Company Name: Harley-Davidson Motor Company
Location: Milwaukee, Wisconsin
Number of Employees: About 3,800 U.S. employees
Annual Sales: $4.054 billion in revenue in 2020
Tariff Impact:

- $115M: Incremental tariffs imposed since 2018 on motorcycles coming into the EU
- $120M: Estimated 2021 incremental tariffs if the EU/Belgium upholds the decision to revoke the Binding Origin Information (BOIs) credentials.
- $200M: Estimated 2022 incremental tariffs if the decision to revoke the BOI's is upheld
- $435M: Cumulative incremental tariffs from 2018 through 2022

In May 2018, former European Union (EU) Commission President Juncker made good on his threat against Harley-Davidson when the EU announced retaliatory measures in response to the section 232 U.S. steel and aluminum tariffs. Tariff Code 87115000 (motorcycles incl. mopeds, with reciprocating internal combustion engine of a cylinder capacity > 800 cc), which includes all models of Harley-Davidson, will be subject to an additional tariff of 25 percent on top of the current rate of 6 percent (for an effective rate of 31 percent), the tariff is set to double on June 1, 2021, to an effective rate of 56 percent. (Note: EU motorcycle exports to the United States are subject to only a 2.4 percent tariff and autos slightly more at 2.5 percent).

In June 2019, Harley-Davidson received BOI approval from Belgian customs authority establishing country of origin as Thailand for two motorcycle families to be subject to an import duty of 6 percent. Subsequent approvals for three additional motorcycle families were issued between October of 2019 and December of 2020. Each of the BOIs were scheduled to be in effect for three years from the time of approval.

On April 7, 2021, the European Commission requested that the Belgian customs authorities revoke the first two Harley-Davidson BOIs, just in advance of a doubling of tariffs scheduled for June. A couple of weeks later, Belgian customs revoked all five current BOIs resulting in immediate tariff of 31 percent on all motorcycles being imported into EU. The action resulted in an increase of tariffs from 6 percent to 31 percent, effective immediately. The tariffs are scheduled to increase to 56 percent on June 1, 2021.

The retaliatory tariffs significantly impact the company's cash available to invest back into the business to effectively compete and grow. On average, we spend $200 million per year on capital projects to improve safety & features on our core product, innovate and develop new products (including electric vehicles) and invest in new capabilities. If Harley-Davidson were to price in Europe to offset the tariff increases, our volume would fall dramatically and negatively impact factory jobs in the United States and abroad.

MERCURY

I am writing on behalf of Mercury Marine, a division of the Brunswick Corporation, which has significant manufacturing and distribution operations in Wisconsin, Florida, Washington, and Michigan, among other states. The company employs more than 14,000 people globally, most of whom work in the United States. Today, Mercury Marine has more than 4,000 employees at its global HQ in Fond du Lac, Wisconsin – the highest number of employees in the history of the company. A recent study showed Mercury has a $5 billion annual impact to the Fond du Lac community. The marine industry, and marine manufacturing in particular, is vital to job creation in Wisconsin and the United States.

Boating is extremely popular in Wisconsin, with over 650,000 recreational boats registered within the state. Furthermore, the marine industry is a significant contributor to Wisconsin's economy.

This snapshot of the marine industry's impact on our economy and the boating community demonstrates our concern regarding Mercury Marine's denied exclusion extension of tariffs on outboard engines of 40, 50, and 60hp. While USTR initially approved these requests in December of 2018, the exclusion expired at the end of 2019.

In the consideration and denial of Mercury Marine's Section 301 tariff exclusion extension, we do not believe the USTR fairly considered or understood the fact that the tariffs applied to this category of outboard marine engines directly and overwhelmingly impacts a single U.S based company – Mercury Marine. Mercury Marine's foreign competitors utilize many Chinese-sourced components in their outboard engines and assemble and ship their products to the U.S. tariff-free from other Asian countries, primarily Japan. As a result, the tariff burden on these engines falls solely on Mercury Marine, seriously harming the company's competitive position and U.S. market share in this product category, to the benefit of its foreign-based competitors.

These tariffs not only negatively impact Mercury Marine's operations; they also impact working class Americans who often purchase entry-level recreational boats equipped with these small outboard engines. As a result, these cost-conscious consumers, who live primarily in the Midwest and the South, face an average price increase of approximately $2,000 per boat in 2021. Across the broad landscape of how these Section 301 tariffs have been applied and exclusions granted, Mercury Marine stands out as one of the only instances where a single U.S. company has been unfairly burdened by gifting its foreign competitors an economic advantage and the opportunity to reduce hard won market share.

