

THE WAY TO WHAT'S NEXT

Legislative Recommendations to Strengthen National Security, Improve Aviation Safety, and Encourage the Next Generation of Space Innovation

Stable, Predictable, and Sufficient Federal Funding

Enduring partnerships between the aerospace and defense industry and the federal government are necessary for our national security, aviation safety, and innovation in space. Our productive relationships with the Department of Defense (DOD), Federal Aviation Administration (FAA), National Aeronautics and Space Administration (NASA), and other agencies depend on predictable and consistent demand signals driven by the annual appropriations process. **AIA urges Congress to eliminate the broken budget process of governing via continuing resolution and instead pass on-time and adequate appropriations for FY25 and beyond.**

Tax Policy that Encourages Innovation

America stays ahead of our economic and strategic competitors because we lead the world in innovation. For decades, our tax policies encouraged American businesses to invest in the research and development that kept us on the cutting edge, but that has changed — and it is stifling innovation and harming American businesses, especially small businesses. There is broad bipartisan support in both the House and the Senate to fix the R&D tax amortization requirement. **AIA urges the Senate to take up *The Tax Relief for American Families and Workers Act*, which passed the House 357-70 on January 31, 2024.**

More Effective Acquisition Policies for National Defense

Ensuring the health and resilience of the defense industrial base requires a long-term approach rooted in consistency and clear demand signals. Sustained investment to increase capacity matters, but so does reducing barriers to entry and eliminating unnecessary costs of compliance to the myriad of federal acquisition regulations and policies. These barriers can cause companies, especially small businesses and commercial companies, to shy away from doing business with the DOD or leave the defense industrial base entirely. Requirements such as the Cybersecurity Maturity Model Certification (CMMC) stress an already vulnerable supply chain. We believe companies will continue to exit the defense industrial base due to the costs associated with programs and directives like these. **AIA urges Congress to utilize annual defense authorization legislation to lower the costs of compliance, accelerate the defense contract process, and offer cost of compliance assistance to small businesses that are critical to the defense industrial base.**

Safety Enhancement and Efficiency in Commercial Aviation

American commercial aviation must remain both safe and globally competitive and achieve this for both traditional and newly emerging sectors of the aviation industry. To do this effectively, the FAA's authority on aviation safety must be second to none in its capability and highly respected on the world stage. Given the important changes in aviation since enactment of the last FAA reauthorization bill in 2018, **AIA urges Congress to finalize a five-year FAA reauthorization bill before the May 10, 2024, expiration to provide new direction and authorities to the agency.**

Next-Generation Space Capabilities

The U.S. space industry has seen tremendous growth and increasing importance to our nation's economic and national security success. These changes warrant a careful examination of current law to ensure continued U.S. space industry innovation and a long-term sustainable space environment. To succeed in these goals, **AIA urges Congress to prioritize appropriations for FY24 and FY25 at levels that support growing national security and civil space requirements in an inflationary environment.**

Modernizing Defense Trade

Modernizing the defense trade process, building resilient supply chains, and accelerating technology release reviews are essential to U.S. economic and national security. While the recent AUKUS legislation passed in the FY24 NDAA highlights that strong international partnerships enhance U.S. capabilities and alleviate industrial base shortfalls, more work can be done to optimize global trade. **AIA urges Congress to continue to develop clear and consistent policies and regulations that prioritize cooperation with allies and partners while incentivizing domestic producers.**