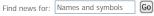
Bina

## Money

Make msn.com your home page

Associated Press



## **News Center**

## Boeing says trade ruling no case for negotiation

September 15, 2010 1:07 AM ET

By FRANK JORDANS

GENEVA (AP) - The Boeing Co. has rejected suggestions a ruling due Wednesday by the world's top trade court on allegations the Chicago plane maker received billions in illegal subsidies should be tied to a similar case against its biggest rival Airbus.

The European company claims Boeing's case before the World Trade Organization is key to resolving a wider dispute over government aid to aircraft manufacturers. Airbus itself was found by the Geneva tribunal to have gained an unfair advantage through billions worth of low-interest loans, infrastructure provisions, and research and

"The two cases are completely separate and deal with very specific issues," said Ted Austell, vice president trade policy at Boeing.

"The WTO ruled very clearly at the end of June that all government money provided to Airbus for development of new aircraft was an illegal subsidy and must stop," he said. "That debate is over and it is time for compliance.

"Should the WTO find against U.S. practices, Boeing is prepared to accept compliance with the ruling."

The WTO's confidential interim ruling, which will be handed to U.S. and European Union trade officials Wednesday, marks Europe's fight back against Washington's complaint over Airbus. The EU claims Boeing receives billions in backdoor subsidies through NASA and U.S. Defense Department contracts, and from preferential tax treatment in Washington state

European officials have indicated that they would prefer the two cases be resolved through negotiation, particularly as the six-year dispute has allowed smaller rivals from China, Brazil, Canada and Russia to gain ground at the expense of the big two.

"Only with two reports on the table will there be a window for a balanced discussion, which will be the only way out of this destructive and anachronistic dispute," said Airbus spokeswoman Maggie Bergsma.

Irrespective of the wider battle over government aid to aircraft makers, Wednesday's ruling will have implications for how Boeing and its suppliers fund and launch new planes, said David Pritchard, a trade specialist at the University at Buffalo.

"Boeing and their suppliers have a potential of facing tens of billions of dollars in capital requirements to fund current and future programs," said Pritchard, citing the 787 model, a proposed military tanker aircraft, a possible upgrade of the 777 and replacement of the 737.

Both Washington and Brussels are appealing the June ruling that found Airbus had used billions of euros (dollars) in low-interest government loans — commonly called "launch aid"— to develop the A380 superjumbo and other planes. The WTO's appellate body may not deliver its decision until 2012, meaning the two sides will have time to negotiate a deal that would avoid future spats over a market for commercial planes estimated to be worth more than \$3 trillion over the next two decades

Associated Press writer Angela Charlton in Paris contributed to this report.

Copyright 2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Related news

Cuba summons workers to explain coming layoffs

GMAC stops some evictions, foreclosed home sales

AP News in Brief

**Business Highlights** 

Most active Nasdaq-traded stocks

	E-mail	<b>Blog</b>	<u>Q</u> Digg	Facebook	Newsvine
Related videos					

Related topics

**Economic Indicators** 

Your recent news searches

You don't have any recent news searches

Create a custom news search

News by provider

MSNBC The Wall Street Journal The Associated Press MarketWatch Barron's <u>BusinessWeek</u> <u>PRNewswire</u>

<u>Forbes</u> Thomson Reuters TheStreet.com Briefing.com bizjournals Minyanville <u>Marketwire</u> InvestorPlace GlobeNewswire

## **TODAY'S STAFF PICKS**



The Motley Fool

**Business Wire** 

REAL ESTATE Beating back bedbugs

8 companies with an eye on the future

18 supplements to boost health, brain & sex life

Does tech make us more productive?

Bing: Last minute flight deals

MSN Money
Search MSN Money Message Boards Site Status

Copyright © 2010 Thomson Reuters. Click for Restrictions. Quotes supplied by Interactive Data Real-Time Services.

MSN privacy Legal Advertise RSS

© 2010 Microsoft