

June 3, 2025

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Hon. Howard W. Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

RE: Comments on Section 232 Investigation of Imports of Commercial Aircraft and Jet Engines and Parts for Commercial Aircraft and Jet Engines (Docket XRIN 0694-XC127)

Dear Secretary Lutnick,

Business Roundtable (“the Roundtable” or “BRT”) respectfully submits these comments to the Department of Commerce (“Commerce”) and Bureau of Industry and Security in response to the request for public comments on the national security investigation of imports of commercial aircraft and jet engines and parts for commercial aircraft and jet engines under Section 232 of the Trade Expansion Act of 1962, as amended (“Section 232”).¹ Business Roundtable is an association of more than 200 chief executive officers (“CEOs”) of America’s leading companies, representing every sector of the U.S. economy. BRT CEOs lead U.S.-based companies that support one in four American jobs and almost a quarter of U.S. gross domestic product. BRT appreciates the opportunity to comment as the Roundtable membership includes original equipment manufacturers (“OEMs”), suppliers and purchasers of the products in scope of this investigation.

Business Roundtable supports the Administration’s goal of growing the domestic manufacturing base. However, the conditions which the U.S. government has previously used in Section 232 investigations are not currently present in the commercial aerospace industry. Commercial aerospace supply chains are already highly aligned with U.S. interests, drawing primarily from domestic and allied sources. In many cases, inputs are governed by strict safety and export control standards. This industry’s manufacturing operations have remained anchored in the United States, with high domestic content and strong job creation.

¹ *Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Commercial Aircraft and Jet Engines and Parts for Commercial Aircraft and Jet Engines*, 90 Fed. Reg. 20,273 (May 13, 2025) (XRIN 0694-XC127)

BRT urges Commerce to exercise caution in this investigation and avoid measures that would destabilize a successful component of the U.S. manufacturing sector. New trade restrictions would not only undercut an important net-exporting industry but would also introduce uncertainty and cost pressures across multiple downstream industries. BRT also encourages Commerce to work across the Administration to consider how the number and breadth of ongoing Section 232 investigations may complicate the ability of the Administration to secure agreements with trading partners. Commerce should also examine how this investigation intersects with other ongoing Section 232 investigations to prevent overlap that would unintentionally magnify economic impacts.²

Reciprocity Has Been a Cornerstone of Success

For decades, a foundation of reciprocal market access and mutual recognition of safety standards has enabled the U.S. commercial aerospace industry to flourish. The duty-free treatment under the *Agreement on Trade in Civil Aircraft*³ advanced U.S. interests, offering a strong example of how zero-for-zero frameworks can drive sustained growth in U.S. manufacturing. By ensuring low-barrier access to key markets, these principles have supported U.S. export growth and an industry trade surplus⁴, allowed companies to integrate cost-effective and safe foreign components, and ensured that American products dominate global sales.

This system has fostered:

- Exceptional export performance, with civil aircraft and engines consistently ranking among the top U.S. manufacturing exports.⁵ Over the first 40 years of implementation of the *Agreement on Trade in Civil Aircraft*, U.S. commercial aerospace industry exports grew by over 2,177%.⁶
- A globally competitive cost structure that reflects specialization across allied economies.⁷
- Strong bilateral relationships with trusted trade partners, including Canada, the United Kingdom, Japan, and the European Union, which both supply parts and purchase finished, value-added U.S. products.⁸

² See, Business Roundtable, *Comments on Section 232 Investigation of Imports of Processed Critical Minerals and Derivative Products* (May 16, 2025); see also, Business Roundtable, *Comments on Section 232 Investigation of Imports of Semiconductors and Semiconductor Manufacturing Equipment* (May 7, 2025)

³ Agreement on Trade in Civil Aircraft, April 12, 1979

⁴ In 2024, the industry had a net positive trade balance of \$104 billion, with exports of \$124 billion and imports of \$20 billion. *General Aviation Manufacturers Association analysis of U.S. International Trade Administration data*

⁵ *Reciprocity as a Catalyst for the Production Economy: The Agreement on Trade in Civil Aircraft and 45 years of American Aerospace Dominance*, Aerospace Industry Association (May 1, 2025), 2

⁶ *Id.*

⁷ *Trade Agreement Act of 1979 Hearings Before the Subcommittee on International Trade of the U.S. Senate Committee on Finance* (July 11, 1979) 497-501

⁸ *U.S. International Trade Administration export market data*

Rather than exposing the industry to unfair competition, this duty-free reciprocal arrangement has helped make the United States the leader in global commercial aerospace manufacturing. Disrupting this balance through new import restrictions would put these gains at risk.

