



Reading the Tea Leaves: Election Impact for the A/D Industry

What the New Administration Could Mean to
Defense, Space & Commercial Sectors

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Presented in San Diego, CA
November 14, 2008

Introduction to the Forerunner Foundation

Founders & “Fellows”

<http://www.forerunnerfoundation.org/about-us.html>

Mission:

Forward-thinking public policy
Tough choices, impact felt in 20-30 years

Unique “Product”

Multi-media, user-friendly commentaries & issue briefs
No “doorstops”

Introduction to Forerunner (cont'd)

“Hot Topics”

Ongoing: Aerial Refueling Modernization Project
http://www.forerunnerfoundation.org/hot-topics-modernization_armp.html

New: Surface Transportation Safety Project (TBA)

New: Modernization of Air Traffic Management System

What Forerunner Does Not Do

Lobby
Endorse Products
Strictly Nonpartisan

Forward-Thinking About “Change” in Washington

Aviation Week’s Special Section on the 2008 Election

<http://www.spaceref.com/news/viewpr.html?pid=25837>

Forerunner Interview & Podcast

- Read it:
<http://www.forerunnerfoundation.org/pdfs/podcast.pdf>
- Hear it:
<http://www.aviationweek.com/media/audio/DoyleCox.mp3>

Five Questions for the New President

1. Has the military action in Afghanistan & Iraq weakened or strengthened U.S. ability to defeat “near-peers?”
2. What are the new Administration’s priorities in defense, space & commercial aviation?
3. How will the new Administration assure access to components & technology from overseas in the midst of an armed conflict?
4. Will the new Administration fix ITAR without jeopardizing U.S. security?
5. Can the Administration address unfair trade practices that hurt American A/D workers without setting off a trade war?

Question # 1: Has the military action in Afghanistan & Iraq weakened or strengthened U.S. ability to defeat “near-peers?”

Lessons learned.

Policy implications & challenges.

- financial & other costs of occupation
- focus on “the war we’re in”
- are some DOD institutions “part of the problem”?

Impact on priorities

Question # 2:

What are the new Administration's priorities in defense, space & commercial aviation?

Defense

- budget challenges
- resource allocation
- modernization
- institutional & business reforms

Priorities (cont'd)

Space

- budgetary challenges
- new president's view of ongoing programs
- political/image considerations

Priorities (cont'd)

Commercial Aviation

- re-regulation?
- “re-tooling”
 - modernization of air traffic management system
 - fostering the “STEM” workforce
 - implications for competitiveness
- energy & environmental issues
- emerging safety concerns
- modernization of security equipment/procedures

Question #3: How will the new Administration assure access to components & technology from overseas in the midst of armed conflict?

Advent of the globalized supply chain

Economic opportunities for U.S. A/D companies & workers

Security challenges

Question # 4: Will the new Administration fix ITAR without jeopardizing U.S. security?

High stakes

Fundamental dilemma

Current delegation & division of key responsibilities

Legitimate security concerns

Implications for U.S. competitiveness & trade

Question # 5: Can the Administration address unfair trade practices that hurt American A/D workers without setting off a trade war?

Commercial aircraft development subsidies

Outsourcing

Reciprocity

Policy options

Strategic Considerations for A/D Program Managers

“It’s political. Get used to it.”

Remember: all politics is local.

Don’t ask – DO tell!

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