

Sept. 4, 2009

Statement of U.S. Rep. Norm Dicks (D-Wash.)

Concerning the WTO Interim Ruling on Airbus Launch Subsidies

“For many years we have contended that direct financial assistance from the European governmental partners of EADS/Airbus has represented an unfair launch subsidy that has allowed Airbus to increase its market share in the large civil aircraft market and to steal U.S. aircraft manufacturing jobs.

“Today’s interim ruling from the WTO panel definitively confirms that contention, which was the basis for the WTO complaint filed by the U.S. Trade Representative filed in October 2004. The ruling is encouraging, noting that all Airbus aircraft have received illegal subsidies and that these have caused material harm to Boeing. But what is discouraging is the damage that has been done to America’s premier airline manufacturer which has suffered the loss of 20 percent of the market share – representing hundreds of billions of dollars in value and tens of thousands of jobs— since our concerns were first raised with the Europeans. It is important, looking forward, that these subsidies, now deemed illegal by this interim ruling, be curtailed immediately with respect to the aircraft now in development to restore a level global marketplace for these aircraft.

“What is also clear now is that it would be inconceivable for the Defense Department to issue its “Request for Proposals” for a new Air Force refueling tanker without including a provision which recognizes the ruling issued today by the WTO panel: that these Airbus airframes have benefitted from illegal subsidies that gave them an unfair advantage in global sales. The U.S. government cannot reward illegal market actions that have harmed U.S. manufacturers and stolen U.S. aerospace jobs. The tanker contract must be awarded on the basis of a level playing field, and because of today’s ruling that means it must account for the direct and unlawful subsidies that have allowed Airbus to launch the A330 and other large civil aircraft without the risks that other manufacturers must assume. “