



March 25, 2022

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, DC 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, DC 20515

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

On behalf of Outdoor Industry Association (OIA), we write to express the critical need for inclusion of trade provisions in the reconciled version of [H.R. 4521 - The America Competes Act of 2022](#) ("COMPETES Act") and [S.1260 - The United States Innovation and Competition Act of 2021](#) ("USICA"). Outdoor companies continue to face exorbitant transportation costs, increases in raw material prices, and other inflationary pressures. Action on important trade provisions is necessary to sustain their U.S. operations, preserve their ability to create U.S. jobs, and develop innovative new products.

Specifically, we urge:

- Retroactive reauthorization of Generalized System of Preferences (GSP) for at least 7 years, with the addition of certain footwear not made in the United States;
- Passage of Miscellaneous Tariff Bills (MTBs) as recommended by the International Trade Commission (ITC) with the reauthorization of future cycles that preserves the eligibility of finished goods;
- Amending Section 321 *de minimis* entry to grant U.S. Foreign Trade Zones (FTZs) parity with foreign warehouses and operations; and
- The reinstatement of previously granted exclusions to the China 301 tariffs and the establishment of a new exclusion process.

The outdoor recreation economy is a \$689 billion economic engine supporting 4.3 million American jobs. Outdoor companies produce innovative, high-tech apparel, footwear, and equipment designed to enhance the outdoor experience. As we emerge from the COVID-19 pandemic, relief from certain tariffs 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, particularly as we move production out of China. Congress agreed on a bipartisan basis to remove the statutory exclusion for travel goods – such as backpacks, sports bags, and hydration packs – in 2015. Since that time, China’s market share has plummeted, with \$5 billion of trade in travel goods shifting to GSP countries. Annual duty savings have been in the range of \$300 million, leading to lower costs, new U.S. jobs, and new product development.

We appreciate and support bipartisan efforts to modernize country eligibility criteria for GSP participation. These are consistent with our industry’s values. We believe the addition of certain footwear not made in the United States would create a powerful incentive for countries to meet these new criteria and remain in the program – and we urge you to include such a provision in any renewal of GSP.

We also support passage of the MTBs included in USICA, which were recommended by the U.S. ITC after rigorous vetting by the Commerce Department and Customs and Border Protection (CBP). These provisions will only be in place until the end of 2023, leaving little time for companies to benefit from them. Because of the harm to U.S. industry due to the delay in enacting MTBs and their limited duration, we urge Congress to make all provisions, both extensions and new MTBs, retroactive to January 1, 2021.

In addition, we urge you to authorize future MTB rounds that maintain eligibility of finished products that have been included in MTBs since their inception. Each proposed MTB undergoes a thorough vetting process that ensures duty relief is only granted for products that do not compete with domestic production. Removing eligibility for finished products would eliminate a critical tool for outdoor companies and inhibits the ability to use duty savings to create new jobs, develop new products, and support economic growth. We oppose any MTB process that does not include finished goods.

Next, we strongly urge you to provide parity for U.S. FTZs vis-a-vis offshore facilities relating to e-commerce fulfillment. Failure to change the law to allow Section 321 *de minimis* entry from U.S. FTZs will only encourage more U.S. companies to move their U.S. e-commerce distribution operations offshore and result in the loss of tens of thousands of American jobs. The COMPETES Act fails to address this problem; in fact, it *de facto* treats U.S. FTZs like facilities in China.

Finally, while we continue to call on the administration to negotiate an agreement with China that will lift all punitive tariffs, we urge you to reinstate all previously granted Section 301 exclusions, provide for the refund of such tariffs paid, and establish a new exclusion process.

Tariff relief from GSP and MTBs, along with a meaningful exclusion process from Section 301 tariffs on imports from China, will help sustain the strong economic recovery. Moreover, eliminating the economic advantage for distributing e-commerce orders from



offshore warehouses and companies by allowing Section 321 *de minimis* entries from U.S. FTZs will prevent further American job losses in the e-commerce distribution sector.

We appreciate your attention to our letter and your support for prompt action on GSP, MTBs, *de minimis* for FTZs, and Section 301 tariffs.

Sincerely,

Outdoor Industry Association

Advanced Elements, Inc.
ALPS Brands
Bates
Bell Helmets
Black Diamond Equipment LTD
Bridge City Kid
CamelBak
Camp Chef
Cat Footwear
Chaco
Cheers Suz
Columbia Sportswear Company
Full Circle Ocean Gear LLC
Giro
Global Cases/XPack
Harley-Davidson Footwear
Helen of Troy
Hush Puppies
Hydro Flask
HYTEST
Kahtoola
Keds
L.L. Bean
La Sportiva N.A., Inc.
Lacrosse Footwear
Merrell
Mountain Hardwear
Mountain Shades, Inc.
NEMO Equipment
Nite Ize, Inc.
Oberalp North America
Oboz
Osprey

**OUTDOOR
INDUSTRY**
ASSOCIATION

Outdoor Element
prAna
QuietKat
REI Co-op
Sanitas Sales Group
Saucony
Simms Fishing Products
Sperry
Stride Rite
Sweaty Betty
Swen Products, Inc.
Swrve, Inc.
Tiara Yachts
Toad&Co
Turtle Fur
US Hang Gliding & Paragliding Association
VF Corp.
Vista Outdoor
W.L. Gore & Associates
Westfield Outdoors
Wolverine

Cc: Ambassador Katherine Tai, United States Trade Representative