Commercial Aerospace Reflects the Administration's Goals for a High-Wage Production Economy

The U.S. commercial aerospace industry embodies the Administration's priorities for a high-value manufacturing base, strong exports, supply chain resilience and high-wage job growth:

- Over 80% of large commercial aircraft content is sourced domestically.⁹
- The industry supports millions of U.S. jobs, many of which are in advanced engineering and skilled trades.¹⁰ In 2023, the industry supported more than 2.2 million employees of which nearly 60%, or around 1.3 million jobs, were rooted in the supply chain, including small- and mid-sized businesses.¹¹
- American-made aircraft and engines are the gold standard globally, driving billions in annual exports.

Commercial Aerospace Tariffs Would Negatively Impact the Broader U.S. Economy

The economic importance of commercial aerospace extends beyond direct manufacturers. Tariffs on this industry would disrupt a wide range of interdependent industries, divert resources from innovation and R&D, and impose additional burdens on U.S. consumers. Actions that reduce the commercial aerospace industry's global competitiveness would have negative spillover effects throughout the U.S. economy:

- **Advanced manufacturing and materials:** U.S. producers of avionics, composite materials and precision components are an important part of the commercial aerospace supply chain.
- **High-tech and digital sectors:** Aerospace drives demand for semiconductors, sensors, control systems and software, much of which originates in the United States.
- **Professional services:** U.S. firms in engineering, finance, logistics and certification services benefit from the global competitiveness of the U.S. commercial aerospace industry which requires a full ecosystem of services suppliers.
- **Maintenance, repair, and overhaul:** Commercial aerospace sustains high-paying jobs at maintenance facilities across the country, with customers from around the world flying to the United States for certified service.
- **Transportation and tourism:** Airlines, airports, hospitality, cargo and freight, and business travel depend on predictable access to aircraft and parts at competitive prices.

⁹ *Global Competitiveness of U.S. Advanced-Technology Manufacturing Industries: Large Civil Aircraft*, U.S. International Trade Commission (August 1993), 78

¹⁰ *2024 Facts & Figures: American Aerospace and Defense Remains an Economic Powerhouse*, Aerospace Industry Association (Sept. 9, 2024)

¹¹ *Id.*

Tariffs will result in the use of resources that could have otherwise been invested in innovation, R&D and manufacturing capacity. Many remaining costs will ultimately be passed on to U.S. consumers or reduce competitiveness of U.S. products in export markets. The commercial aerospace industry is already facing pressure from tariffs imposed on derivative steel and aluminum articles that impact many specialized aircraft parts.¹²

Further, unilateral actions by the United States could also prompt other countries to retaliate against high-value U.S. exports. Retaliatory measures could significantly disrupt the U.S. aerospace industry, which is strongly dependent on foreign customers, ultimately undermining the competitiveness of U.S. products.

Finally, aerospace supply chains are deeply certified and not easily substitutable; requalification timelines for suppliers can exceed 2-5 years.¹³ As explained above, the U.S. commercial aerospace industry greatly benefitted from reciprocity whereby American companies were able to integrate cost-effective and safe foreign components. Requiring companies to abandon such a favorable environment and quickly adapt to the Administration's aggressive goal of expanding domestic manufacturing where change is a time- and capital-intensive undertaking will only negatively impact the U.S. commercial aerospace industry.

To the extent tariffs are considered as part of any remedy recommendations in the investigation, they should be construed as narrowly as possible to address specific national security risks and avoid stacking with tariffs imposed through different regimes. Commerce should also consider how tariffs or other remedies might impact the cost of procurement to implement the Department of Transportation's plans to modernize the Federal Aviation Administration's Air Traffic Control system.

Conclusion

BRT looks forward to working with Commerce as it continues the investigation and encourages additional opportunities for stakeholder engagement, including public hearings and industry forums, to ensure that the practical implications of the investigation are fully understood and any unintended consequences are mitigated.

Finally, BRT appreciates Commerce's work to swiftly negotiate deals with top trading partners that level the playing field for American goods and services and remove harmful tariffs and retaliatory measures and welcomes the opportunity to engage with Commerce on these issues as well.

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Should you have any questions about this submission, please contact Nasim Fussell, Vice President, Trade and International (nfussell@brt.org or 202-556-2063).

¹² *Adjusting Imports of Steel Into the United States*, 90 Fed. Reg. 9,817 (Feb. 18, 2025); *Adjusting Imports of Aluminum Into the United States*, 90 Fed. Reg. 9,807 (Feb. 18, 2025)

¹³ *U.S. Aerospace and Defense Promoting a Comprehensive Approach to Supply Chain Resiliency*, Aerospace Industries Association (May 2024), 4