In the interest of supporting an American stalwart manufacturer with substantial facilities in various states, including Wisconsin, as well as the tens of thousands of Americans employed by the boating industry, we strongly request USTR reconsider and review Mercury Marine's exclusion request from tariffs on small outboard engines in the following HTS code: 40hp, 50hp, 60hp — HTS 8407.21.0080

W6250 Pioneer Road, P.O. Box 1939, Fond du Lac, WI 54936 U.S.A.
920.929.5000
mercurymarine.com

FOODSERVICE EQUIPMENT

Hatco Corporation
635 South 28th Street, Milwaukee, Wisconsin 53215 U.S.A.
Mail To: P.O. Box 340500, Milwaukee, WI 53234-0500 U.S.A.

(800) 558-0607 (414) 671-6350
FAX (800) 543-7521 (414) 671-3976
www.hatcocorp.com

Hatco is an employee owned company that lost 60% of our revenue early in the pandemic. We recovered slowly and partially in 2020, yet were still struggling to fully recover in February 2021. By the end of March 2021, we had more business than we could handle. We are now trying to hire people and working lots of overtime.

We struggle to get enough Aluminum and Steel to meet our demand. We are currently buying at a required purchase allocated quantity on both commodities, with any amount required over this allocation being either not available or purchased at 2 to 3 times multiplier in cost. The allocation on Aluminum alone has resulted in over 100 of our customer orders being late this month. Steel is currently available with additional requirements being supported by spot market buys, but the nickel surcharge on stainless steel, as well as the base cost of all steel, is severely cutting into our profitability. Based on current discussions with our two key suppliers and market analysis, both commodities are predicted to worsen in availability and cost through the end of this year and into early 2022.

The tariffs make it very difficult to reach out to "the rest of the world" to help fix shortage issues that domestic suppliers are not able to satisfy.

We currently are trying to hire 24 more people in production, which is hampered by both the current unemployment benefit and the ability to get enough steel and aluminum to keep up with demand.

Bartling's
Manitowish Cranberry Co.

Our family cranberry farm was starting by my great-grandparents in 1946 in Manitowish Waters, WI. They started with nothing to their name and built the infrastructure and cranberry beds by hand and with horses until equipment could be afforded and brought in. Today, my brother, Steven Bartling, and I manage our 200-acre cranberry farm with the goal of passing it to our children better than it was passed to us from our parents, preserving the land, water, and economic sustainability of our farm with the same pioneering spirit of our great-grandparents, grandparents, and parents had.

While we do our very best to grow a sustainable and profitable cranberry crop, the retaliatory tariffs placed on cranberries is now poised to jeopardize our cranberry growing legacy and sustainability. Our farm is part of the farmer-owned cooperative, Ocean Spray Cranberries, based out of Middleborough, MA. Ocean Spray Cranberries is owned by us and 700 other farmers from all over North America. The cooperative sells our harvested crop for us, and the cooperative is now a leader of world-wide cranberry sales. If Ocean Spray cannot sell their products in foreign countries that have high tariffs, the returns to the farmers, including my brother and myself, are reduced further from their already relatively low level. This greatly effects our family farm's bottom line, our sustainability for the next generation, our local families that we employ, and our local and national suppliers that we use to keep our farm operating.

As you are aware, on June 1, 2018, in response to the U.S. Section 232 steel and aluminum tariffs, the European Union imposed a 25% retaliatory tariff on cranberry juice concentrate (HS 2009.81). A 25% tariff on dried cranberries (HS 2008.93) was also announced, but deferred until June 1, 2021, and has now, thankfully, been suspended further because of pressure from within Europe that such a tariff would hurt European companies.

The effect of the 25% tariff on cranberry concentrate has been significant. Exports of U.S. cranberry juice concentrate to the EU fell from $41 million in 2017 to $6 million in 2019, an 86% drop. Competitor countries who grow cranberries have benefited and increased their market share in Europe at the expense of U.S. farmers and manufacturers.

If a dried cranberry tariff is implemented, we expect it will result in a 30% decrease in dried cranberry sales to the European market. This means the loss of business and jobs in the U.S., which will naturally migrate to competitor countries that enjoy lower tariffs to the E.U. and the U.K.. For us and other Ocean Spray farmers, this means rick to our livelihood, a potential loss that could impact our generation, but also generations to come.

These tariffs, if implemented, will hurt our family and all other cranberry growing families in the U.S. Please use our story to help stop the implementation of these tariffs and further help the negotiations between the U.S., the E.U. and other foreign countries that have tariffs on our wonderful and healthy products.

