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June 4, 2019

The Honorable Robert Lighthizer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW Washington, DC 20508

Re: USTR-2019-0004-0001; Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

Dear Ambassador Lighthizer:

In accordance with the Federal Register notice regarding the above-captioned docket, the American Brush Manufacturers Association is pleased to submit these comments to inform the administration's determination on additional proposed actions under the Office of the U.S. Trade Representative's (USTR) Section 301 investigation on China's acts, policies and practices related to technology transfer, intellectual property and innovation. This submission is designed to aid USTR in assessing the potential imposition of tariffs and other remedies. If you have any questions, please do not hesitate to contact me.

Respectfully,
AMERICAN BRUSH MANUFACTURERS ASSOCIATION

A handwritten signature in black ink, appearing to read "David C. Parr", is written over a light grey circular stamp.

David C. Parr
Executive Director

PRESIDENT
D. SCOTT ENCHELMAIER
Industrial Brush Co
Fairfield, NJ

VICE-PRESIDENT
GREGORY C. MILLER
The Mill Rose Company
Mentor, OH

TREASURER
CHRIS MONAHAN
Brush Fibers Inc
Arcola, IL

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CARLOS R. PETZOLD
Bodam Int'l/Borghi USA
Aberdeen, MD

EXECUTIVE DIRECTOR
DAVID C. PARR
SilvaCor, Inc.
Durango, CO

Comments of the National Association of Manufacturers Regarding Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket USTR-2019-0004-0001)

June 4, 2019

The American Brush Manufacturers Association (ABMA), founded in 1917 is the largest broom, brush, roller and mop manufacturing association in the United States, representing more than 150 manufacturers small and large. ABMA members employ over 8,000 women and men across the country and produce roughly \$2.4 billion in output to the U.S. economy in 2017, some of which is exported to critical overseas markets.

Our average member company size is roughly \$5 million in sales and employs between 30-40 people. We represent the core of successful, family run and closely held small business that have been around since the American Revolution.

Products Imported by ABMA members, such as boar bristle (HTS code 0502.10.00) are **Not Available from Any Source Outside of China**. Imposing the additional tariff on imports from China will not prompt ABMA members to seek another supplier. There is no source in another country. This trade action simply make US made products less competitive. Additional tariffs on industry products such as metal hardware (7323.99.9080) and plastic hardware (3926.90.9990) may lead to a loss up to 17% of American jobs as our research indicates.

Based on conversations with our members about the impact of Section 301 tariffs and Chinese retaliation, many manufacturers are reporting that U.S. tariffs already imposed and those being proposed weaken manufacturing in the United States, forcing manufacturers to make difficult, if not impossible, choices:

Raise prices, which increases costs for consumers, reducing demand for many products and sales by producers in the United States in the face of other foreign competition and leading to less domestic production, fewer American jobs and less investment.

Cut costs by scaling back on worker or pay expansion or new capital investment, which means smaller paychecks and fewer American jobs and less investment for our country.

Mitigate costs by shifting manufacturing operations to overseas facilities to remain competitive in some product lines.

Outsource or give up and simply buy foreign made goods.

All of these choices make both individual manufacturers' operations and manufacturing in the United States more broadly less competitive against foreign competition and more vulnerable to job loss. These negative impacts will in many cases be felt hardest by small- and medium-sized manufacturers, which often have fewer choices, challenging their ability to remain competitive at home or abroad against Chinese and other foreign firms. Additionally, some manufacturers are also reporting that the products being hit by tariffs incorporate substantial U.S. content, where the innovative products are designed and formed in the United States with more basic, less technologically sophisticated finishing operations occurring in China. The burden of U.S. tariffs in these cases will be felt most directly by manufacturers and their workers here in the United States. In other cases, manufacturers are reporting that the products being imported are from wholly owned operations, in which there is no Chinese partner or unfair practice involved. In those cases, again, the harm will fall squarely on businesses and manufacturers here in the United States. Many manufacturers are also being hit by Chinese retaliatory tariffs that are cutting into critical exports that support American workers here at home.

Thank you.