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**Statement from Washington Council on International Trade (WCIT) President Lori Otto Punke:
Washington State Legislation on Aerospace Tax**

SEATTLE, February 19, 2020 – Legislation introduced today in both the Washington State Senate and House proposes the elimination of a reduction in the state Business and Occupation (B&O) tax rate for the aerospace industry. The legislation is intended to resolve issues with the World Trade Organization (WTO) over claims of U.S. government subsidization of aerospace companies. The following is a statement from WCIT President Lori Otto Punke regarding this legislation.

“The Washington Council on International Trade (WCIT) supports efforts in Olympia to address and resolve issues between the aerospace industry and the World Trade Organization (WTO). Passage of legislation introduced will prevent the imposition of tariffs that pose significant harm to Washington state farmers, workers, and businesses that could threaten the health and success of our economy.”

Without this legislation, the European Union would be authorized by the WTO to impose tariffs on U.S. imports into the EU. The European Union has issued a preliminary tariff list going beyond the aerospace industry that targets products and industries essential to the trade-related Washington state economy, including foods and beverages like wine and coffee, agricultural products like apples and cherries, fish and shellfish including Pacific salmon and consumer goods like video games. These tariffs would be a significant hit locally. In 2018 alone, Washington state exported \$12.2 billion worth of products and services to the EU, the second-highest only to China. The EU is the largest importer of Washington state services, totaling \$8.1 billion in 2017, including \$1.8 billion in services to the United Kingdom. A new front in the trade war would be tough to absorb.

We know the collateral damage these tariffs can inflict on our economy and support Boeing’s leadership in addressing this dispute head-on. We call on Washington state legislators whose communities would be impacted by these harmful tariffs and whose constituents rely on a healthy and thriving aerospace industry to support these legislative efforts.”

ABOUT WASHINGTON COUNCIL ON INTERNATIONAL TRADE

On behalf of our members – manufacturers, farmers, retailers, service providers and non-profits – the Washington Council on International Trade advocates for pro-trade policies and investments that benefit Washington’s workers and employers. Trade paves the way for Washington-made goods and services to reach foreign markets, provides Washingtonians with products that raise our quality of life, and sustains family-wage jobs in numerous local industries. To learn more, visit us at <http://www.wcit.org>