CROPP Cooperative/Organic Valley
La Farge, WI (Headquarters)
~900 Employees
Annual Sales of ~$1.2 billion
Tariff Impact:

- $1.4 million in additional import tariffs attributed to the ongoing EU (UK) – US large civil aircraft dispute initiated in 2019.
- $3.3 million sales opportunity loss as a result retaliatory tariffs imposed China in 2018.

CROPP Cooperative (CROPP) was established in 1988 with seven founding farmers and has since expanded to nearly 1,800 farms in 34 US states, as well as in Canada, Australia and the United Kingdom (UK). In 2020, the business achieved $1.2 billion in sales. CROPP currently employs approximately 900 employees in the US and abroad.

CROPP markets only organic goods, and the majority of CROPP's business is in dairy products. CROPP offers an array of products available in tens of thousands of retail locations in the US and globally. CROPP also sells organic bulk milk and ingredients to customers who use it in their own products, many of which are also distributed globally. CROPP products are marketed under familiar consumer brands such as Organic Valley and Organic Prairie.

Since 2017 CROPP Cooperative has endure harm from two distinct trade disputes. In 2017 CROPP Cooperative was forced to retreat from trade opportunities in China. Retaliatory tariffs imposed by China on agriculture goods made premium dairy untenable and no longer competitive in the Chinese market. Not only was this a $3.3 million projected sales loss but it also undermined years of investment and relationships built in anticipation of a greater launch into the China arena. In the fall of 2019 CROPP Cooperative faced yet another imposition on the trade of organic dairy products. Our cooperative relies on a UK member for as a strategic partner in helping balance supply of different dairy products. As we sought to import butter and butter oil from the UK a tariff was assessed that to date has cost $1.4 million. This import tariff was a result of an ongoing large civil aircraft dispute within the WTO context. CROPP Cooperative and our farmer-members have been ensnared in this dispute with having no material connection to what precipitated the WTO case and ruling. As it stands, this tariff is most impactful since we continue to pay it given the businesses need and there being no alternative source opportunities.

Over the last three years CROPP Cooperative has engaged in multiple conversations with USTR and USDA personnel as well as members of Congress and trade associations seeking a solution to these trade disputes. At current neither disputes are resolved. We hope a renewed urgency can be found to bring these trade disputes to a conclusion.

Company Name: **Hsu's Ginseng Enterprises, Inc.**

Location: **Wausau, Wisconsin**

Number of Employees (optional): **2019 – 94, 2020 – 71, 2021 – 60**

Annual Sales (optional): **2019 $30 million, 2020 $26 million, 2021 $23 million**

Tariff Impact: **Initially tariffs on ginseng exported from United State to China faced an additional retaliatory tariff of 40%, recently reduced in the last round to 32%.**

Retaliatory tariffs on ginseng have adversely affect the industry here in Central Wisconsin. Wisconsin grows over 95% of the country's annual production of ginseng, approximately 1 million pounds per year. In addition, over 90% of the cultivated ginseng grown in the US is exported to Asia, with the primary destination being Greater China. This crop has a high value per pound, prior to the trade war it traded for $40-$50/lb. Today, in the third year of the trade war it trades for $15-$20/lb. Therefore, the economic impact to Marathon County and the surrounding area has seen a $25 million to $30 million decline in the local farm economy as wholesalers and retailers are unwilling to pass on the retaliatory tariff to Chinese consumers via pricing. Wisconsin stands to lose a its competitive edge and sales to cheaper, lower quality American ginseng grown in Ontario, Canada and the northeastern provinces of China. Wisconsin-grown American ginseng makes up less than 10% of the annual global production estimated to be 11-15 million pounds, but it is also the highest priced, best perceived quality and most well recognized brand of ginseng imported into China for Chinese consumers.

Our sales and employee count continue to decline in response to the trade war. We have cut nearly 40% of our staff the past two years due to the impact of tariffs and COVID on our business and markets. We expect to make further workforce reductions if tariffs are not lifted and have already begun a multi-year process to scale back planting as the roots take 4-5 years to reach maturity. We have indefinitely suspended all investments into our business and dramatically cut staffing and costs in response to the artificial price increase caused by tariffs collected by the Chinese government. Farmers in Wisconsin are bearing the brunt of this and continue to be disproportionately harmed by it unless something changes.

