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Good morning. Thank you, Charlie, for that gracious introduction. It's a pleasure to be here today among a lot of old friends and colleagues to talk about a subject that is near and dear to me.

I've got to tell you, it's a double dose of déjà vu being here today. I'm in the friendly environs of the NTSB headquarters, but I'm among my old FAA colleagues talking about NextGen! I've been to Japan, France and India within the last three weeks, so some familiar territory is just what the doctor ordered!

Before I talk about NextGen today, I wanted to touch briefly on the extraordinary financial crisis in the U.S. and elsewhere in the world, and the effects on the aerospace industry. Clearly, we are in some uncharted waters here, and we're not 100 percent sure what's going to happen over the next months or even years. But if there is any industry that is in a position to weather this economic storm, it's aerospace.

There are a couple of reasons for that. First, our industry is diversified among three sectors – defense, space, and, of course, civil aviation. Funding levels for defense and space are set for at least the next six months, and will most likely not face the prospects of major changes for at least the next year. Despite headlines about the prospect of cuts in the defense budget, I just don't see our leaders suddenly making widespread reductions. Both Senators McCain and Obama have stated their solid support for a strong defense and while some analysts forecast a softening of defense spending, I do not foresee that it will be immediate or dramatic given our global national security responsibilities.

The third sector, as you know, is more open to market forces. Even with all the fluctuation and uncertainty over the last few months, there have been very few aircraft order cancellations at this point. In fact, airlines are still placing orders. I'm sure you heard last week that American Airlines is purchasing up to 100 Boeing 787s – one of the largest orders from a U.S. airline in years. The huge backlogs the airframers have amassed the last several years can absorb some amount of cancellations and deferrals. Boeing Chairman and CEO Jim McNerney recently estimated that cancellations due to financial issues would likely not be more than 10 percent, which would still leave a backlog of more than 3,000 aircraft. Of course, a tight credit market could present problems for airlines trying to buy new aircraft. Which is why Boeing officials have said they will likely start self-financing more of their airplanes.

All this is to say we are in a relatively good position to ride out today's economic challenges. But, as I mentioned, we're in unfamiliar territory, so we will have to see what happens.

This affects NextGen, of course, because the financial crisis is having some effect on the number and types of aircraft that are in the system today, and what we're likely to see tomorrow. We have already seen the grounding of many older, less-efficient models due to high fuel prices. Airlines have eliminated some flights and even entire routes. The silver lining from the manufacturing standpoint, is the increased demand for newer, more efficient aircraft. You can bet the Dreamliner's remarkable fuel efficiency had a lot to do with the American Airlines order.

Today I want to talk about NextGen from the manufacturer's perspective. It's quite a switch from my FAA years, when I considered the system from a conceptual, planning and developmental point of view. I'm happy to report that, from both sides of the fence, there is unanimous agreement that NextGen is vital to the future of air transportation in this country, and beyond.

As I've been talking to conferences and forums over the last year, invariably the topic turns to air transportation system modernization on some level. At several of these events, I was representing not just AIA of America, but the International Coordinating Council of Aerospace Industries Associations, known as ICCAIA. I tell you, there is not only great interest in what is going on with NextGen around the world, but a great deal of expectation that we will lead the way for other nations.

One of the ideas I've been talking about is the need for a seamlessly interoperable global air transportation system. I spoke at a recent forum in Montreal that some of you attended that had a self-explanatory title – "Integration and Harmonization of NextGen and SESAR into the Global ATM Framework." This says a lot in one line. First, it states the need for NextGen and SESAR, as the two leading comprehensive air transportation system modernization programs in the world, to work together. Now, I'm not going to try to lecture this crowd about the technical requirements of these advanced technologies. I know better than that! But it's important to put the concept of seamless interoperability front and center at this point of development of both systems. We all know that, while both systems are based significantly on ADS-B, there are differences in their structures and in how they are being developed. So it's important to make interoperability a central part of these systems going forward.

