



October 19, 2021

Chairman Ron Wyden
Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20510

Chairman Richard Neal
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Ranking Member Mike Crapo
Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20510

Ranking Member Kevin Brady
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Wyden, Chairman Neal, Ranking Member Crapo, and Ranking Member Brady:

We are writing to urge you to act before the end of the year on two international trade priorities that provide much needed relief on outdoor products: renewal of the Generalized System of Preferences (GSP) and passage of a package of miscellaneous tariff bills (MTBs). Our members continue to face strong inflationary pressures due to exorbitant transportation costs, increases in raw material prices, among other reasons. Action is needed to preserve their ability to create U.S. jobs, develop new products and grow the outdoor recreation economy.

The tariff relief from GSP, MTBs along with a meaningful exclusion process from Section 301 tariffs on imports from China can help sustain the strong economic recovery. This is equally important to U.S. manufacturers and importers, who reinvest duty savings on finished products in their U.S. operations.

The outdoor recreation economy is a \$788 billion economic engine supporting 5.2 million American jobs. Outdoor companies produce some of the most innovative, high-tech apparel footwear and equipment designed to enhance the outdoor experience. As we emerge from the COVID-19 pandemic, tariff relief is essential to helping our businesses grow and take advantage of a surge in interest in the physical and mental health benefits of outdoor recreation.

GSP has been instrumental to our industry as we move production out of China, most notably travel goods, which include backpacks, sports bags, and hydration packs. Congress agreed on a bipartisan basis to remove the statutory exclusion on these products in 2015. Since that time, China's market share has plummeted, with \$5 billion in trade in travel goods shifting to GSP countries. Duty savings totaled \$300 million in 2019, leading to lower costs, new U.S. jobs and new product development.



We appreciate and support bipartisan efforts to provide badly needed modernization for the country criteria included in the GSP program. These are consistent with our industry's values. We believe the addition of certain footwear not made in the United States would create additional incentives for countries to meet these new criteria and remain in the program – we urge you to include such a provision in any renewal of GSP.

We also support passage of the full package of MTBs that have been cleared by the U.S. International Trade Commission (ITC) and Customs and Border Protection (CBP) and to create additional MTB rounds, including preserving the eligibility of finished products in this program. MTBs, for inputs or finished products, undergo a rigorous vetting process by the ITC and CBP to ensure that there is no domestic production. Removing MTBs that have survived this process – without transparency on the source or substance of the objection – or prohibiting them from being included in future rounds significantly limits benefits for outdoor companies and consumers.

Finally, we continue to urge the Biden administration to negotiate an agreement with China to address all outstanding issues and lift the Section 301 tariffs on products sourced from China. In the meantime, we urge you to include in any upcoming trade package the reinstatement of all previously granted exclusions (with refund of punitive tariffs paid) and the establishment of a new exclusion process to give stakeholders another opportunity that certain products should be excluded from the 301 tariffs.

We appreciate your attention to our letter and your support for prompt action on GSP, MTBs and 301 tariffs.

Sincerely,

Bates
Big Agnes
Black Diamond Equipment, Ltd.
Cat Footwear
Columbia Sportswear
Harley-Davidson Footwear
Hush Puppies
HYTEST
Keds
L.L.Bean
LaCrosse Footwear, Inc.
Merrell
Mountain Hardware
NEMO Equipment
Oberalp North America

Oboz
prAna
REI Co-op
Saucony
Simms Fishing Products
SOREL
Sperry
Stride Rite
W.L. Gore & Associates
Wolverine World Wide

Cc: Ambassador Katherine Tai, US Trade Representative