Company Name: Molson Coors Beverage Company
Location: Milwaukee and Chippewa Falls.
Number of Employees (optional):
Annual Sales (optional):
Tariff Impact:

The aluminum tariff now accounts for over 22% of the cost of the aluminum Molson Coors uses in producing the 12 billion beverage cans they need to package their beer every year. My understanding is the beer industry is moving more to aluminum cans due to consumer preference. Brewers ability to support innovation and give the consumers what they want has been impacted due to the direct cost of the tariff. This is compounded further during COVID 19 as consumers turned to purchasing beer in aluminum cans.

At the same time the aluminum tariff was implemented in March 2018, Molson Coors reported they observed serious distortions in the aluminum marketplace. Recently, the Department of Homeland Security (DHS) Inspector General issued results of an audit they conducted confirming aluminum end users are being charged a tariff-loaded premium on exempted or US sourced aluminum. Approximately 80% of cansheet the cold beverage industry uses will come from *un-tariffed* sources, yet the upstream aluminum industry value chain charges them as if 100% of the aluminum carries a tariff. According to a recent study by the Beer Institute, the aluminum industry pocketed last year $760 million in windfall profits, while the U.S. Government only collected $88 million in tariff revenue. These findings have been turned over to the CFTC.

Molson Coors has reported the aluminum tariff and the unanticipated anti-competitive behavior in the aluminum industry has inflated their cost since the tariff went into effect. In 2021 they anticipate a 54% increase in their costs, due to pricing irregularities and potential anti-competitive conduct on top of any increase in the price of aluminum, which will impact how they reinvest in their business whether that's capital investments to keep their aging facilities in Wisconsin economically competitive, innovation, marketing support and other items important to their business.

Company Name: Husco
Location: Waukesha, WI (Headquarters)
Number of Employees (optional): 1500
Annual Sales (optional): $550M
Tariff Impact: $7M

The Section 301 China tariffs continue to cause severe economic harm to Husco. Our US manufacturing facilities provide highly engineered components to the Automotive and Off Highway sectors. Our facilities will absorb approximately $7M in incremental expenses in 2021 from Section 301 tariffs on components that can only be sourced from Chinese suppliers. To put this in perspective, the Section 301 tariffs will reduce profitability by 30% during a global pandemic. Additionally, the tariffs have put us at a significant disadvantage against our competitors in Europe and Asia. The result of these Section 301 tariffs on Husco is lower US employment, lower US investment and lower growth for our US business.

- The estimated total number of jobs threatened by the tariffs
  - More than 100 jobs
- The percentage cost increase of steel and aluminum (already experienced or expected).
  - Steel and aluminum are not meaningful relative to the 301 tariffs
- The percentage of exports.
  - Approximately 20%
- Unintended consequences like shifting production abroad in response to the tariffs, or business expansion or investment that has been placed on hold in response to the tariffs.
  - We have moved several programs representing millions of dollars in revenue to our Indian facility due to the Section 301 tariffs.

Company Name: Chippewa Valley Bean
Location: Menomonie, WI
Number of Employees: +/-40
Tariff Impact:

Our business has been significantly affected as a result of the retaliatory tariffs from the European Union. Our largest competitors in Canada, China and Argentina have been able to claim a 25% price advantage in the market that accounts for over 60% of our kidney beans. This trade barrier allows our global competitors to pay their growers higher prices at the farm level than we can pay our network of family farmers. Each year we lose long-term customers that can't afford US kidney beans. We've built our export market over a 30 year period by supplying high quality kidney beans and excellent customer service. But even with the best quality and customer service in the world, the market can't support a 25% price increase.

When the US imposed a 25% import tariff on steel and aluminum, domestic producers of steel raised the price of the tin-plate needed to make cans. Struggling to pass the cost increase to large retail buyers, food manufacturers squeezed bean suppliers for lower prices. In the case of kidney beans, the can itself is the largest single input so raising the price of steel raised the total cost of the can of beans.

Domestic steel prices increased at the moment the tariffs were announced. We stalled new building plans as long as we could because the cost of our capital projects exceeded projections.

Dry beans, such as kidney, black and navy beans are staple foods that families use to stretch their food budget. As food insecurity and hunger grows, both in the United States and globally, higher food prices caused by government imposed trade barriers affect the families that can least afford it. The US's steel and aluminum tariff and the resulting European Union retaliatory tariff on kidney beans contribute to that problem.

Company Name: Polaris Inc

Location & Number of Employees: Headquartered in Minnesota, Polaris has approximately 9,700 workers in the United States, including over 1,000 engineers and about 5,200 manufacturing jobs in 13 manufacturing sites in Minnesota, California, Washington, Ohio, Alabama, Wisconsin, Iowa, Indiana and Idaho.

