



EXPORT AEROSPACE NEWS

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Commerce Secretary Evans Witnesses Agreement Between Boeing and Chinese Airlines

On October 2, 2001, Commerce Secretary Donald L. Evans witnessed a \$1.6 billion General Purchase Agreement between Boeing and Chinese officials. The agreement was for 30 Boeing 737 jetliners. The aircraft will be delivered to China Southern Airlines, China Eastern Airlines, Hainan Airlines, and Shanghai Airlines. Boeing forecasts that in the next 20 years China will require 1,764 new aircraft, valued at \$144 billion, making it the second largest market for airplanes after the United States. It is also projected that China's air traffic growth will average 9.3 percent annually during the same time period.

The signing ceremony was organized by the Office of Aerospace and held at the U.S. Department of Commerce. Joining Secretary Evans in the ceremony were Vice Chairman Zhang Guobao of China's State Development Planning Commission (SDPC); Mr. Bai Zhi Jian, President of the China Aviation Supplies Import and Export Corporation; Alan Mulally, the President and CEO of Boeing Commercial Airplanes; Ambassador Yang Jiechi, China's Ambassador to the United States; several members of Congress; and representatives from the four Chinese airlines.

"This \$1.6 billion agreement brings our two countries a little closer. The spin-off benefits for both our countries include the creation of new jobs and new opportunities in the airline manufacturing sectors," said Secretary Evans.



Secretary of Commerce Donald L. Evans (third from left, rear) observes signing of agreement between Boeing and representatives of four Chinese airlines on October 2, 2001, at the U.S. Department of Commerce in Washington, D.C.

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industry links, and
our newsletter online,
check out the
Office of Aerospace
website at
[www.ita.doc.gov/
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Office of Aerospace website at

www.ita.doc.gov/aerospace

Our website is also a great resource for viewing trade agreements and statistics, or linking to industry publications, associations and companies.

CIVIL AIRCRAFT NOISE AND EMISSIONS STANDARDS

The 33rd Assembly of the International Civil Aviation Organization (ICAO) convened September 25–October 5, in Montréal, Canada, to consider a wide variety of aviation issues that affect U.S. aerospace exports. One of the key issues considered was a resolution providing guidance to ICAO members on how to address civil aircraft noise concerns at airports around the world and calling on ICAO to develop further guidance on aircraft noise and emissions policies and procedures. The U.S. government supports a “balanced approach” to address noise on an airport-by-airport basis, taking into consideration the circumstances at each airport. Assembly participants also considered expansion and improvement of the ICAO Universal Safety Oversight Assistance Program to enhance safety at airports around the world, progress

toward harmonization of aircraft certification procedures, and harmonize drug and alcohol testing programs for aviation workers.

During its May–June 2001 session, the ICAO Council adopted a new jet aircraft noise standard 10 decibels quieter than the current Chapter 3 standard, as well as criteria and technical guidance for re-certification of existing aircraft to a new standard.

The Office of Aerospace has worked closely with industry and other federal agencies to ensure that U.S. positions for the Assembly adequately reflect trade and competitiveness concerns. Contact Jon Montgomery at (202) 482-3353 or jon_montgomery@ita.doc.gov for more information.

WANTED: NEW MEMBERS FOR ISAC 1

Representatives from the U.S. aerospace industry have the opportunity to serve as advisors to the U.S. Department of Commerce and the U.S. Trade Representative on trade policy matters. The Industry Sector Advisory Committee for Aerospace Equipment (ISAC 1) helps develop industry positions on trade negotiations, including the upcoming New Round of WTO negotiations and addresses market access problems such as tariff levels and other trade barriers.

If you are interested in serving as an advisor on ISAC 1, you must be a U.S. citizen representing a U.S. aerospace manufacturing or service firm that trades internationally. Representatives of aerospace-related trade associations may also

participate. U.S. aerospace companies and associations already represented on ISAC 1 are Aerospace Industries Association, Boeing, General Aviation Manufacturers Association, General Electric Aircraft Engines, Goodrich, Hamilton Sundstrand Aerospace, Helicopter Association International, Honeywell, Northrop Grumman, Orbital Sciences, Pratt & Whitney, Raytheon, Rockwell Collins, Thiokol, TRW and WITA. For more information, contact Heather Pederson, designated federal officer for ISAC 1, Office of Aerospace, at (202) 482-6234; e-mail Heather_Pederson@ita.doc.gov; or visit the web site at www.ita.doc.gov/icp.

