



May 11, 2017

The Honorable Diane Black

Chair, House Budget Committee
207 Cannon House Office Building
Washington, D.C. 20515

The Honorable Michael B. Enzi

Chair, Senate Budget Committee
624 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable John Yarmuth

Ranking Member, House Budget Committee
134 Cannon House Office Building
Washington, D.C. 20515

The Honorable Bernard Sanders

Ranking Member, Senate Budget Committee
624 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Budget Committee leaders:

As you formulate FY18 budget blueprints, we strongly urge you to repeal or raise the current Budget Control Act caps on defense spending and closely related infrastructure and innovation programs. Repealing or raising the current caps will better enable the aerospace industry to support servicemen and women, explore the frontiers of space with confidence, and ensure a safe and efficient commercial air transportation system.

Lifting these arbitrary spending limits also will boost American manufacturing and drive overall economic growth. Aerospace and defense companies employ 1.7 million Americans and represent 13 percent of the country's overall manufacturing base. In 2016, our industry generated a record \$146 billion in exports, contributing a record \$90 billion surplus toward America's trade balance.

The constraints imposed by the Budget Control Act, however well-intentioned, pose significant danger to our national security, leave our troops less prepared to defeat looming threats, and limit industry's ability to invest in innovation and technology for the future. A stable, multi-year budget is needed to fund strategic requirements, current operations and future modernization efforts.

We have been encouraged by calls from President Trump and your respective committees to reverse the harmful effects of sequestration, which will cap FY18 defense spending indiscriminately at \$549 billion, far below the president's \$603 billion budget request. We believe more could and should be done. In particular, the \$640 billion proposed by both Sen. McCain's "Restoring American Power" white paper and the House Armed Services Committee's March 3 "views and estimates" letter offer a strong starting position for sustained, long-term reinvestment in defense capabilities.

The choices your committees will make in the days ahead have tremendous implications for our industry, the health of the economy and America's position in the world. Thank you for your leadership and consideration of our views.

Sincerely,

A handwritten signature in black ink, reading "David F. Melcher".

David F. Melcher
Lieutenant General, USA (Ret.)
President & CEO
Aerospace Industries Association

A handwritten signature in black ink, reading "Dennis A. Muilenburg".

Dennis A. Muilenburg
Chairman, AIA
Chairman, President & CEO
The Boeing Company

A handwritten signature in black ink, reading "Thomas A. Kennedy".

Thomas A. Kennedy
Vice Chairman, AIA
Chairman & CEO
Raytheon Company