In Osceola, Wisconsin, Polaris manufactures engines for its portfolio of powersports vehicles. Osceola employs close to 500 employees.

Annual Sales (optional): Annual revenue for 2020 was $7.028B

Tariff Impact:

China tariffs specifically undermine our competitiveness and threaten the livelihood of our U.S. workers.

As our foreign competition is not materially impacted by the China tariffs, these tariffs are hurting our ability to compete and are threatening the livelihoods of our U.S. workers and nearly 2,000 dealers here.

While only about 17% of our supply chain is sourced from China, the tariffs have a disproportionate impact on Polaris. Our China tariff cost for 2020 was $53 Million, net of one-time refunds and exclusions of $44 Million. Unmitigated, our tariff exposure this year will be about $100 Million, the bulk of which is from the Section 301 China tariffs – almost 2% of our cost of sales. The drag on our competitiveness from the China tariffs is only compounded by supply shortages, including the recent semiconductor shortage, and increased steel and aluminum prices as a result of the 232 tariffs.

invincible

Company Name: IMF Solutions, LLC d.b.a. Invincible Furniture
Location: Manitowoc, WI
Number of Employees (optional): 50 - 75
Annual Sales (optional): Small business ($6M - $10M)
Tariff Impact:

IMF Solutions d.b.a. Invincible is a metal furniture manufacturing company that has been producing high-quality metal furniture in Manitowoc, Wisconsin since 1913. We pride ourselves on being a U.S. manufacturer, making most everything we sell.

Steel is our single largest input cost. Currently U.S. Steel mills are 'judiciously' managing steel supply, and have been able to drive steel pricing to unprecedented levels (250-300% of normal price levels). We believe the Trump-imposed steel tariffs are providing 'cover' for U.S. mills, and combined with lower world-wide steel supplies, has created an environment where U.S. steel mills are unchecked and are able to continue to push prices higher. Steel distributor inventories are lower than they have been in 50 years (as reported by key distributors we work with). Distributors cannot risk buying inventory given extreme pricing for risk of being stuck with over-priced inventory, which means the cycle continues.

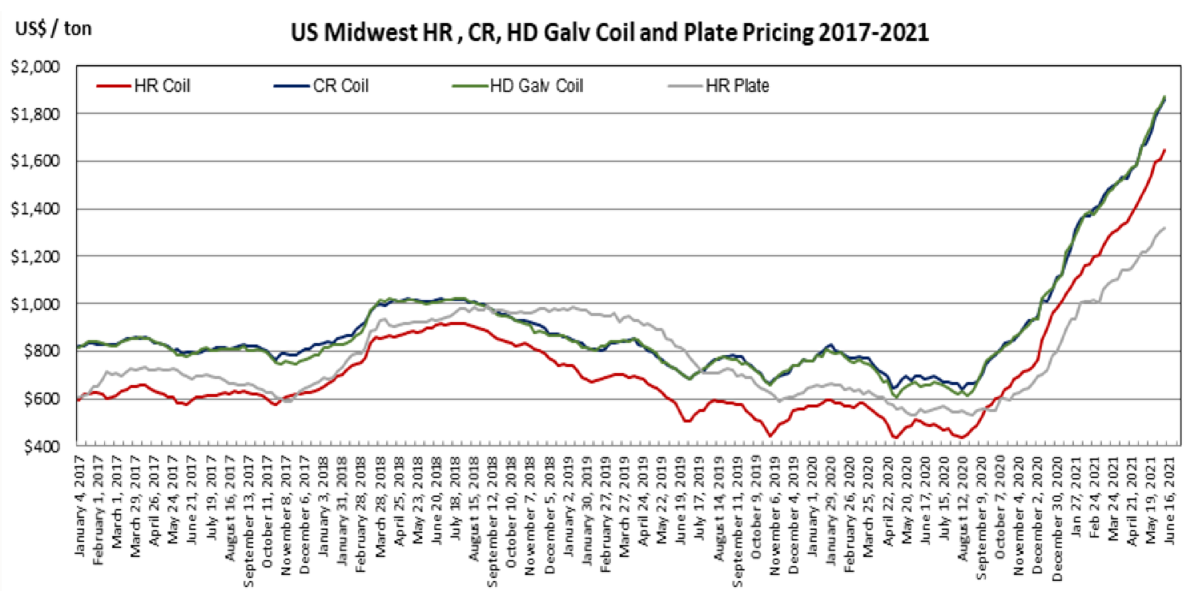
We have received significant push-back on price increases from our customers. At current pricing levels our business is at significant risk, jeopardizing the jobs of everyone in our business.

