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June 3, 2025

Hon. Jeffrey Kessler
Under Secretary of Commerce for Industry and Security
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Re: Section 232 National Security Investigation of Imports of Commercial Aircraft and Jet Engines and Parts for Commercial Aircraft and Jet Engines, Docket No. 250509-0082 (XRIN 0694- XC127)

Dear Under Secretary Kessler:

The Consumer Technology Association ("CTA") appreciates the opportunity to provide comments to the Bureau of Industry and Security ("BIS") in response to its Federal Register notice requesting comments on the national security impact of the importation of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines.[1]

CTA represents the more than $537 billion U.S. consumer technology industry, which supports more than 18 million U.S. jobs. Our members are comprised of over 1200 companies from every facet of the consumer technology industry, including manufacturers, distributors, developers, retailers, and integrators, with 80 percent of CTA members being start-ups or small and mid-sized companies. Many CTA members are integral to the commercial aircraft supply chain. Our work supporting aviation innovation dates back more than a decade, including our 2012 engagement with the Federal Aviation Administration (FAA) on policies that paved the way for the in-flight use of mobile devices.[2]

CTA also owns and produces CES®—the most influential technology event in the world—which showcases and serves as a forum for discussion of international policies

[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).
[2] *Our History*, Consumer Technology Association, https://www.cta.tech/about/our-history/.

concerning existing and new technologies, international technology trade and investment, and global opportunities and challenges facing the consumer technology industry. Over 141,000 people attended CES 2025, including over 50,000 from outside the United States. CES serves as a global stage for innovation in advanced mobility, air transport, and space tech, with hundreds of leading companies and startups showcasing breakthroughs that demonstrate the intersection of technology and these sectors. Around 20-40% of business at CES is in the B2B marketplace. These innovations are designed not just for industry, but also to reshape consumer experiences by making travel safer, more sustainable, more connected, and more customizable. A strong, innovative U.S. aerospace industry is crucial for maintaining global leadership and ensuring a competitive, safe flying environment, supported by the current zero tariff policy.

Tariffs on Commercial Aircraft, Jet Engines, and Parts Will Harm the U.S. Economy

The intersection of consumer technology and commercial aircraft has become a pivotal aspect of modern aviation, revolutionizing passenger experiences and operational efficiency. Advanced navigation systems using GPS and satellite communications have increased precision in flight paths and reduced fuel consumption. In-flight entertainment systems now offer personalized streaming services and real-time internet access, enhancing passenger satisfaction during long-haul flights.[3] Real-time tracking applications integrated with devices provide passengers and their families with constant updates about flight status, ensuring transparency and peace of mind. More recently, artificial intelligence in air travel is transforming operations, optimizing flight routes, and personalizing passenger services.[4]

Trade policies that support technological innovation therefore support advancements in the aerospace industry. We are deeply concerned that BIS will reach a determination in this investigation to impose tariffs in a sweeping way for no discernable national security or other policy reason. The U.S. commercial aviation industry and the supporting industries that supply into it, including technology, all benefit from duty-free and frictionless trade. U.S.-made aircraft and the travel and tourism industry benefit from this zero-tariff approach, as lower costs for the manufacturing of commercial aircraft and replacement parts means lower ticket prices, safer planes, more jobs, and more economic activity across the United States.

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[3] "Delta Unveils Onboard: YouTube Partnership, Cloud-based Seatback Experience, Personalized Features and More," Delta News Hub (Jan. 7, 2025), https://news.delta.com/delta-unveils-onboard-youtube-partnership-cloud-based-seatback-experience-personalized-features.

[4] Julie Weed, "How Airlines Are Using AI to Make Flying Easier," The New York Times (May 10, 2024), https://www.nytimes.com/2024/05/10/travel/airlines-artificial-intelligence.html.

The cost of new-production aircraft is already expected to rise significantly due to the imposition of tariffs intended to onshore key industries, such as steel and aluminum.[5] Additional upward pressure in cost, hurting U.S. competitiveness, is expected with the ongoing Section 232 investigations of semiconductors[6], critical minerals[7], and copper[8], which are among the key components for the U.S. aerospace industry.

As a result, air carriers are likely to postpone the delivery of any new aircraft owing to these increased costs. Additionally, some components used for aircraft maintenance are imported, which could further escalate maintenance, repair, and overhaul expenses in the United States. Aircraft, being inherently mobile products, may lead U.S. and foreign airlines to move routine maintenance services overseas. This could have larger ramifications for the U.S. economy in the form of job losses in the aerospace industry and all the sectors of the economy that rely on commercial aviation to do business and innovate. In addition to job losses, the United States would experience a reduction in skill sets important for national security.

In light of these concerns, CTA would like to offer the following recommendations and considerations for BIS in this investigation:

Uphold the 1979 Agreement on Trade in Civil Aircraft

The Trump Administration must uphold the duty-free treatment of civil aviation goods established under the 1979 Agreement on Trade in Civil Aircraft ("Agreement").[9] This Agreement has facilitated global market access for American civil aircraft, engines, flight simulators, and other related parts and components, enabling it to outperform foreign competitors. In fact, since the Agreement's implementation, U.S. exports in this sector increased by more than 2,100 percent.[10]

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[5] Rajesh Kumar Singh, "US Aviation Industry Slammed by Tariffs, Seeks Exemptions," Reuters (Apr. 28, 2025), https://www.reuters.com/business/aerospace-defense/us-aviation-industry-slammed-by-tariffs-seeks-exemptions-2025-04-28/; *see also 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).

