



Alabama loves Trump: Is that keeping the tariffs off Airbus?

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February 20, 2020

Airbus continues to be a thorn for U.S.-based Boeing, and the Trump Administration recently took action against the European jet maker by increasing tariffs on imported jets.

But a tariff exemption was afforded to the aircraft components, such as fuselages, that Airbus transports from Europe to the Port of Mobile. The parts are assembled inside the company's aircraft assembly plant in Mobile that serves as the only North American manufacturing operation for Airbus.

Twice in the past five months, imported aerospace parts appear to have been exempted from the latest round of tariffs.

The exemptions are prompting speculation that the presidential politics could be at play.

"I'm not sure it's as simple as Alabama's view of Trump, but I'm sure that doesn't hurt," said Steve Livingston, associate director of the Business & Economic Research Center at Middle Tennessee State University who has extensively research tariff issues.

Trump enjoys strong popularity in Alabama where he received a boisterous ovation during a November football game at Bryant-Denny Stadium in Tuscaloosa. The president's net approval rating is only higher in Wyoming, according to an ongoing analysis by Morning Consult. Republican campaigns for federal office this year have been almost focused solely on who is a bigger supporter of the president and his policies.

"Alabama, what a great place," Trump said during a White House speech earlier this month in which he gave a shout out to U.S. Rep. Bradley Byrne for supporting him during impeachment.

Mobile, meanwhile, will always hold a special connection to the president: It was here in 2015, where Trump's fledgling candidacy received a major boost by hosting his first large stadium-style rally at Ladd-Peebles Stadium. In December 2016, Trump held his final "Thank You" rally before heading off to Washington, D.C. to be inaugurated as president less than one month later.

Two months before the 2015 rally, the first aircraft components for the first plane built at Mobile's Airbus plant arrived into the Port of Mobile. The first Mobile-made aircraft was delivered to JetBlue in April 2016, or more than six months ahead of Trump's presidential election.

Richard Aboulafia, an aviation analyst with The Teal Group, said Airbus is benefiting politically in its decision – made long before Trump decided to run for president -- to build its plant in Alabama. He said if the plant was in a state where the president is unliked, the 25% tariffs initially suggested for imported aircraft components might remain in place.

“If they were assembling jets in New York or California, you could expect the full tariff to be applied,” said Aboulafia.

Livingston said that the press attention of a tariff impacting a plant in Alabama, as opposed to California, might also be a factor in a decision to release the imported parts from a long list of imported European goods that have been assessed tariffs.

“That Mobile plant is pretty large and significant in Alabama,” said Livingston. “A tariff that disrupts such a large plant is going to get negative national press. It might be kind of embarrassing to the administration, especially since its manufacturing, which is such a big deal to it.”

Simon Lester, associate director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies, said it's difficult to prove that politics played a role in the exemptions. But he said it's almost a certainty that it was a factor.

“When Trump gets a call from an alley in Alabama, he'll take it more seriously than if he got a call from a Democrat in California,” said Lester. “It's hard to prove or find a paper trail. Maybe in 20 years, someone will go through the archives and document it all when it's less sensitive. It would not be surprising at all if (politics) played a role here.”

Republicans are singing the administration's praises, once again, for the exemption. Similar praise was afforded the administration in October, when the first round of exemptions occurred.

The airline parts were added back onto the list of items slated for a tariff in December. They were subsequently removed on Friday.

“Thanks to President Trump for putting American jobs first and continuing the current trade policy of not applying tariffs on components for aircraft built at Airbus,” said state Rep. Chris Pringle, R-Mobile, who is co-sponsoring a bipartisan resolution in support of Airbus operations in Mobile. He is also running for the Republican nomination for Alabama's 1st congressional district seat on March 3.

U.S. Rep. Bradley Byrne, R-Fairhope, and U.S. Sen. Richard Shelby, R-Tuscaloosa, both praised the president for exempting the aircraft parts. None of the Republicans praising the president's actions have criticized the administration for threatening the Mobile plant's operations with tariffs in the first place.

Byrne is running for the Republican nomination to the Senate next month.

“I've worked hard to protect these jobs and appreciate the president for his partnership in prioritizing the interests of working Alabamians,” Bryne wrote in a Tweet.

Alabama Democratic Sen. Doug Jones also expressed relief that the aircraft parts were exempted from the latest round of tariffs.

But he said the looming uncertainty on whether they will resurface is harmful to business.

“As I have said many times before, I believe this trade war continues to put the industry and Alabama jobs at risk while damaging our state’s economy,” Jones said.