I implore our Representatives to call on President Biden to first reverse the Trump-era steel tariffs, and second put pressure on U.S. Steel Mills to as quickly as possible increase steel output and supply, and return steel pricing to much more reasonable levels. Note that currently tariffs benefit ONLY U.S. Steel Mills, and unfairly "punish" companies that purchase U.S. Steel to make U.S. products. We compete against companies that are importing steel products at much lower prices, not impacted by the tariffs. WE NEED HELP!

Company Name: **OEM Fabricators Inc.**
Location: **Woodville, WI**
Number of Employees (optional): **275**
Annual Sales (optional): **$36 million**

One of the specific global trade issues that we are concerned about is this. It appears as if there are some problematic areas in the tariffs. We don't know if this is a result of the new tariffs or old ones, or some combination. But here is an example: We produce a product for an oil and gas company in the US. We buy the steel for that product from US mills. There is a company in Germany that makes an equivalent steel that our customer has encouraged us to use instead of the US product. As we understand it, this German product has a 25% tariff that has been in place for some time due to some anti-dumping concerns, and now an additional 25% from the Trump imposed tariffs. So a 50% adder if we were to consider this material. We understand that a competitor in India, buys this same material, fabricates and machines it, then sells it into the US without any tariff at all. The value of the US material in a single piece we produce is about $20K per unit, it appears that the Indian company has a significant cost advantage over us as the tariff doesn't seem to apply to their product. If we have this right, it is leading to a substantial loss of revenue and jobs to India.

We are currently seeing unprecedented price increases from the US mills and lead times are extended out to 40 weeks. In the last six months, steel prices are up over 100%. This is making it almost impossible for OEM Fabricators to compete with our global competition. I included an index chart below. Please let me know if you need any additional information.



INSTEEL
INDUSTRIES INC.

Company Name: Insteel Industries Inc.
Location: Headquartered Mount Airy, North Carolina
Number of Employees (optional): approximately 900
Annual Sales (optional): $550 million
Tariff Impact (232 and/or 301): Section 232

Initially, the imposition of the 232 tariff had a devastating impact on our prestressed concrete strand business and on segments of our welded wire reinforcement business. The tariff, which was applied to our raw material but not to the finished products we produce, resulted in the domestic steel price rising 35% above the world market price. Since purchased steel represents approximately 70% of the total cost of our finished products, there is no way for other manufacturing efficiencies to offset the dramatic steel cost disadvantage created by the Section 232 tariff. Malaysian, Colombian, Mexican, Tunisian and other foreign companies were pricing their products for sale in the US at levels close to the US price for the raw materials from which these products are made.

More recently, since the world economy began to recover from the impact of the pandemic, US steel prices have remained at levels much higher than the world market and domestic availability is insufficient for our company to serve its customers. While the steel producers, whose products are protected by tariffs, are recording record revenues and profits, our manufacturing plants are operating intermittently as dictated by the availability of domestic supplies of steel wire rod, our primary raw material. Our employees are losing hours when we can't operate, and our customers are badly disrupted by uncertain delivery performance and our inability to supply sufficient volumes of reinforcing materials.

Our ten manufacturing plants are state of the art, having received nearly $100 million of capital investment in recent years. We pay excellent wages and provide good benefits. We are technologically savvy with world class information systems. Yet, we cannot competitively supply our markets due to the impact of the section 232 tariff. The Administration should terminate the 232-tariff program which would open additional supply options for to steel users, such as Insteel.

1373 BOGGS DRIVE, MOUNT AIRY, NC 27030/PHONE: (336) 786-2141/FAX: (336) 783-4341
WWW.INSTEEL.COM

INSTEEL
INDUSTRIES INC.

Company Name: Moog Music, Inc
Location: 160 Broadway St., Asheville, NC 28801
Number of Employees (optional): 170
Annual Sales (optional):$28,000,000
Tariff Impact: $2,000,000

For the 170 people working here at Moog Music producing 50,000 electronic musical instruments per year, the unexpected advent of tariffs starting in September of 2019 have taken $2M from our profits and placed them in the hands of bureaucrats. This is money we could have been using to invest in growing our business, paying our employee-owners better wages, and inventing new musical instruments.

Adding to this financial burden is the fact that these goods are increasingly difficult to source and we have had to spend unproductive time and significant expense flying in components from Asia. This year that has meant that the largest expense to our business (23%) has been freight and tariffs. To put this in perspective, this expense was 2.3% in 2019. It is impossible for us to make a profit with this level of expense going to just getting parts here.

