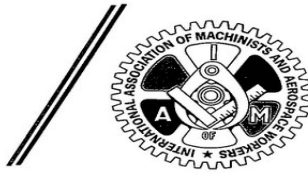


**International
Association of
Machinists and
Aerospace Workers**



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OFFICE OF THE INTERNATIONAL PRESIDENT

May 27, 2010

Dear Representative,

The IAM urges support for two amendments to the FY 2011 Defense Authorization, HR 5136. These two amendments strengthen our nation's aerospace industrial base by dealing with the issue of illegal subsidies by foreign governments that bid on defense contracts, and by enabling the F-35 Joint Strike Fighter (JSF) program to proceed on its own merits.

Recently the World Trade Organization (WTO) found that European governments gave EADS/Airbus \$5 billion for the A330 airplane, which Airbus is using in its bid for the Air Force refueling tanker contract. This illegal aid allows Airbus to significantly reduce the acquisition cost of the A330 and unfairly undercut the American made Boeing tanker.

The net effect of these illegal subsidies goes beyond the tanker contract. According to the U.S. Trade Representative, the illegal subsidies have weakened the aerospace industry, one of America's last significant export sectors, and have resulted in the loss of over 65,000 good paying jobs, many of which were held by Machinists Union members.

A bipartisan amendment by Representatives Inslee, DeLauro, Tiahrt and others address this issue by requiring the Department of Defense to report to congressional defense committees any unfair competitive advantages by a bidder and, then, requires that any unfair competitive advantage be taken into consideration when evaluating bids.

Secondly, as our armed services struggle with a projected short fall in fighter aircraft, full authorization and funding is essential for the F-35 JSF program to make continued progress in filling that gap. The projected gap in fighter aircraft not only affects our nation's defense capabilities, but also negatively impacts the skill base of the aerospace defense industry. With the end of the F-22 program in 2011, thousands of aerospace workers will lose their jobs, many of whom are IAM members.

Unfortunately, the statutory language in the House FY 2011 Defense Authorization legislation puts limitations on procuring a full complement of F35 JSFs based in part on six F136 engines being available for testing and the completion of 1,000 test hours in the F136 program. These are two separate and distinct programs that should be evaluated on their own merits.