



June 3, 2025

Julia Khersonsky
Deputy Assistant Secretary of Commerce for Strategic Trade
Office of Strategic Industries and Economic Security
Bureau of Industry and Security
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

RE: “[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](#),” Federal Register docket number BIS-2025-0027 (XRIN 0694-XC127).

Dear Ms. Khersonsky:

The U.S. Chamber of Commerce (“the U.S. Chamber”) appreciates the opportunity to respond to the U.S. Department of Commerce’s request for comments cited above. The administration has stated its intent to use these comments as part of its investigation to “determine the effects on the national security of imports of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines.”

The U.S. aerospace industry plays a critical role in the country’s competitiveness and national security. Closely intertwined with the defense industry generally, the aerospace sector is one of the crown jewels of U.S. manufacturing, and it boasts a wide array of world-leading companies. For the large U.S. companies in the aerospace manufacturing sector, more than 60% of their business—measured as revenue or orders—has come from outside the United States over the past decade. These large manufacturers of aircraft, jet engines, and other capital-intensive aerospace products are typically produced with inputs from tens of thousands of small and medium-sized American manufacturers.

From the largest companies to their smallest suppliers, the sector is dependent on exports. According to the [Aerospace Industries Association](#), the industry in 2023 exported \$135.9 billion worth of goods, with a net-positive trade balance of \$74.5 billion. Over the 12 months through March 2025, civil aircraft, engines, equipment, and parts represented the single largest U.S. manufactured goods export category—and one that increased by [21%](#) from the previous 12-month period. Additionally, the

industry supported approximately [1.3 million high-paying jobs](#) last year across the United States.

As a result of market access challenges in the 1970s, the U.S. aerospace industry worked with the U.S. government to establish the World Trade Organization's [Agreement on Trade in Civil Aircraft](#) ("the Agreement"), which has generated very substantial benefits for the U.S. economy by expanding trade on the basis of zero-for-zero tariff reciprocity. The Agreement has had its intended effect by allowing the United States to invest in and maintain a robust and resilient manufacturing industrial base, in part thanks to close industrial partnerships with its allies. As discussed below, imports of aircraft, jet engines, and associated parts are overwhelmingly sourced from U.S. allies such as France, Canada, Germany, Japan, and the United Kingdom, all of which are treaty allies of the United States. These commercial and strategic relationships strengthen rather than undermine U.S. national security.

The objective of ensuring the continued competitiveness of U.S. commercial aviation manufacturing will be best achieved by expanding the Agreement, allowing continued access for specific imports from allies, opening new markets for U.S. exports, streamlining certification processes, and implementing targeted investment and workforce incentives. The following comments outline the U.S. Chamber's positive agenda to achieve these objectives while also explaining how broad-based tariffs would raise costs and undermine the competitiveness of a highly successful industry. The imposition of tariffs would weaken U.S. manufacturers in this critical sector, thus undermining U.S. national security.

Impact of Broad-Based Tariffs on a Flourishing Sector

Broad-based tariffs recently imposed by the administration on approximately \$2 trillion of imported goods—including duties on goods from nearly all countries as well as autos, auto parts, steel, and aluminum from all sources—are imposing new burdens on the U.S. economy. Additional tariffs on the commercial aviation and aerospace industries would add to these burdens and undermine the competitiveness of a key part of the U.S. defense industrial base.

Substantial cost increases and investment challenges prompted by the frequent tariff changes seen in the year to date are creating uncertainty for businesses that are finding it extremely challenging to make long-term investment decisions. This is especially true for small and medium-sized businesses, which are prevalent in the aerospace industry. As one large aviation manufacturer pointed out, 80% of its suppliers are U.S. small businesses with fewer than 50 employees.

Zero-for-zero tariff arrangements, such as the Agreement on Trade in Civil Aircraft, have fueled global industry growth led and sustained by U.S. manufacturers. The Agreement, which entered into force in 1980, eliminates tariffs on civil aircraft and related parts for its 33 signatory economies, with an additional 25 countries adhering to its terms without becoming formal signatories. Specifically, it eliminates import duties on all aircraft—other than military aircraft—as well as on related engines, flight simulators, and associated parts and components. It also includes provisions encouraging governments to uphold uniform product and certification standards that discourage discrimination. This has facilitated U.S. dominance in the global aerospace sector.

Since the Agreement took effect, the United States has set industry standards, exemplified by manufacturing and export successes as well as the establishment of the Federal Aviation Administration (FAA) certification process. As outlined in the AIA's recent [white paper](#), the Agreement's zero-for-zero parameters facilitated international recognition of critical safety and product standards by incentivizing companies "to conduct regular maintenance on aircraft that was previously deferred due to cost of high tariff rates imposed by the country of origin, ensuring American safety on international carriers."

The imposition of tariffs would also drive business away from U.S. manufacturers by making it more expensive to deliver to U.S. carriers while other major suppliers are operating tariff-free under the Agreement. As several companies noted, tariffs would not incentivize onshoring; instead, they would influence moves to de-risk from the U.S. market. Such policies would cost U.S. jobs instead of the intended goal of creating them.

Furthermore, the impact on the U.S. military aviation market would also be significantly negative given that many key parts and components are common to both civil and military aviation; indeed, the intertwined civil and defense aviation sectors depend on the same manufacturing base. Tariffs on parts and components could also have severe access and cost implications for inputs not domestically available. Accordingly, such policies could lead to broader maintenance and safety risks for both commercial and military aircraft, thus posing a significant threat to national security.

