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**The Forum on Air and Space Law
American Bar Association
January 27, 2010**

As prepared for delivery

Thank you, Andy, and good morning everyone. On behalf of the Aerospace Industries Association, I'm delighted to be here at the ABA's Forum on Air and Space Law. As some of the veterans here know, this isn't my first time to address this august group. And the last time was a real favorite – my old stomping grounds, Memphis, with strains of Elvis in the background and ducks in the lobby! You have to go far to beat that!

Some of you have asked how our industry is doing ... As you know, this is a challenging time for aerospace. Yet despite an economy that is struggling to recover, our industry continues to show real resilience. Certainly, compared to other manufacturing sectors, aerospace has more than held its own. We estimate that aerospace industry sales reached \$214.1 billion in 2009, a record for the sixth straight year. Our trade surplus is estimated at \$54 billion, the largest of any manufacturing sector. And for 2010, we believe we're going to hold pretty steady, up in some areas, down in others, but on the whole steady as she goes.

But let's move on from our preoccupation with the economy and industry concerns and talk about something that concerns not just my industry, but all of us. And that is aviation security.

To begin with, let's try a quiz. I'll give you the answer and you provide the question – sort of “Jeopardy” style.

The answer is Jasper Schuringa.

Need a hint? Let me take you back to Christmas Day. Syed Jafry was sitting in row 16 as Northwest Airlines Flight 253 approached its landing in Detroit. He heard a sound like firecrackers going off. In seat 18H, Alain Ghonda stood up and saw thick, dark gray smoke coming from a man in seat 19A. He pointed and yelled, “Fire!” Turmoil ensued. “People began to panic,” said Jafry. Then some

passengers, including a Dutch video producer named – yes -- Jasper Schuringa, leaped over seats and restrained the suspect.

The makeshift bomb ignited but did not explode. If the powerful mixture called PETN had gone off, it might have blown a hole in the side of the plane. Disaster was narrowly averted by a chance misfire.

Now, since the attacks of 9/11, many billions of dollars have been spent on surveillance and counterterrorism programs, sophisticated airport scanning devices, security personnel and intelligence “watch” lists. But, in this terrifying instance, only luck and the pluck of some passengers prevented a tragedy.

Since then, much has been written and said about why this security breach occurred. I don’t want to dwell too much on the whys and the what-ifs, even though that is a popular Washington parlor game. Instead, as the head of AIA -- an organization that represents hundreds of leading aerospace and defense companies -- I want to talk about three ways in which the aviation community can act to enhance security for every passenger – before a terrorist reaches the aircraft.

We all know the system is imperfect. If it wasn’t, how else would an eight-year-old boy wind up on the TSA watch list? True story. As The New York Times reported, Mikey Hicks always gets patted down because he shares a name with a suspicious person.

The first time he was patted down he was two years old.

The point is -- the system is prone to flaws. There is no doubt, as President Obama says, that our intelligence network has to work more cohesively. But there are other ways to enhance aviation security and create a better system for everyone.

First, there needs to be international leadership on common security standards. Second, we must use existing U.S. legislation to protect the developers of new technology. Finally, let’s revise our export control regime to enable greater sharing of useful security measures.

I believe we already have an excellent source for leadership on global security -- the International Civil Aviation Organization, or ICAO. As you all know, ICAO is the U.N. agency charged with the safe,

secure and sustainable development of civil aviation around the world. We all think of its mission first in terms of safety and then the environment – but now there needs to be greater emphasis on global aviation security.

I'd like to see ICAO take the lead in setting standards for international screening measures and guidelines for airlines and airports. And, ICAO is open to this approach. Following a meeting earlier this month with officials from the Department of Homeland Security and the Transport Security Administration, ICAO agreed to consider proposals for a comprehensive aviation security strategy. The organization also recently created an Aviation Security Branch to better address this issue.

ICAO already has established Aviation Security Training Centers to train personnel in the latest security procedures, and conducts audits to identify security shortcomings at facilities in their member States. Information should be more widely shared from these audits to allow others to assess these trouble spots. ICAO can set a security baseline for countries and recommend what other measures should be taken to enhance security – including risk assessment, behavioral screening and trace detection technology.

With adequate resources, ICAO is willing to offer further assistance to states to help them comply with ICAO's current standards and recommended practices for international aviation security – known as Annex 17.

There is precedent for this leadership. Recently, ICAO developed standards for uniform machine-readable passports. As of last August, more than 170 of the 190 member States issued passports that comply with ICAO standards and the rest must do so by April. Through the years, ICAO created a global safety system through their Air Navigation Commission. With this mechanism, ICAO set international safety standards for runway and taxiway signage and for many other areas.

My point is -- we have precedent and we have the tools. We just need to use them.

Now what sort of action should there be? Obviously a standardized approach to screening would be in everyone's best interests.

And, there is some progress. Two weeks ago, in a meeting with DHS Secretary Napolitano, European Union officials agreed to accelerate the drafting of a common strategy with the United States to

improve airline security. Napolitano stressed that “unity of effort” was more important than agreement on specific technologies.

Earlier this month, a committee of European Union safety experts met in Brussels and agreed there was a need for a unified approach on enhancing security. But there is division on the issue of scanners. This dissent in Europe alone – Britain and Italy say yes; Belgium, Spain and Germany have reservations - would seem to argue for someone taking charge of the issue. That body should be ICAO.

