March 4, 2015

Marion C. Blakey
President and Chief Executive Officer

The Honorable Mike B. Enzi
Chairman, Senate Committee on the Budget
326 Russell Senate Office Building
2 Constitution Avenue, NE
Washington, D.C. 20510

The Honorable Bernie Sanders
Ranking Member, Senate Committee on the Budget
317 Hart Senate Office Building
120 Constitution Avenue, NE
Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders:

The Aerospace Industries Association (AIA) is our nation’s leading trade association for the aerospace and defense industry. We represent an industry with more than a million workers, an industry that contributes more to a positive U.S. trade balance than any other manufacturing sector. Our members provide the cutting-edge systems used today by our troops, and the innovation that is needed now to address the national security threats of tomorrow.

In your consideration of a Senate Budget Resolution for fiscal year (FY) 2016, AIA believes it is imperative for Congress to approve funding levels for the National Security Budget Function (050) at or above the President’s budget request for FY2016. In February 2010, the Department of Defense estimated a requirement of $659 billion in FY2016. After a series of reductions, including a line-item sequester in March 2013, that according to Congressional leaders “was never supposed to happen,” the cap currently stands at $523 billion. This constitutes the fifth consecutive year of cuts for a military that is being asked to do more, not less, around an increasingly unstable world.

Military leaders have been sounding the alarm over the past several years, and we urge Congress not to ignore these assessments. Recent actions in Russia, North Korea, and the Middle East pose increasing national security threats to our nation, threats that require a well-trained, high-morale military force with state-of-the-art equipment and protective gear. A FY2016 budget that is 21% below the identified need will only accelerate today’s readiness problems and bring us perilously close to what Vietnam-era military leaders still refer to as the “hollow force.” If America retreats from the world stage, others will rush in to fill the gap.

As industrial partners, we are always asked to provide cost efficiencies and lower unit costs for the weapon systems we build. Unfortunately, if the Pentagon continues to reduce quantities and raise outyear uncertainty because of the artificially low Budget Control Act (BCA) caps, unit costs will naturally be higher and the Pentagon will get less for its dollar. Companies will invest less of their scarce resources in long-range development, and some of our suppliers will exit the market altogether. None of these are good trends for the Pentagon, the warfighter, or for an industry that is often asked to respond quickly when a new threat rears its head.

Congress amended the BCA caps in 2012, providing short-term relief for fiscal years 2014 and 2015. Unless further relief is provided, the full force of the caps will kick in next year. We urge you to provide $577 billion in funding for the National Security (050) budget function in FY2016, as recommended by the Senate Committee on Armed Services.

An identical letter is being sent to leaders of the House Budget Committee.

Best regards,

[Signature]

Marion C. Blakey
Aerospace Industries Association of America, Inc.
1000 Wilson Boulevard, Suite 1700 Arlington, VA 22209-3928 (703) 358-1000 www.aia-aerospace.org