U.S. INDUSTRY GOES TO HELITECH 2001

The Office of Aerospace (OA) sponsored a U.S. Helicopter Products Literature Center (HPLC) at the 2001 International Helicopter Technology and Operations Exhibition (Helitech '01). The helicopter show was held in Cambridge, United Kingdom, September 25–28, 2001. More than 20 U.S. companies were in the HPLC booth, representing service providers, helicopter part manufacturers and helicopter/heliport consultants. In addition, OA, along with the Federal

Aviation Administration, attended parallel meetings with their European counterparts during the show on such issues as tilt-rotor technology, heliport infrastructure and noise levels. The next Helitech event will be held in 2003. For further information regarding OA's helicopter activities, contact Sean McAlister at (202) 482-6239 or by e-mail at Sean_McAlister@ita.doc.gov.

COMMERCE TO HOST FIRST MEETING OF AEROSPACE COMMISSION

The Commission on the Future of the U.S. Aerospace Industry will hold a public meeting on November 27, 2001, from 8:30 a.m. to 5:30 p.m. at the U.S. Commerce Department. At this time, the Commission will review the issues challenging the aerospace industry, which have become more acute following the September 11th terrorist attacks. The Office of Aerospace has provided specific guidance to Commission staff on civil aerospace and international trade issues.

The body will also hear testimony from its Congressional sponsors and federal agency officials regarding their views on the future

of the U.S. aerospace industry and priorities for the Commission. The Commissioners will then deliberate and decide on the scope and priorities to guide the Commission's year-long effort.

In addition to public meetings, a required Commission report will be issued to the President and Congress recommending actions by federal agencies to help the U.S. aerospace industry maintain its leadership.

For further information, contact Evan Foster at (202) 482-6235, or email evan_foster@ita.doc.gov.



The Office of Aerospace has several upcoming APLCs for 2002 in which U.S. aerospace companies are invited to participate:

AIRPORT INFRASTRUCTURE WORKSHOP IN AUSTRIA

From November 4-7, 2001, the Seventh Annual Central European/U.S. Airport Management and Infrastructure Conference was held in Salzburg, Austria. The Office of Aerospace was pleased to cosponsor this event with the Federal Aviation Administration, the U.S. Embassy in Austria, the Salzburg Airport, Austrian Airlines, the American Association of Airport Executives, and the International Association of Airport Executives. This conference provided U.S. aerospace

representatives with opportunities to access Central European markets through meetings with key aviation sector decision-makers, and to discuss the challenges facing the aviation community. Senior-level airport officials from more than 25 countries throughout the region attended the workshop. For more information contact Sean McAlister, at (202)482-6239, or via e-mail at Sean_McAlister@ita.doc.gov.

Asian Aerospace 2002 APLC

Feb. 26–March 3, 2001
POC: Mara Yachnin
(202) 482-6238

Farnborough 2002 APLC

July 22–28, 2002
POC: Office of Aerospace Staff
(202) 482-2835

ASIAN AEROSPACE '02 AT CHANGI EXHIBITION CENTRE

The Office of Aerospace will manage an Aerospace Products Literature Center (APLC) at Asian Aerospace 2002. The APLC at Asian Aerospace 2000 displayed the brochures of 52 U.S. companies. The show, being held for the 12th time, is considered one of the three most prestigious international trade shows for the aerospace industry. It is a partnership between the Singapore Economic Development Board and Reed Exhibition Companies of Norwalk, Conn., a leading organizer of trade

and public shows. Asian Aerospace 2000 showcased aerospace products and services from over 900 companies from 30 countries; 22,000 trade visitors from 73 countries attended. More than 200 exhibitors were U.S. producers. All the major international aerospace giants have booked their exhibit space at the 2002 show, and if you want to be part of our low-cost, U.S. government-sponsored program, contact Mara Yachnin at (202) 482-6238 or e-mail her at mara_yachnin@ita.doc.gov.

For information on these opportunities to introduce your company to new export markets, please contact our office.



