



March 20, 2020

The Honorable Mark T. Esper
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Mr. Secretary:

We write today to commend you and your Department for the urgency and commitment you have shown in your response to the COVID-19 pandemic. We are especially grateful for the efforts of Under Secretary Lord and her staff, and the military services, to communicate and collaborate with us as we all strive to sustain our industry's ability to meet the demands of the National Defense Strategy.

Our industry is inextricably linked to our nation's continued success and global competitiveness. Our people, products, and common supply chain help to power our economy and provide our warfighters capabilities and tools they need to defend our nation's security. As we continue to engage with your acquisition professionals on specific policy and process matters, there is clear need for immediate Department-wide approaches. We therefore urge you to issue consistent and clear guidance in the following areas:

“Essential” Designation: In just the first few days of this crisis, we have seen state and local leaders impose a patchwork of controls that limit or even prohibit operations, and quarantine or otherwise impede the mobility of our workforce. While we fully support efforts to preserve public health and are working in many locations to assist them on the ground, these actions threaten our ability to sustain our production of vital capabilities for the warfighter. Recent DHS and USD (A&S) memoranda have been helpful on a case-by-case basis, but they are advisory in nature and not legally binding; to establish stability for our operations across the nation, the federal government should legally establish national security programs and our workforce as essential.

Enhanced Cash Flow: All companies within the supply chain – and especially small companies – need liquidity to navigate through the crisis. We respectfully request that DOD immediately expedite the obligation of appropriated funds, increase use of accelerated and/or advance payments, increase reimbursement rates, and encourage long-lead purchases.

Contract Flexibility: We encourage DoD to publish regulatory authority requiring contracting officers to consider financial relief as part of requests for equitable adjustments for measures we take in response to COVID-19. This includes relief related to bans, closures, quarantines and other travel restrictions, the loss of

**The Honorable Mark T. Esper**

page 2

public infrastructure and public transportation, restricted access to resources and tools, and other public safety restrictions.

Mr. Secretary, America's aerospace and defense industry remains committed to protecting our citizens and preserving our national security and economic prosperity. At this challenging time, we are making every effort to protect our employees and collaborate with our state and local leaders in the communities in which we live and work. We stand ready to do more and urge you to let us know how we can further support the Administration and the Department during this period of national crisis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelly Ortberg', is positioned above the typed name.

Kelly Ortberg
Special Advisor to the
Office of the CEO
United Technologies
Corporation

A handwritten signature in black ink, appearing to read 'Eric K. Fanning', is positioned above the typed name.

Eric K. Fanning
President & CEO
Aerospace Industries
Association

A handwritten signature in black ink, appearing to read 'Kathy Warden', is positioned above the typed name.

Kathy Warden
Chairman, CEO & President
Northrop Grumman Corporation



William M. Brown

William M. Brown
Chairman and CEO
L3Harris Technologies Inc.

Eileen Drake
CEO & President
Aerojet Rocketdyne

Leanne Caret

Leanne Caret
Executive Vice President
The Boeing Company

Roger Krone

Roger Krone
Chairman & CEO
Leidos

Nanda Kumar
President, Aerospace Group
Eaton Corporation

Phebe Novakovic
Chairman & CEO
General Dynamics
Corporation

Mark Aslett

Mark Aslett
CEO & President
Mercury Systems, Inc

Mike Petters
President & CEO
Huntington Ingalls Industries

Clare McGarrey

Clare McGarrey
Vice President &
Co-Founder
InterConnect Wiring

Mark H. Lee

Mark Lee
Chairman & Owner
Aero-mark, LLC

Marillyn A. Hewson

Marillyn Hewson
Chairman, President & CEO
Lockheed Martin Corporation

Mike Madsen
President & CEO
Honeywell Aerospace

Scott C. Donnelly
Chairman & CEO
Textron Inc.

Thomas A. Kennedy

Thomas A. Kennedy
Chief Executive Officer
Raytheon Company

Eric DeMarco
President & CEO
Kratos Defense and
Security Solutions, Inc.

Tom Arseneault
President & COO
BAE Systems, Inc

Rob Strain

Robert D. Strain
President
Ball Aerospace

Thomas C. Gentile III

Thomas Gentile
President & CEO
Spirit AeroSystems