[6] *Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Semiconductors and Semiconductor Manufacturing Equipment*, 90 Fed. Reg. 15,950 (Apr. 16, 2025).

[7] *Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Critical Minerals and Derivative Products*, 90 Fed. Reg. 17,372 (Apr. 25, 2025).

[8] *Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Copper*, 90 Fed. Reg. 11,940 (Mar. 13, 2025).

[9] *Agreement on Trade in Civil Aircraft*, https://www.wto.org/english/docs_e/legal_e/tca_e.htm; *see also Trade Agreements Act of 1979*, Section 601, PL 96-39, https://www.congress.gov/96/statute/STATUTE-93/STATUTE-93-Pg144.pdf.

[10] "Trade Drives U.S. Aerospace and Defense Growth – Roadmap to Leadership in Global Trade," Aerospace Industries Association, https://www.aia-aerospace.org/wp-content/uploads/2025-Global-Trade-Agenda.pdf; *see also 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.

By implementing zero-for-zero trade, the Agreement has also encouraged companies to carry out regular maintenance and technological upgrades on aircraft, which would likely be hindered due to high tariff rates imposed by the country of origin. Lower costs to facilitate regular maintenance on aircraft has ensured American safety and security on international carriers.[11] Duty-free treatment under the Agreement has been instrumental in fostering airline innovation by eliminating barriers that would otherwise slow the adoption of new technology on commercial aircraft and jet engines.

The U.S. aerospace industry generates a TRADE SURPLUS

In 2023, the U.S. aerospace industry exported $135.9 billion worth of goods, achieving a net-positive trade balance of $74.5 billion.[12] Civil aviation represents the second largest manufacturing export sector. This surplus has been facilitated by the Agreement and other pragmatic trade policies that support a global supply chain adhering to the highest safety standards. Furthermore, the U.S. aerospace industry has been the backbone for high-paying and skilled employment in the United States, supporting more than 2.2 million U.S. workers.[13] As such, the very basis for the Section 232 investigation—i.e., threat to national security—is simply lacking in the U.S. aerospace industry. The U.S. aerospace industry is a strong and vibrant part of the economy, with a robust workforce and efficient maintenance and repair networks. Imposing new tariffs on aircraft part imports from allied countries would contradict the Trump Administration's strategy of reducing costs in successful industries.

The U.S. aerospace industry needs trading partners and allies

Relocating manufacturing due to increased tariffs contradicts the objectives of national security by slowing the ability to manufacture commercial aircraft and jet engines. Each design and its production process must be individually certified by the FAA and other aviation authorities. Many components are specific to the particular aircraft, engine, or other part for which they are intended, including cutting-edge technology integrations such as advanced navigation systems, in-flight Wi-Fi, and real-time passenger tracking. The costs associated with moving production and acquiring new FAA certifications are substantial and could require years, if not decades, to implement. There is no U.S.-based airframe manufacturer for certain aircraft that service small and rural communities, further complicating the adoption of innovative passenger-centric

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[11] "AIA Releases White Paper Highlighting American Leadership in Aerospace Trade Thanks to Agreement on Trade in Civil Aircraft," Aerospace Industries Association (May 1, 2025), https://www.aia-aerospace.org/news/aia-releases-white-paper-highlighting-american-leadership-in-aerospace-trade-thanks-to-agreement-on-trade-in-civil-aircraft/.

[12] "Industry Impact," Aerospace Industries Association (last modified May 1, 2025), https://www.aia-aerospace.org/industry-impact/.

[13] "2024 Facts & Figures: American Aerospace and Defense Remains an Economic Powerhouse," Aerospace Industry Association (Sept. 9, 2024), https://www.aia-aerospace.org/news/2024-facts-figures-american-aerospace-and-defense-remains-an-economic-powerhouse/.

technologies in these regions. Disrupting this supply chain with tariffs could not only hinder the development of next-generation aviation technologies but also negatively impact other consumer experiences, such as inflight connectivity and safety enhancements.

More importantly, imposing tariffs on imports of commercial aircraft and their parts could provoke retaliatory measures from our trading partners, potentially jeopardizing the long-standing U.S. leadership in this sector as well as reducing our exports and diminishing the current trade surplus.

Conclusion

Open trade fuels innovation. That's especially true in the aviation sector, where global supply chains and technology are reshaping safety, sustainability, and passenger experience. CTA urges the Administration to approach this investigation with care—and to avoid policy decisions that would hinder America's ability to lead in both aerospace and technology. Thank you for considering these comments as part of the ongoing investigation. We welcome continued dialogue with BIS and all stakeholders to support both U.S. national security and the continued growth and competitiveness of the consumer technology industry.

Respectfully submitted,

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