December 19, 2017

Dear Senators Hatch and Wyden and Representatives Brady and Neal:

On behalf of the Aerospace Industries Association and its over 340 members from across the aerospace and defense industry, I am writing to express our support of the “Miscellaneous Tariff Bill Act (MTB) of 2017” (H.R. 4318 and S. 2108) for inclusion either in the emerging year-end spending package or as a standalone measure. America’s manufacturers are proud of their contributions to the nation’s economy; this bill would allow Congress to eliminate the unfair and anticompetitive taxes on aerospace and defense manufacturers that limit their ability to fully recognize those contributions. The language also ensures existing domestic manufacturers will not be harmed. Additionally, this bill would allow manufacturers in the United States to reinvest in existing domestic operations, maintain and expand American jobs and bolster their global competitiveness.

America’s aerospace and defense sector has long supported bipartisan and bicameral efforts to pass MTBs. New MTB legislation would correct temporary basis distortions in the U.S. tariff code by eliminating duties on imported products for which there is no or insufficient domestic production and availability. While Congress had effectively addressed these distortions through the enactment of MTBs, Congress has not renewed the MTB since the U.S. Manufacturing Enhancement Act in 2010 expired at the end of 2012. Further rationale for inclusion is found in an August 2017 report to Congress, which included 1,800 petitions to remove tariffs on imports totaling more than $350 million in 2018; revenues we believe are lost instead of fueling the nation’s economic prosperity.

Our industry supported 2.4 million jobs and $146 billion in exports in 2016. The MTB supports the aerospace and defense supply chain, which produces 56% of our industry’s exports, by facilitating the import of materials needed to create quality final products in a cost-effective manner. Concurrently, a new MTB process would sustain long-term growth, allowing for job creation, promoting innovation, and enhancing global competitiveness by allowing them to participate in a market that was previously restricted due to company size.
On behalf of American manufacturers large and small, I urge you to act now and pass the MTB legislation this year. With it, American enterprise and American leadership and competitiveness in the global economy, will thrive.

Sincerely,

[Signature]

David F. Melcher
Lieutenant General, USA (Ret)
President and Chief Executive Officer
Aerospace Industries Association

CC:
Hon. Paul Ryan
Hon. Nancy Pelosi
Hon. Mitch McConnell
Hon. Charles Schumer