The point is, with leadership from ICAO -- as demonstrated with safety rules -- we can achieve uniform security screening standards. Of course, it will take much more effort to achieve uniform compliance. But we should endorse a coordinated approach and ICAO is the proper forum. The United States will do what it deems necessary to protect itself, but allowing ICAO to continue working through international sticking points will benefit everyone.

Now secondly, we must facilitate international cooperation on liability concerns regarding the introduction of new security technologies. In the United States, we have the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002, known as the SAFETY Act. The SAFETY Act limits liability for manufacturers of certified technology intended to protect the nation against terror attacks. We need to encourage more companies to invest in development of new anti-terrorism technology without fear of lawsuits after an attack occurs and the SAFETY Act is key to this.

Moreover, we need to extend this protection internationally by encouraging the State Department and the DHS to work closely with foreign governments to develop liability protection similar to the SAFETY Act. We must create an environment in which companies are free to develop and deploy new security technologies without fear that liability issues could emerge after the fact of a successful attack and threaten the enterprise. This could be particularly effective in countries from which significant numbers of goods and people enter the United States.

We have been working with the Europeans on this issue. U.S. industry has made some progress on improving awareness of this problem among other governments, but few have made a commitment to address this issue. Taking this step could advance the efforts being made to improve the environment for developing and deploying homeland security technologies.

Of course, there are counter arguments to this. Many Europeans claim they are not as litigious as Americans and don't need this protection. The question is whether you are willing to bet the existence of a company on that belief. Moreover, I need not remind this audience that American law firms have a long-standing presence in Europe, that class actions are emerging as a more common procedural tool in Europe and that these kinds of cases would be very attractive to the plaintiffs' bar.

The bottom line is that, with a legislative tool like the SAFETY Act, foreign governments would benefit from the most advanced anti-terrorist technologies available worldwide and have assurances that they will be able to obtain such technologies, as long as there is the appropriate measure of protection afforded to the manufacturers whose technology meets the requisite qualification standards.

Which leads me to the third area that needs attention, and that is export controls.

The need to protect access to critical U.S. technology can occasionally run counter to the drive to install U.S. homeland security technology overseas to detect and deter attacks on the U.S. before they reach our borders.

More precision is needed in export control mechanisms governing the composition of the U.S. Munitions List. And, more rigorous risk analysis is needed for export decisions – analysis that demonstrates that the security benefits of technology exchange are a factor to be considered in these decisions.

It's an interesting challenge. The whole point of the export control system is to prevent the proliferation of sensitive technologies. Yet to secure our homeland we must share beneficial technologies with other nations. One recent example of the problems in this area was the 18-month-long interagency debate over the proper level of control for a new whole body imaging technology. Apart from the cost in time lost, the debate raised concerns with Europeans that working with the Americans on this technology might create an International Traffic in Arms Regulations, or ITAR, "taint" to the technology due to its near-inclusion on the Munitions List.

Another example I'd name is provided by certain Unmanned Aircraft Systems, which are still subject to a "strong presumption of denial" for export under the Missile Technology Control Regime -- though they are not weaponized! Thus, the transfer of highly sought intelligence and surveillance capabilities to our allies is needlessly restricted.

As you may know, AIA has led the charge calling for revamping the export control system. And things are looking up. The Obama Administration announced last summer that an interagency task force would review export controls and move to reform them. In addition, the chairman of the House Foreign Relations Committee promised to introduce overhaul legislation later this year. We believe changes must be made to the current system to make sure it is aligned with U.S. security needs as well as the realities of the global technological environment. We want the system to operate in a more predictable, transparent and efficient manner.

As I said, the point is to be clear what technologies we need to protect and be open to the idea of not holding back technologies that benefit us all, no matter what country we live in.

Now, let me add one observation that is near and dear. And that relates to the security benefits inherent in the Next Generation Air Transportation System, which funding for full implementation. This satellite-based system will transform the ability of the private and public sector to understand and manage a complex aviation system, particularly in time of crisis. These enhancements, while improving system efficiency, will make it easier for everyone involved in aviation security to see what's going on above us in real time and identify anomalies. As things stand now, security experts agree that the current ATM system is woefully inadequate to address the imperatives in the National Strategy for Aviation Security signed by the President in March 2007.

International security benefits will be realized when NextGen is implemented and harmonized with The Single European Sky ATM Research Programme, known as SESAR. Both use Automatic Dependent Surveillance Broadcast (ADS-B) capability. Together they will make global skies safer and more secure.

Security is an issue that affects everybody. We need to get past the point where we try to reinvent the wheel every time a new incident occurs. We need to stop reacting to yesterday's terrorist attempt and anticipate the one that may come tomorrow. We have many tools ... We need to use them.

The aerospace industry prides itself on providing jobs for millions of Americans, being a major anchor for the U.S. economy and for providing for the nation's defense. The aerospace industry already has the largest export surplus in all of U.S. manufacturing. Why not grow that surplus with the export of

ideas, technology and products that help keep terror at bay? Security is what we owe our passengers. We should not have to rely on misfires and near misses. Or on the reactions of folks like Jasper Schuringa.

Terror should never leave the gate.

Thank you for your attention. Now, I will be happy to take some questions.

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