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Second to None Rally

BAE Systems Inc

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Good afternoon. It's great to see such a tremendous crowd of folks. You know, I spend a lot of time in Washington, and I can't tell you how terrific it is to be here where the real work of our nation and our defense industry is done.

Congressman Platts, Todd, Bob...your comments have really hit the nail on the head. We have a tremendous responsibility as Americans and as members of the defense industry to speak up and make our voices heard.

Cuts to the defense budget will have a tremendous adverse impact on this facility and many others, weakening our industrial base and affecting the ability of this company and others to produce the equipment that Americans have come to expect for our troops.

But it will also affect our national security, our technological leadership, and our standing in the world. America has never accepted second place – and we are all here today to say, we never will!

So as Washington cuts the budget, they need to do so with care. As we've heard, defense is preparing for \$400 billion in cuts. The Budget Control Act and sequestration unfairly targets defense and our industry for another \$600 billion in cuts. According to an analysis AIA sponsored – one million American jobs are at risk. And from reading the latest news, it appears that the supercommittee is not able to come to agreement.

Further cuts – and this is according to Secretary of Defense Leon Panetta, and both the Republicans and Democrats leading the House and Senate Armed Services Committees – well, further cuts would unacceptably weaken our nation. As Bob said, it would impact our air, land and sea forces.

Our troops are going to start coming home from Iraq and Afghanistan, but we're still a nation at war and our troops need the best equipment that we can send them – including the equipment that this plant manufactures!

Now some people think that there will be a peace dividend as these wars wind down, but the world we are living in is a very dangerous place. If history has any lessons more than half of the expected cuts will come from investment programs that buy equipment off lines just like this one. And the risk is even greater because much of our equipment is old and worn out and there's not a lot in development.

- For the first time in 100 years, America has no manned military combat aircraft or rotorcraft in design – experts warn that we could lose the basic capacity to design new military planes.
- The average age of an Air Force fighter is 22 years, for a bomber it's 35, and for a tanker, it's 47.

- And as Bob said, in Secretary Panetta's letter to Congress on the impact of the cuts, he wrote that sequestration would result in terminations of all ground vehicle modernization programs. And that hits home right here.

I mentioned the analysis that we sponsored to determine the impact to the economy if sequestration takes effect. In addition to the more than one million jobs lost across the nation and the economy:

- More than 352 thousand direct and indirect aerospace and defense jobs are projected to be lost by DOD's prime contractors and their suppliers.
- While losses would occur in all 50 states, over half of the job losses would be concentrated in the top 10, including more than 36,000 right here in Pennsylvania.
- Overall, the cuts would likely chop about \$86 billion off of GDP in 2013 alone, driving projected economic growth down from 2.3 percent to 1.7 percent.
- Finally, defense cuts totaling \$1 trillion are projected to mean that .6 percent would be added to the rate of unemployment in 2013, which today stands at 9.1 percent.

And by the way, this figure is certainly consistent with Secretary Panetta's comments that full sequestration cuts to defense would add 1 percent to the national unemployment rate – because as you know, DOD buys from many other sectors of the economy besides aerospace and defense companies. And DOD's projection did, we understand, include cuts to uniformed and civilian employees.

But I'm an optimist. It doesn't have to be this way. Around the country, and in the Congress, people are starting to appreciate the danger. If we continue to speak up and rally – like we are today – and let our voices be heard, we can really make a difference – one that keeps America strong, in part by keeping this industry strong.

But we have to speak out and get involved. Each and every one of us. Visit www.SecondtoNone.org. Send a letter to Congress. Let Congressman Platts and Senator Casey and Senator Toomey know how you feel.

America has been Second to None for a long time now – our parents and grandparents fought and worked to make it that way.

And with your hard work here in York – and also your help taking the argument to Congress – America will stay Second to None.

Thank you for inviting me here today. This underscores what America is all about.

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