



June 17, 2019

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street Northwest
Washington, D.C. 20508

Re: Hearing on Section 301 Proposed Actions on China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2019-0004)

Dear Ambassador Lighthizer,

Thank you for the opportunity to speak with you today. My name is Glenn Hughes and I am the president of the American Sportfishing Association. ASA is a national, non-profit trade organization made up of more than 800 members.

Since 1933, we have represented the companies that make the fishing equipment that anglers use to catch fish. That includes the rods, reels, lines and lures, as well as the tackle boxes, fishing nets, waders and even bobbers.

The sportfishing industry requests that sportfishing equipment, including all products under heading 9507 of the Harmonized Tariff Schedule of the United States, be excluded from the Section 301 Tariff List. The tariffs would cause disproportionate economic harm to the majority of our industry that is already paying a unique excise tax of up to 10%.

We understand the position of the President regarding the current trade relations with China and we support realigning the trade agreements to correct the unfair trade practices. However, we are deeply concerned about the impacts of these proposed tariffs on all the manufacturers who attempt to provide the equipment for what the American public calls its favorite pastime – fishing.

Fishing isn't just something you do on the weekend – its big business. Recreational fishing supports 800,000 American jobs and contributes \$125 billion to the U.S. economy each year. More than 49 million Americans made up of kids, families and friends went fishing last year. That's more than golf and tennis combined!

This sport gets the kids outdoors and participating in something as American as mom and apple pie.

American Sportfishing Association

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More than 90% of the sportfishing industry is made up of small businesses. A 25% tariff on fishing related equipment won't be paid for by the Chinese companies. It will be paid for by these U.S. based companies and some, if not all the cost, will be passed on to the American families.

What's more, our fishing tackle manufacturers are already paying a tax to support conservation. Since the passing of the Dingell Johnson Act of 1950, manufacturers of fishing equipment have paid up to a 10% federal excise tax every year to the Sport Fish Restoration and Boating Trust Fund. Additional import duties of 3.7 to 9.2% are also collected on every fishing rod, reel, line, lure, hook and tackle box, and put into the fund. That adds up to about \$150 million each year!

These tax revenues pay for a significant portion of each state fish and wildlife agency's fishery conservation projects, as well as development and maintenance of boating access, and support for aquatic education. Most state fish agencies are funded solely through this excise tax, and fishing license fees.

Over the last 10 years alone, these fishing tackle manufacturers have provided more than \$1.35 billion to state fish and wildlife agencies! These funds have contributed to 4,460 fishing access areas being constructed and/or maintained; 1,640 fish hatcheries constructed and/or maintained; and more than 2.2 billion hatchery-raised fish.

The proposed tariffs and associated increase on the cost of fishing equipment are expected to result in a substantial reduction in consumer spending. Fewer fishing equipment purchases means less revenue into the trust fund, which ultimately means less funding for programs important to the Trump Administration's priorities to improve public access to the outdoors.

Regarding Production –

Approximately 60% of fishing equipment in the U.S. is imported. And two-thirds of these imports come from China. For some product categories, China produces up to and including 100% of all equipment sold in the U.S.

Today there is literally not enough existing infrastructure (including facilities, technology and employees) outside of China, to make the necessary fishing tackle to meet the demand of our anglers each year. Our industry supply chains have developed in China over decades, and in most cases the ability to affordably produce these products in other countries does not exist. Moving the entire supply chain would take considerable time and cost much more, than continuing production in China.

To reiterate, these proposed additional tariffs on fishing equipment would place an unfair burden on the sportfishing industry. These tariffs will lead to a decrease in fishing tackle purchases, participation and conservation funding.

We request that sportfishing equipment, including all products under heading 9507 of the Harmonized Tariff Schedule of the United States, be excluded from the Section 301 Tariff List.

Thank you for your consideration.



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Appendix

Annex – Requested Exclusion From Proposed Product List – Section 1

9507.10.00 Fishing rods and parts & accessories thereof

9507.20.40 Fish hooks, snelled

9507.20.80 Fish hooks, not snelled

9507.30.20 Fishing reels, valued not over \$2.70 each

9507.30.40 Fishing reels, valued over \$2.70 but not over \$8.45 each

9507.30.60 Fishing reels, valued over \$8.45 each

9507.30.80 Parts and accessories for fishing reels

9507.90.20 Fishing line, put up and packaged for retail sale

9507.90.40 Fishing casts or leaders

9507.90.60 Fish landing nets, butterfly nets and similar nets

9507.90.70 Artificial baits and flies.

9507.90.80 Line fishing tackle nesoi, decoy “birds” & similar hunting or shooting equip., and parts & access thereof

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Appendix

Customs Value of Imported Fishing Equipment in Total and From China in 2018

Category	Total Imports into U.S.	From China	% from China
Fishing rods	\$171,809,891	\$155,084,790	90%
Reels < \$2.70	\$11,286,392	\$11,247,189	100%
Reels \$2.70 - \$8.45	\$47,054,965	\$44,593,794	95%
Reels > \$8.45	\$223,532,214	\$131,880,159	59%
Artificial baits	\$147,122,131	\$68,509,556	47%
Fish hooks	\$32,216,105	\$16,713,783	52%
Snelled hooks	\$5,566,205	\$3,327,066	60%
Fishing line	\$29,746,160	\$8,690,792	29%
Fishing nets	\$10,827,808	\$9,741,306	90%
Fishing leaders	\$5,086,664	\$2,897,226	57%
Reel parts & accessories	\$4,876,317	\$2,850,638	58%
Rod parts & accessories	\$28,286,170	\$12,581,606	44%
TOTAL	\$717,411,022	\$468,117,905	65%

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