



Machine Tools

Building our future... together



Reply to:

Ingersoll Machine Tools Inc.
C/O Ray Brodeski
707 Fulton Ave
Rockford Illinois 61103
Telephone: 815-987-6074
Email: rab@ingersoll.com

August 8, 2006

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-62006

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-62006

RE: Written Comments-**Miscellaneous Tariff Measures**-Foreign Machine Tool Builders
ATTENTION: MTB

Dear Chairman Grassley and Senator Baucus:

We are pleased to submit our opinion in response to your request for public written comments related to the Finance Committees "**Miscellaneous Tariff Measures**". In reviewing these suggested measures, we find several that are controversial. These measures could severely disrupt our domestic advantage with competitive foreign machine tool builders highlighted below. Passage of these tariff reduction measures could cause the severe loss of future business contracts with some of our domestic customers. This, in turn, would dramatically slow our growth or could cause Ingersoll to loose future jobs that are so desperately needed in the City of Rockford, Illinois and surrounding community areas.

Because passage for the following listed measures would be harmful to Ingersoll Machine Tools Inc. and the US Machine Tool Industry, we respectfully request that you **do not suspend temporarily the duty on the following measures:**

[S. 3085](#) - To suspend temporarily the duty on **Brotje** upper heads and lower rams for skin fastener machines.

[S. 3086](#) - To suspend temporarily the duty on **Brotje** nose wheel well machines.

[S. 3087](#) - To suspend temporarily the duty on **Brotje** automated frame riveter machines.

[S. 3088](#) - To suspend temporarily the duty on **Brotje IPAC** (integrated panel assembly cell) machines.

[S. 3090](#) - To suspend temporarily the duty on **M. Torres** laser scribe machines.

[S. 3091](#) - To suspend temporarily the duty on **Okuma** horizontal milling machines.

[S. 3092](#) - To suspend temporarily the duty on **Okuma** double column drilling machines.

Ingersoll Machine Tools Inc.
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[S. 3093](#) - To suspend temporarily the duty on **M. Torres** multi-axis routing machines with universal holding fixtures.

[S. 3094](#) - To suspend temporarily the duty on **Handtmann** multi-axis drilling and routing machines.

Thank you for your consideration and relief, which would allow Ingersoll Machine Tools Inc. to remain competitive in the domestic Machine Tool Sales market and assist in building our future.

Sincerely,

A handwritten signature in cursive script that reads "Ray Brodeski".

Ray Brodeski, Market Specialist
Ingersoll Machine Tools Inc.
707 Fulton Ave
Rockford Illinois 61103
Telephone: 815-987-6074
Email: rab@ingersoll.com



Vice President, Washington Operations

August 24, 2006

Letter No. C-72600/L6-057

The Honorable Charles E. Grassley
Chairman
Senate Committee on Finance
SD-219 Dirksen Senate Office Building
Washington, DC 20510-6200

RE: Vought Aircraft Industries, Inc. Opposition to Senate Bills Regarding Temporary Suspension of Tariffs on Certain Products (S. 3085, 3086, 3087, 3088, 3090, 3091, 3092, 3093, 3094 and 3112)

Dear Senator Grassley:

Vought Aircraft Industries, Inc. was recently contacted by the International Trade Commission (ITC) to review and provide a response to the above referenced legislation in support of a study being conducted on behalf of the Senate Committee on Finance.

We have completed our assessment of the proposed legislation granting temporary suspension of tariffs on specific brands and types of manufacturing equipment designed for producing large aircraft structure and provided our response to the ITC. Our ITC contact recommended that we also provide your committee with a written statement of our position.

This letter serves to inform you of Vought's opposition to this legislation. Our company opposes these bills because they appear to be carefully targeted legislation structured to provide a cost avoidance and thus, a competitive advantage, to specific Kansas aerostructures manufacturer(s). The inclusion of brand names and descriptions of certain pieces of equipment in these bills appear substantiate our position regarding this legislation.

We also believe that the prospective cost savings to the targeted company(ies) far exceeds the \$500,000 revenue loss estimate provided by the congressional sponsor and mentioned in your original request to us.

Vought has already purchased and installed one Brotje Automated Frame Riveter that includes the Upper Heads and Lower Rams for Skin Fastener Machines, as described in Senate Bills 3087 and 3085, respectively. In accordance with existing tariff schedules, our tariffs and related fees on this one installation were over \$300,000. We have two additional machines on order that will arrive in 2007. Our tariffs for these machines are estimated at more than \$700,000.

Although passage of Bills 3087 and 3085 could result in a cost avoidance to Vought, we believe that the competitive disadvantage *for all other U.S. aerostructures manufacturers* created by the combined effect of this series of bills compromises the integrity of the free enterprise system within our industry.

In addition to the competitive issues this legislation would invoke, we also take issue with the proposed tariff suspension in terms of the significant loss of revenue it would allow. In light of the record-setting deficits our nation is now facing, it is difficult to justify such a loss for the benefit of a few private-sector companies. Based on our own experience in the procurement of this type of equipment from foreign manufacturers, our export specialists believe the total loss in income to the U.S. government could approach \$1 Billion.

The U.S. aerospace industry faces significant competitive challenges in the global marketplace. These challenges are the result of governmental participation and underwriting of the costs of doing business for aircraft manufacturers in Europe and the Far East. This involvement of public support in private industry creates an "uneven playing field" for American companies. We believe that it is in the best interest of the United States, and our domestic aircraft manufacturing industry, that we keep a "level playing field" among U.S. aerospace manufacturers.

On behalf of the management and employees of Vought Aircraft Industries, Inc., please accept our sincere thanks for your personal sacrifice in service to our nation and its citizens.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick McKeown". The signature is stylized and cursive.

Mick McKeown, D.M.D.
Vice President, Washington Operations
Vought Aircraft Industries, Inc.