



September 26, 2023

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Democratic Leader
United States House Representatives
Washington, D.C. 20515

Dear Leader Schumer, Republican Leader McConnell, Speaker McCarthy, and Democratic Leader Jeffries:

As the September 30 deadline to fund the government quickly approaches, I write on behalf of the Aerospace Industries Association (AIA) and our member companies that employ over 2.2 million hardworking Americans to urge Congress to avoid a government shutdown. The effects of a government shutdown are far-reaching, creating instability for both the American economy and our national security — but they are also avoidable. Congress must work together to put the economic well-being and security of this country first and pass legislation to fund the federal government.

The American aerospace and defense industry has displayed unparalleled resilience in the face of a global pandemic, soaring inflation, and economic and geopolitical instability. Despite the challenges, we continue to be a key partner to the U.S. government in providing highly advanced technology to our military and NASA and transporting millions of Americans safely around the world every year. However, our continued resilience relies on the support and investment of the U.S. government, which is often our member companies' only customer.

American businesses are already feeling the squeeze of a perfect storm of economic challenges, including record sustained inflation and the harmful research and development tax amortization requirement. Lurching from continuing resolution to continuing resolution, as Congress has done nearly 50 times in the last 12 years, has created an environment of instability and unpredictability for businesses that work with the U.S. government. A shutdown now would only exacerbate the cash crunch facing American businesses. The five-week partial shutdown in 2018 and 2019 cost the U.S. economy around \$3 billion, according to the Congressional Budget Office.

Facing this uncertainty, businesses would lose the ability to recruit and retain top talent. If we are unable to hire and keep our most talented workforce, we will lose our ability to out-innovate and out-perform our adversaries. While federal employees will return to work and likely receive pay for lost wages following the reopening of the government, contractors are not afforded the same. Instead, we are forced to turn internally and cut costs through hiring freezes, increasing the cost of products, layoffs and furloughs, or a combination to avoid significant economic impact. However, our industry must maintain combat-readiness, so, unlike the government, we are unable to truly shutdown. The work must continue, just with the uncertainty of their work being compensated fairly.



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While shutdowns create myriad challenges for the American people, there are none more consequential than the risk to national security and safety of the American people. The U.S. and our allies and partners rely on the technology our members develop, manufacture, and sell every day to remain safe and out of harm's way. Any new start programs slated to begin in fiscal year 2024 will be on hold until appropriations are passed. This delays technology development and procurement and holds industry back from supporting national security, and ultimately, it reduces the Pentagon's buying power. The shutdown will also delay critical national security space launches, which according to the Air Force, would expose warfighters to "massive risk" and cause ripple-down effects that could last for years.

The effects go beyond the Department of Defense. While most employees at the Federal Aviation Administration (FAA) are deemed essential workers, the FAA can only truly do its job when everyone is working. Beyond that, FAA certification processes would halt, causing backlog in an already understaffed agency. Additionally, the understaffing issue would only be further exacerbated by the effects of a shutdown by pausing all air traffic controller training.

With these impacts and many others in mind, we urge Members of Congress to consider how a shutdown will harm American families and the businesses that employ them. We strongly urge the swift passage of appropriations legislation to keep Americans safe, ease economic uncertainty within the American workforce, and avoid undue stress on the American economy and national security.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Fanning", is written over a printed name and title. The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric Fanning
President and CEO
Aerospace Industries Association