

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

MYRON A. BRILLIANT
EXECUTIVE VICE PRESIDENT AND
HEAD OF INTERNATIONAL AFFAIRS

1615 H STREET, NW
WASHINGTON, DC 20062-2000
202/463-5489

February 12, 2021

Secretary Lloyd Austin
Secretary of Defense
Ret. General
Department of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Secretary Austin:

On behalf of the U.S. Chamber of Commerce's Defense and Aerospace Council, I am pleased to send to you our recommended policy priorities for strengthening the US Aerospace and Defense Sector. In addition to the aggressive competition from our European allies and our Russian adversaries, U.S. Aerospace and Defense Companies are also facing a new and fast-growing competition from China, which is making inroads in the global defense supply chain. Our recommendations seek to streamline and strengthen the processes for engaging our partner countries and preserving America's preeminent role in the global defense supply chain.

Given the Chinese policies that present novel strategic and economic challenges to U.S. interests, the U.S. Chamber of Commerce is eager to engage with the Biden-Harris Administration to ensure the stakes for America's defense and aerospace industries in the coming decade continue to receive due attention. China continues to build a military and commercial aviation industrial complex that, while in its infancy, is beginning to conclude deals with U.S. Allies and partners around the world. As you can imagine, the challenges of ceding military market space to China are not just limited to the loss of sales, but more importantly the loss of U.S. military influence that accompanies such sales. Furthermore, the introduction of Chinese-made military equipment complicates future sales of defensive military capability to the same militaries in the future.

With the return to a more deliberate and thoughtful export decision process within the interagency, and emerging limits with respect to some exports to the

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Middle East, U.S. defense and aerospace industries today face greater uncertainty and associated risk. Furthermore, recent testimony has reinforced the perspective that in addition to the potential for restricted international sales, the defense budget may be trimmed in the near future. Traditionally, as domestic defense spending tightens, our industries are compelled to work harder to secure greater international market share as appropriate. Maintaining healthy revenue streams while investing in current production and future innovation has served American and Allied interests well for decades.

We look forward to working with you and other members of the Administration to find ways to advance U.S. defense industry interests around the globe. If acted upon in a timely fashion, these priorities will strengthen both national security and the defense and aerospace industrial complex. Council President Keith Webster (kwebster@uschamber.com and 571-215-1961) will reach out to your staff to follow up in the near future.

These recommendations are also being sent to Secretary Blinken and may be delivered to other officials across the Administration.

Sincerely,

A handwritten signature in black ink, appearing to read "Myron Brilliant", with a long, sweeping flourish extending to the right.

Myron A. Brilliant
Executive Vice President and
Head of International Affairs