



Snowsports  
Industries  
America

## **Testimony**

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Founded in 1954, Snowsports Industries America (SIA) is the trade association representing the US winter sports industry: manufacturers, suppliers, and retailers of winter sports gear. Our industry generates over \$72 billion in economic revenue annually and supports 700,000 jobs across the US - and many of the products on the proposed List 4 are produced by our members.

While there are too many HTS codes to call out here, 296 to be exact, these product categories include:

- Performance outerwear
- Gloves, mittens
- Sweaters
- Safety headgear
- Footwear
- Scarves/Shawls/Headbands
- Skis & bindings
- Ski boots
- Snowshoes
- Ice skates
- Toboggans, sleds

The USTR has specifically asked for comments on whether imposing additional duties on a particular product would cause disproportionate harm to U.S. economic interests, including small or medium-sized businesses and consumers. I can say with absolute certainty that this will be the case.

Since the announcement of these tariffs in May, we've spoken to many of our members and in every single case, from the large manufacturers to the small and medium sized retailers, I heard a great deal of concern. These products represent their livelihoods and I'm here on their behalf to communicate this concern to you.

The economic viability of our industry depends on robust sales and consistent winter seasons – essentially, we have a six-month selling season. And when either is out of balance, our industry suffers.

A tariff of 25% on these products will ripple throughout our industry, with reflective higher prices being passed from manufacturers to retailers, to ultimately to consumers.

There is no doubt that these "tariffs" will instead be taxes in the form of increased prices passed along to our retailers and consumers resulting in decreased sales, lost jobs and closed businesses. In fact, according to Trade Partnership Worldwide LLC, 25 percent tariffs on an additional \$300 billion in imports would result in the loss of more than 2 million U.S. jobs and add more than \$2,000 in costs for the average American family of four.

We know that will happen if these tariffs become a reality because over the past few weeks, I've spoken to many members who can't be here to tell their own story but are truly concerned about the future of their business.

For example, one of our members is a small women's fashion business based in Boulder, Colorado. Every single product they produce is on the most recent tariff list. Like many in our industry profit margins are tight. At this point, pricing has been agreed upon (which does not reflect the cost of the tariffs) and orders will be shipped soon. So the difference in price between the current wholesale price and the added cost of the tariffs will need to be funded by this small company – so in anticipation, they've already begun to cut budgets, lay off workers and plan for the worst. Instead of growing their business, they're shrinking it.

A small family-owned ski shop that has been in business for 40 years has also communicated the fact that they may too have to shut down their business because a 25% tariff will eliminate any profit. They just won't be able to afford buying these products now.

In addition, their customers won't pay \$315 for a \$250 ski jacket either. Small businesses just can't weather this kind of storm and they too, are considering layoffs as the fall approaches.

This is not a unique story in our industry. There are too many businesses where 25% means bankruptcy and layoffs, from large and small manufacturers to small, family-owned retailers that are the backbone of our industry. Our industry simply cannot afford to do business like this and survive.

Furthermore, there is no U.S. production of the products of interest. Thus, removing these products from the USTR list would not boost US productivity and jobs and effectively reach your intended outcome. Manufacturers in our industry are constantly assessing their supply chains, trimming costs to price these goods for retailers and consumers across the country. If there was an alternative to China in the US, they would be using it.

Secondly, in the case of safety helmets (6506. 10. 30 & 6506. 10. 60) it was our understanding that these products were removed from the List 3 tariffs because of the safety benefit they provide, especially to young children. Of more than 600,000 injuries that occur in our sport each year, 20% are head injuries. According to the National Ski Areas Association, 75% of the participants in our sports wear safety helmets now and head injuries have been significantly reduced. But increasing the prices of these helmets will reduce adoption and undoubtedly reverse this positive trend. We encourage you to keep safety helmets on the exempted list.

Finally, it is my understanding that the proposed additional duties are intended to pressure the Chinese government to eliminate certain acts, policies, and practices that the United States has determined to be harmful to its economic interests. Examples are industrial policies in support of China's efforts to rely exclusively on high tech goods manufactured in China, theft of intellectual property from U.S. companies, and related acts, policies, and practices.

The products of interest to SIA are not the type of products that are the targets of these Chinese acts, policies, and practices. The imposition of additional duties on these products would not aid the goal of China eliminating such acts, policies, and practices.

Snowsports Industries America and our members strongly oppose the tariffs being proposed on:

- Performance outerwear
- Gloves, mittens
- Sweaters
- Safety headgear
- Footwear
- Scarves/Shawls
- Skis & bindings
- Ski boots
- Snowshoes
- Ice skates
- Toboggans, sleds

I would be happy to provide you with a document listing our specific HTS codes.

As the representative of the US winter sports industry, I urge you to remove these products from the USTR list. Doing so will protect U.S. businesses and jobs.

Thank you for your time this afternoon.