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CONGRESS EXPLORES AIRCRAFT TRADE ISSUES

Grant Aldonas, Under Secretary of Commerce for International Trade, testified at a July 26 hearing on the "Competitiveness of the U.S. Aircraft Manufacturing Industry." The hearing was held by the U.S. House of Representatives' Subcommittee on Aviation, chaired by John Mica (R-Fla.). Under Secretary Aldonas commented on impediments U.S. exporters of civil aircraft and aircraft parts face in overseas markets. He also em-

phasized the importance of Congressional approval of Trade Promotion Authority to support negotiations that can help open foreign markets for U.S. aircraft exporters and American workers.

Contact Fred Elliott at (202) 482-1233, or email him at Fred_Elliott@ita.doc.gov, for more information.

AEROSPACE TRADE MISSIONS UNDER CONSIDERATION

The Office of Aerospace is considering organizing and leading Executive Aerospace Trade missions to several areas of the world in the next 12 to 15 months. Plans are to focus on an airport and air traffic control equipment mission to Eastern European countries in November 2002. Planning is also underway to lead an aerospace mission to Hanoi and Ho Chi Minh City, Vietnam, between August 25-31, 2002. We have agreement in principle from the Commercial

Service in Sydney to organize a trade mission to Australia for the early months of 2003, probably coinciding with the Australian Air Show Down Under in February. For further information on the Eastern Europe Mission contact Luke Rollins at luke_rollins@ita.doc.gov or (202) 482-4230, and for Vietnam and/or Australia, contact Mara Yachnin at mara_yachnin@ita.doc.gov or (202) 482-6238.

U.S. TRADE CONCERNS WITH EASA

U.S. industry and government support European legislation to consolidate and harmonize aviation safety regulations through the creation of the European Aviation Safety Agency (EASA). The U.S. Department of Commerce is concerned, though, about a legislative provision empowering the European Commission to allow an EU member state to alter or renounce an aircraft certification bilateral agreement between individual member states and non-EU countries if that bilateral agreement "gives an unfair advantage" to the non-EU country.

This provision could allow for use of regulatory measures to advance Europe's trade competitiveness. It suggests that certification

considerations would be subjected to the will of a political institution for the advancement of trade.

While the U.S. government has raised these concerns during formal and informal discussions with European officials, the officials have not addressed or changed the provision. The Office of Aerospace will continue to monitor the advancement of the legislation and seek changes to promote U.S. trade interests.

For more information, please contact Luke Rollins, International Trade Specialist, Office of Aerospace, at (202) 482-4230 or Luke_Rollins@ita.doc.gov.

PARIS AIR SHOW RECAP:

PARIS AIR SHOW'S USA PAVILION

The private/public partnership between Kallman Worldwide, a trade show organizer, and Commerce's Office of Aerospace for the 2001 Paris Air Show, exceeded both partners' expectations. The effort resulted in the largest ever Official USA Pavilion, showcasing 287 companies' exhibits, three times more than any previous official Pavilion. Sen. Ted Stevens and four other senators, as well as approximately 48 other members of Congress, participated in the show and the formal opening of the pavilion. Secretary of Commerce Donald L. Evans participated, visiting a variety of U.S. companies in every

show pavilion. Audrey Smerkanich, director of the Office of Aerospace, held bilateral meetings with several countries at the show site. Office of Aerospace staff organized the visits of 20 buying delegations from countries in Europe, Asia and Latin America to the Pavilion, and provided business counseling to companies present at the show. For those of you who participated in this year's Paris Air Show, we welcome feedback about our performance, and suggestions on ways to enhance our services. Contact Anthony_Largay@ita.doc.gov with comments.

PARIS AIR SHOW APLC IS A SUCCESS!

The Office of Aerospace recruited and managed an Aerospace Product Literature Center (APLC) at the Paris Air Show, June 16-24. The APLC collected over 1,600 trade leads for distribution to its 74 participants and registered 209 business visitors at the booth from 35 foreign countries.

The APLC was located in the Department of Commerce-sponsored USA Official Pavilion. It was situated opposite the Aviation World's Fair exhibit, highlighted throughout the show by the Pavilion Organizer, Kallman Worldwide. The location generated more traffic to the exhibit than at the Paris Air Shows in 1997 and 1999, resulting in more leads for

the participants. In addition to business visitors, the APLC was visited by several distinguished guests, including Secretary of Commerce Donald L. Evans and President Bush's personal representative to the Paris Air Show, Sen. Ted Stevens. Many other senators and congressmen were also in attendance as part of the Congressional delegations.