Making matters worse is that 50% of our business is export and as such we are due back ~$1M of the tariffs that we have paid and it remains tied up with other bureaucrats in Customs.

All of this combined has put a severe financial strain on the business threatening the employment of 170 Americans. I strongly urge President Biden to reverse the Chinese tariffs which will allow us to compete on a fair playing field with our European competitors who are not burdened by this expense.

Thank you for your time.

Sincerely,

Michael J. Adams
President / CEO
Moog Music Inc.

160 Broadway Street
Asheville, NC 28801

Phone: 828-251-0090
Fax: 828-254-6233

www.moogmusic.com

Company Name: Sukup Manufacturing Co.

Location: Sheffield, Iowa / www.Sukup.com

Number of Employees (optional): 650-700

Annual Sales (optional):

Tariff Impact:

Sukup Manufacturing Co. is a family-owned and operated manufacturer of grain storage, drying, and handling equipment, and steel buildings. Founded in 1963, the company is fastest growing grain bin manufacturer and one of the largest employers in the region. Sukup operates distributions centers in six states and has shipped product to more than 85 international countries.

Hot rolled coil steel is the primary raw material Sukup uses to manufacture its products, approximately one million pounds consumed on a weekly basis. The company exclusively uses U.S.-produced steel. In the past year, steel prices have tripled. The sharp increase in raw material prices unfortunately impacts the consumer; in this case, farmers and agriculture operations.

The surge in the price of steel is likely due to two factors. One, current tariffs (Section 232, Section 301) having an unintended and destabilizing impact on the U.S. steel market. Two, U.S. steel mills manipulating the price of steel by artificially reducing production capacity, enabled by consolidation and lack of competition.

Eliminating the tariffs and addressing the non-competitive market environment will help stabilize the market for U.S.-produced steel, moderate raw material prices, and help control costs for end users such as U.S. consumers and farmers.

M A D S E N

148 S. 4650 W. Murray, UT 84107
(800) 206-0941 info@madsencycles.com

Madsen Cycles
Murray, UT
4 employees
Annual Sales: $1,200,000

Tariff Impact: Madsen Cycles is a small, boot-strapped company in Murray, UT. Our business has been impacted negatively by the lifting of the Section 301 tariff exclusions. The 25% tariff affects how we have to price our electric kits for our bicycles, and the electric bicycles. The most frustrating part is that the changes are made without our knowledge, and we are not prepared to predict when we will be charged the extra tariff. This makes it very difficult to plan, and to price products. Because we are such a small company, we don't have the bandwidth to constantly be watching these things...so it comes as a surprise when we are hit with an extra fee.

The batteries (for our bicycle electric kits) that we order from China, are not available or able to be sourced from the U.S. at this time. So, this is not helping the U.S. economy, but instead hurting U.S. businesses and consumers.

Company Name: Superior Huntingdon Composites

Location: Huntingdon, PA

Number of Employees (optional): 75

Tariff Impact: $50,000 in lost refund and $317,000 in new tariffs since exclusion expired.

Superior Huntingdon Composites employs 75 workers in Huntingdon, PA. The Pennsylvania company manufactures fiberglass reinforcement mat, which are used in the aviation, power & energy, industrial construction, and automotive industries. In February of 2020, Huntingdon submitted a product exclusion request for glass marble imports from China, which are subject to the $200 Billion Tariff Action (List 3). The only domestic supplier of the glass marbles in question, AGY Holding Corp., uses most of its marble product internally. This creates a shortfall in domestic supply and forces Huntingdon to purchase most of its glass marbles from China, the only country where glass marbles are manufactured with the required chemical composition. Huntingdon's imports do not compete with, damage, or jeopardize U.S. production. While their request was granted, this exclusion expired on August 7, 2020. Superior Huntingdon is now forced once again to pay these tariffs and has been unable to receive a $50,000 refund for tariffs paid prior to the exclusion being granted. Since August 7, 2020, the company has paid over $300,000 in tariffs, and anticipates $580,000 in further tariffs by the end of 2021. Without some form of tariff relief, the company anticipates paying over $1.1 million in tariffs next year.

Company Name: Ameri-Source Specialty Products
Location: Bethel Park, PA
Number of Employees (optional): 72
Tariff Impact: $3.38M (As of Oct. 2020).