And the discussion of interoperability doesn't end with NextGen and SESAR. It wouldn't make much sense to have these two large islands of advanced technology in an ocean of non-compatibility. I like to use the example of "leapfrogging" technology in this context. There are areas around the world that don't have legacy air traffic control systems that need to be replaced. Places like Africa, Indonesia, China and India are already testing, developing or planning ADS-B projects. These areas have an excellent opportunity to skip the legacy systems and adopt the most advanced and effective technologies, especially booming air spaces like India and China. So those of us working on and advocating for NextGen and SESAR must ensure these developing areas can be seamlessly folded into the modernized systems.

I would be remiss not to note how much the manufacturing community is proud of its involvement in NextGen. As you know, we are providing the nuts and bolts for NextGen and every other iteration of advanced air transportation systems around the world. From the transponders on aircraft to the tracking ground stations to global weather stations to voice switch

technology to the satellites enabling all of this; our companies are the brawn of the future global system. We have been working closely with all of you through the NextGen Institute, and look forward to continued cooperation as we move forward.

This is a good place as well to remark on how far the JPDO has come since its formation in 2003. Think of it — in just a few years the JPDO has done an unprecedented job pulling together seven agencies, establishing a common vision to facilitate scarce resources and leveraging achievements. The proof is in the pudding in that now each of these agencies has a budget and programs tied to NextGen. And the building block approach of testing and implementing as we go is moving us forward with FAA focused on the short- and mid-term, and the JPDO on the long-term and on maintaining the vision of what this system will be.

Now, I can't talk about NextGen on any level without focusing on the environment. Civil aviation has become a target in some areas of the world despite a very good track record on environmental performance. I have been spreading the word on the remarkable strides aviation has made to this point, and how we are making even bigger gains for the future. And central stage on the environment is NextGen.

It's hard to overstate how important NextGen's efficiency increases, and corresponding greenhouse gas reductions, are to aviation's future. The reductions that will result from the new system is a cornerstone of our outlook on a greener aviation industry in the future. When coupled with advances in aircraft and engine technology as well as operational efficiencies, NextGen becomes an undeniable difference maker.

Why is this so important? These facts are an excellent way to blunt the often uneducated criticism we have heard in the past. Perhaps even more importantly, demonstrating the industry's due diligence on the environment will stave off the move toward punitive measures rather than positive advances. It also helps make the business case that industry and the market are already taking care of the environmental issue. Truths like these are the differences between being on the offensive rather than playing defense.

Before I close, I wanted to talk about the namesake of the plaza where we are today — Pierre Charles L'Enfant. Many of us know him as the man who designed the layout of Washington D.C. — and a lot of us have probably cursed him while driving at one time or another! But L'Enfant's story is not straight-forward, and holds a cautionary tale. An architect and engineer, L'Enfant was tapped by George Washington to plan and develop the 10-square-mile federal territory that would become the District of Columbia. After completing the design, L'Enfant had vehement disagreements with the three commissioners overseeing the work about exactly how to proceed. The squabble was relatively minor when taken in the scope of the project — whether to realize the whole design of the city before moving forward on construction — L'Enfant's position — or use scarce funds to begin construction while finalizing the whole design.

Sound familiar? NowGen, NextGen? Our history books tell us that this is not an unfamiliar tension inherent in the development of large complex projects.

L'Enfant lost the argument and was removed from his post. He fell into disfavor as he waged a campaign against Congress to be paid what he felt they owed him, and died in poverty. In the meantime, Andrew Ellicot revised L'Enfant's design, and, together with his brother Joseph, completed the plan for the city.

The lesson for those of us advocating for NextGen is to focus on the big picture. Along the way there have been, and will continue to be, choices regarding how to proceed to the next step. But the ultimate goal of a thriving, globally interoperable system must be at the forefront of everyone's priorities.

I'm looking around the room, and I see a lot of familiar faces. A lot of us have been on this road together for a long time. I'm very proud of what we have accomplished together, through all the twists and turns. But more importantly, I'm more confident than I have ever been of what we will accomplish in the future. I know, with the help and support of everyone in this room today, NextGen can realize its great potential to change air travel in the future.

Thank you.

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