Critical aspects of aerospace systems and components require extremely high development costs, which must be distributed over the largest number of units possible to maintain flight affordability. When compared to other industries, the aerospace sector needs to distribute its development costs over a few thousand units per year, contrasting to millions of units in the automotive industry. If tariffs lead to a regional segmentation of suppliers to airframers in and out of the United States, the

volumes would be too small to enable sufficient cost development payback—dramatically increasing cost per unit.

Scale also matters in ways that relate to the overlap between the civil and military aerospace sectors. Expensive aerospace products from wide-bodied civil aircraft to defense systems such as the F-35 are extremely capital intensive. For military products, economies of scale are often achieved only via co-production with allies that are also customers; producing more units is essential to lowering per unit costs. Such co-production also benefits the U.S. civil aircraft sector as costs are kept lower by the overlap of its industrial base with that of the defense industry—and the latter's health benefits the former's.

For these reasons, the administration should refrain from imposing tariffs and instead work to expand and modernize the Agreement, which has led to well-established industrial growth. As trade negotiations move forward, U.S. competitiveness would be enhanced by securing binding commitments from other countries to accede to and uphold the Agreement. This could help expand the impact of the Agreement and drive further growth for U.S. aerospace exports.

Aviation Supply Chain and Industrial Base Considerations

Due to highly innovative technology and standards, many U.S.-made aviation products have a competitive edge. However, the aircraft and jet engine manufacturing sectors and associated parts supply chains depend on a global ecosystem of high-quality suppliers and distributors. Commercial aviation-grade products require access to demanding material and certification processing as well as refining operations. As one U.S. manufacturer noted, its planes are already built with more than 85% U.S. content, and more than 80% of the parts used are supplied within the United States. That same company then sells to 150 countries around the world, illustrating the importance of U.S. exports in this sector.

Additionally, advanced design and assembly of critical inputs are primarily conducted in the United States. Another American manufacturer notes that it recently reinvested \$10 billion in U.S. facilities expansion and modernization, with plans for an additional \$2 billion in domestic investment in 2025. That same manufacturer spends \$20 billion with suppliers across all 50 states. These investments will create more U.S. jobs and continue to increase U.S. exports. In these ways, the U.S. aviation industry creates high-wage manufacturing jobs in every state, and it is committed to investing in innovation to sustain U.S. world leadership in aerospace technology.

While the industry is overwhelmingly domestic in its manufacturing footprint, policy moves that diminish ready access to highly specialized imported parts may not

only affect delivery and production timelines but also broader safety processes. This includes hampering eligibility for duty drawback, which facilitates U.S. manufacturing. Another company pointed to the tariffs currently in place on Canadian-made parts, which have led to difficulties sourcing critical components needed for landing gear. The same is true for prospective tariffs on critical mineral imports, especially on those used in various metal alloys like titanium.

Such tariffs on imports from Canada should be abolished: Not only is Canada a NATO ally and North American Aerospace Defense Command (NORAD) partner, Congress recognized it as an integral part of the U.S. defense industrial base under the Defense Production Act in 1993. Canada is also one of the four countries deemed to be a formal part of the U.S. national technology and defense industrial base (NTIB). It is unreasonable to claim that importing these goods from a close ally—or other treaty allies—poses any threat to U.S. national security.

Another key illustration of the sector’s global nature is with respect to regional aviation, which is critical to U.S. mobility and cannot be served by larger platforms in an economically viable way. In 2024, [135 million passengers](#) boarded regional aircraft in the United States on routes connecting hundreds of communities. While the United States currently has no domestic assembly of regional aircraft, imported regional planes all feature significant levels of U.S. content—comprising roughly 40-50% of the value of the aircraft—and there is no commercial or national security justification for tariffs on such products.

When domestic sources are not available for specific components and parts, industry has coordinated with reliable trading partners to uphold standardization and interchangeability to build resiliency throughout supply chains and augment market access to such items. To compete globally, industries have effectively navigated offset mandates to expand supply chains responsibly without undermining U.S. dominance in the aviation sector. The administration must consider such relationships and complexities when considering tools to increase capacity and ensure U.S. industries remain competitive.

Continuing Industry’s Cutting-Edge Competitiveness

The U.S. Chamber urges the administration to engage closely with industry on the relevant time horizons, resources, and workforce demands associated with stimulating more domestic production. A pro-competitive economic environment with appropriate tax policies, legal and regulatory certainty, and workforce and training programs should be the focus of such efforts.

Among other ways to enhance domestic manufacturing and strengthen supply chains, the administration should consider streamlining certification processes to integrate more suppliers into the industrial base. Doing so would require coordination with the FAA and the Department of Transportation and improve an already arduous certification process.

Opening foreign markets for U.S. exports is also critical. Industry's goal is to sustain U.S. leadership in the aerospace sector, which is shared by the administration. To build on the impressive strengths of the United States as a platform for commercial aviation manufacturing—to serve the domestic market and for export—the administration should focus on opening new markets and striking enforceable trade deals. To that end, the administration should continue to address foreign trade barriers that shut out U.S. products in foreign markets, many of which are outlined in the U.S. Chamber's recent submissions to the Office of the U.S. Trade Representative on [unfair foreign trade practices](#).

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The U.S. Chamber appreciates the opportunity to share these comments and looks forward to further discussion to address these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "John Murphy", with a long, sweeping horizontal line extending to the right.

John Murphy
Senior Vice President and
Head of International
U.S. Chamber of Commerce