Ameri-Source Specialty Products is one of the largest U.S. suppliers of engineered steel. Headquartered in Bethel Park outside of Pittsburgh, the company provides customers worldwide with sophisticated pre-tempered high carbon steel, high tensile and pre-tempered stainless steel, and Bundy Weld Tubes. This steel is used in springs, industrial blades, knives, and automobiles. In November of 2020, Ameri-Source applied for 232 exclusions for the importation of specialty steel strip, specifically pre-tempered blue polished and scaleless high carbon steel and annealed high carbon steel in light gauges.

Ameri-Source is in the process of opening a new plant, Ameri-Precision Metals, which will create an estimated 100 full-time jobs in Canonsburg, PA. The company currently employs 72 workers, some of which are already working at the Ameri-Precision plant. However, this expansion has been made difficult by the cost of the 232 tariffs the company was forced to pay on specialty steel strip imported from various countries, mainly India, Taiwan, and South Korea. Currently, there are no U.S. manufacturers that can perform both the cold rolling and hardening and tempering at the same plant, which is necessary to meet Ameri-Source's customer specifications. As of October 2020, tariffs cost Ameri-Precision Metals (paid under Ameri-Source) approximately $3.328 million. Thankfully, they were able to obtain several exclusions, and have requested further, to facilitate this expansion.

Company Name: ATAS International, Inc.
Location: 6612 Snowdrift Road, Allentown, PA 18106
Number of Employees (optional): 200 Annual Sales (optional): Tariff Impact:

- Over the past 18 months:
  - Aluminum prices have increased 80 percent; projected to increase an additional 50 percent.
  - Steel has increased 82 percent; projected to increase an additional 40 percent.
  - Lumber cost has tripled.
- ATAS' domestic aluminum supplier has reduced order quantity by 50 percent for the last half of 2021 and will not commit to next year.
- ATAS cannot accept orders including the "Buy American" clause as part of the requirements, as we are not comfortable with receiving domestic supply.
- ATAS' Export Manager has been laid off.
- Our company employs 200 staff members nationwide, with locations in Arizona, Pennsylvania, and Illinois. The hiring process and the ability to retain staff have been extremely strained, resulting from the Federal Unemployment Enhancement Program. To retain and recruit employees, ATAS put into action a program of our own, the "Enhanced Employment Program", offering $1,000 monthly bonuses to all staff for at least the next several months, a huge additional payroll expense.

<u>Company Name:</u> Nebraska Manufacturer (requested anonymity due to potential retribution from steel suppliers)
<u>Location:</u>
<u>Number of Employees (optional):</u>
<u>Annual Sales (optional):</u>
<u>Tariff Impact:</u>

Our steel costs have doubled over the past six months going up virtually weekly. We have had to pass along price increases to our customers every month and will have more to go as steel costs continue to go up. Our concern is when the auto manufacturers get back going full steam in the fall when they get their chip shortage issue resolved then there will be even more pressure on steel costs. We ordered steel back in the January/February time frame for delivery in April and May. We are just now starting to get the April stuff. This has put tremendous pressure on our manufacturing and shipping folks, not to mention our dealers and end customer/growers. At this point we are having to order steel with expected deliveries later this fall but we cannot lock in a cost, so we will just have to wait and see what our costs will be at that time. We are tied to an index so it's not like the steel companies can just charge anything they want but from our view point this puts us in a very difficult spot. If we don't place the order then we won't have supply. However, we would prefer to manage our business a little better than that. We would prefer to see a supplier offer us a price at certain specs, etc. and then we decide whether that makes sense for our business or not. We are also having to figure out what we think we are going to ship in 2022 at this point and if we don't have a contract in place we may not be able to secure enough steel for next year.

Company Name: **Hornady Manufacturing Company/ Hornady Security Products**

Location: **Grand Island, Nebraska**

Number of Employees (optional):

Annual Sales (optional):

Tariff Impact: **$5 Million**

Hornady Security Products (Hornady) has noted a troubling trend following implementation of the Section 301 tariffs. Some of our larger customers have chosen to bypass importers such as Hornady and develop their own supply chain directly from China. This translates into lost business for companies like Hornady with no benefit to US manufacturing.

More disturbing is the fact that our core market- individuals and families seeking secure firearm storage solutions- has had to endure significant price increases. Hornady is a major supporter of Project ChildSafe® (https://projectchildsafe.org/) and we believe that affordable solutions for secure firearm storage should be available to persons of any income level. We constantly review sourcing options and have made many attempts to source quality Firearm Safety Devices in the United States but have so far failed to be able to do so competitively. The effect of the Section 301 tariffs on our industry is that prices for firearm storage solutions have effectively increased by 25% or more across the board, potentially discouraging some consumers from purchasing a firearm safety device.