along with the National Rocketry Association, partnered with NASA and more than 30 AIA member companies.

AIA Source:
J.P. Stevens
703-358-1003

For more information on the contest, visit www.rocketcontest.org.

AIA Defends Chromium Safety

AIA Source: Hoai Huynh, 703-358-1050

AIA's study of a proposed Occupational Safety and Health Administration rule regarding worker exposure to hexavalent chromium has concluded that there are significant uncertainties associated with applying risk estimates from the chromate production industry to aerospace workers.

Testifying at a public hearing in February, AIA said that hexavalent chromium compounds have been used for painting and coating aircraft and parts for decades with no elevated risks of lung cancer.

Three studies published in 1998 and 1999 analyzed the exposure of about 140,000 aerospace workers.

OSHA has proposed lowering its permissible exposure limit for hexavalent chromium from 52 micrograms per cubic meter of air to just one microgram in

construction, shipyards, and general industry. The proposed rule also spells out employee protection measures.

In two testimonials at the hearing, AIA said the government's risk estimates overstate the potential of lung cancer for aerospace workers and the proposed five-fold reduction in the exposure limit is technological-ly infeasible for the aerospace industry.

There is no substitute for chromium's corrosion protection, making it integral to flight safety, aircraft life, and overall major aerospace product integrity. The potential effect of the proposed rule on the aerospace industry would be far-reaching and costly.

Association comments are available on AIA's Web site at www.aia-aerospace.org.

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contractor's right to "self-defense" against armed enemies, and liability if the government doesn't adequately protect contractor personnel in a battle zone.

The Defense and State departments have proposed separate regulations covering contractor and subcontractor personnel performing overseas in locations where a contingency operation is underway or in other high-risk locations.

AIA has responded to the proposals by addressing the many complex issues and stressing the need for both departments to coordinate their regulations to ensure that the same treatment is afforded all contractor employees regardless of the government organization awarding the contract.

Final rules are expected to be published in the next several months.

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Positive Aerospace Trade Surplus Is Boon to U.S. Economy

The U.S. aerospace industry expanded its foreign trade surplus in 2004, increasing the positive balance by \$4 billion to reach \$31 billion.

According to statistics compiled by AIA's Aerospace Research Center, the industry saw an increase in exports of \$4.3 billion and an increase in imports of approximately \$400 million. The positive trade balance in 2003 was \$27 billion.

The news underscores the industry's importance, AIA President and CEO John W. Douglass said, especially with earlier positive reports on sales and employment.

"Aerospace has proven once again it is a huge boon to the U.S. economy in more than one measure," Douglass said.

Foreign sales rose 8 percent to \$57 billion in 2004, including a \$1 billion increase in military exports and

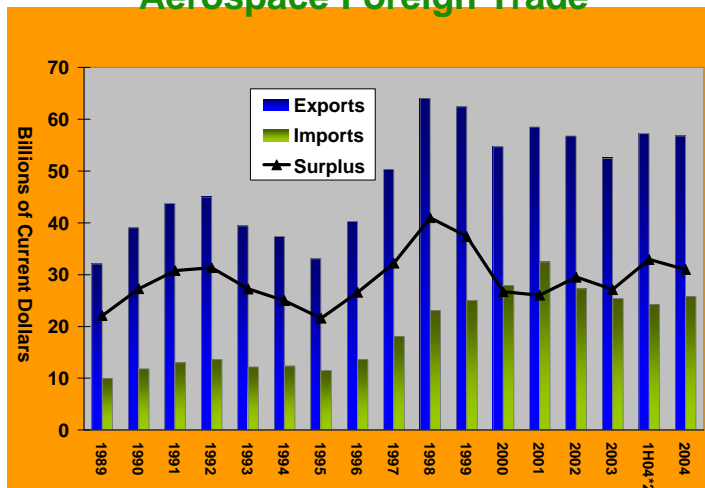
\$3.3 billion jump in civil aerospace exports. While commercial aircraft exports were down about \$900 million, other areas made up for the decrease.

For example, general aviation exports jumped approximately \$600 million, and helicopter sales rose

54 percent to \$313 million. Exports of complete engines, engine parts, and aircraft parts increased \$2.6 billion.

Exports of spacecraft, satellites, and parts increased dramatically, doubling to \$575 million.

Aerospace Foreign Trade



AIA Source: David Napier, 703-358-1015

For detailed aerospace trade data, go to:
www.aia-aerospace.org/stats/aero_stats/aero_stats.cfm



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