The Office of Aerospace is proud of its effort and the success of this event and looks forward to operating another APLC at the Paris Air Show in 2003. For more information, contact Tony Largay at (202) 482-6236 or anthonylargay@ita.doc.gov.

SECRETARY EVANS ON RUSSIA MARKET ACCESS

During the Paris Air Show, Commerce Secretary Donald L. Evans met with Russian Aviation and Space Agency General Director Yuri Koptev and discussed aircraft market access. Russia currently levies a 20 percent tariff on imports of aircraft, and tariffs of 5 to 20 percent on aircraft parts. Mr. Koptev indicated that the Russian Government was reviewing this issue and hoped to resolve it in the near term. Secretary Evans also raised this issue with Russian Deputy Prime Minister Klebanov during his trip to Moscow in late July. During his visit, Secretary Evans toured Boeing's Technical Re-

search and Design Engineering Centers in Moscow. From October 14-17, 2001, Secretary Evans led a senior-level business development trade mission to Moscow to explore trade and investment opportunities from the positive political and economic changes that have taken place in Russia. Fifteen U.S. industry representatives participated, including Boeing's Senior Vice President Thomas Pickering, Lockheed Martin's CEO Vance Coffman, and Pratt & Whitney's President Louis Chênevert. For more information, contact Heather Pederson, at (202) 482-6234, heather_pederson@ita.doc.gov.



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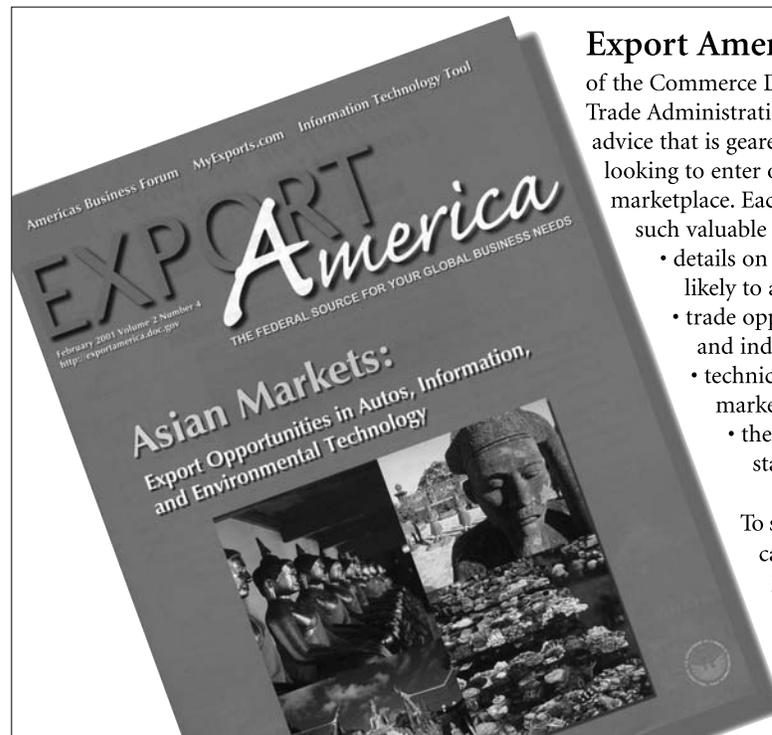
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Office of Aerospace Promotes U.S. Aerospace in Dubai

The Office of Aerospace coordinated with the Commercial Service at the U.S. Embassy in Abu Dhabi and the U.S. Consulate in Dubai to represent U.S. aerospace businesses at the November 4–8 Dubai Air Show, with company literature showcased at our Aerospace Products Literature Center (APLC). Due to continuing after-sales support, U.S. products, especially airport support equipment, have found great market acceptance in the Middle East. Regional air traffic is growing at a 5 percent annual rate, with the United Arab Emirates doubling its passenger capacity in the past five years. Anticipated increases in air transportation requirements will necessitate the development and modernization of several airports in the region. Dubai 2000 attracted 500 exhibitors and over 30,000 industry visitors. Fairs & Exhibitions, the show organizer, will announce this year's show attendance figures when they are available. Contact Karen Dubin at (202) 482-3786, or at Karen_Dubin@ita.doc.gov, for more information.



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