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From: Maria_Cantwell
Sent: Friday, March 11, 2005 12:43 PM
To: se@catch4all.com
Subject: From the Office of Senator Cantwell

March 11, 2005

Mrs. Sandra Englund
Auburn, Washington 98001

Dear Mrs. Englund:

Thank you for contacting me to express your concerns about the Boeing Company. I appreciate hearing from you and regret the delay in my response.

Since its founding in Seattle 85 years ago, Boeing has been an industrial anchor in Washington state and has become a global leader in innovation and technology. Although I was dismayed to learn of Boeing's decision to move its corporate headquarters from Seattle, I look forward to a continued relationship between Boeing and the Northwest, as Seattle will continue to be the primary location of Boeing's commercial division operations. Nearly 80,000 workers will continue to be employed at Boeing's Renton and Everett plants, and the company will remain the single largest private employer in the state.

As you may know, in order to ensure that Boeing is able to compete globally on a level playing field, the United States government has long sought to eliminate European government support for Airbus that seem to violate provisions of the subsidies agreement at the World Trade Organization (WTO) and the principles of free trade. Such subsidies are inconsistent with the principles of market competition and create serious advantages for Airbus in its competition with Boeing, which does not receive such subsidies.

Specifically, officials at the Department of Commerce believe that certain loans given to Airbus by European governments violate a subsidies agreement at the World Trade Organization requiring development financing to be governed by market-based terms. This agreement means that European Union (EU) governments cannot lend to Airbus on better terms than the company could get borrowing from a commercial bank. Officials representing the EU have countered that this loan structure is allowed by a 1992 agreement governing civil-aviation matters between the EU and the United States, and that WTO rules are not applicable in the case of aircraft loans.

Again, thank you for taking the time to contact me. Please be assured that I will keep your views in mind should the Senate consider legislation on this issue.

Sincerely,

Maria Cantwell
United States Senator