

Congressman Jeff Duncan (SC-03)
U.S. International Trade Commission
Written Testimony
May 15, 2019

I am here today to testify in support of President Trump and the United States Trade Representative's enforcement of the decision by the World Trade Organization (WTO) to level the playing field in the global aircraft marketplace. This is the largest case in WTO history and has gone on far too long, over 15 years, and was only brought by the United States because the European Union (EU) refused to live up to its free-trade obligations under the WTO agreement.

This case has been of particular interest to my home state of South Carolina and my district. I represent nearly 700,000 constituents and several aerospace suppliers in my district. South Carolina is a state that has prospered as a result of a robust aerospace industry, and it depends on the strength of the United States aerospace economy. There are 20,421 aerospace jobs throughout the state and 6,434 Boeing workers. These are good paying manufacturing jobs with a large indirect economic footprint. Additionally, there are 273 aerospace suppliers state-wide which account for almost \$254 million in supplier spending. In my district alone, there are 13 aerospace suppliers accounting for about \$6.5 million in supplier spending.

One of these companies in my district is RBC Aerostructures. They are located in Westminster, South Carolina and manufacture tie rods that go into airplanes. I feel it is our duty to protect these hard-working American jobs against the unfair practices of overseas governments that have blatantly and illegally sought to disadvantage American workers and companies. It is on behalf of these constituents and other American aerospace employees in South Carolina I am here today to support President Trump and the United State Trade Representative's enforcement of the WTO decision.

I believe the United States has been in a trade war for decades, we just have not been fighting back. This case, the United States v. Europe, the longest running case before the WTO,

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is emblematic of the ongoing unfair trade practices taking place around the world that the United States has tried to end. After years of litigation, the WTO has determined that Europe has not been playing by the rules. The world's body that is supposed to protect free and fair trade has spoken, and it is time the United States ensures this ruling has tangible meaning. I am here today to ask that we hold these other governments accountable to the same WTO rules the United States has been abiding by. I urge you to continue your support of the \$11 billion proposed retaliatory tariffs against Europe.

I want to be clear-I am not an advocate for the use of tariffs as a long-term economic policy. I am a supporter of free and fair trade, and this case exemplifies how that is simply not the case in every market. I believe tariffs are sometimes necessary to help ensure our trading partners play by the rules. On the international stage, American companies, like Boeing, are being taken advantage of for playing by the rules. These retaliatory tariffs are being enacted to ensure rule-based trade governs our global economy and protects U.S. jobs and business. The end goal here is not tariffs; the system is designed so that the threat of imminent tariffs will encourage the EU to finally live up to its legal obligations. The EU can avoid all tariffs in this case by abandoning its illegal subsidies to Airbus and by remedying the ongoing harm caused by those subsidies.

After years of litigation, the WTO has conclusively reached the determination that the EU has violated its obligations under the WTO agreement by providing Airbus billions of dollars of unlawful subsidies, that despite having years to remedy, the EU has failed to do so. The WTO is supposed to be the avenue to address trade disputes, and it is up to us to make sure players, like the EU, live up to their legal obligations so we can ensure there is truly free and fair trade.

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The future of the aerospace industry depends on rule-based trade in which all actors abide by the rule of law. Continuing to provide illegal subsidies sends the wrong message to global competitors, that if they choose not to play by the rules they will not be held accountable. I applaud President Trump and his team for standing up for American companies and workers, specifically the almost 6,500 Boeing employees in South Carolina and all the additional jobs from suppliers. I urge you to continue your strong stance on the proposed tariffs on Europe.