

**Testimony of Mary Buchzeiger
CEO, Lucerne International, Inc
before the
Office of the U.S. Trade Representative**



**Public Hearing on Proposed Determination of Action Pursuant to Section 301
(Docket No. USTR-2018-006)**

My name is Mary Buchzeiger. I am the president and CEO of Lucerne International, a global automotive supplier headquartered in Auburn Hills, Michigan. I am a proud Republican. Thank you for the opportunity to participate in this public comment period.

Lucerne is a supplier of cast, forged and stamped components and assemblies to the automotive and heavy truck industries. We are a growing company located in Auburn Hills, Michigan. In 2008 when I took over the business, our sales were under \$2 million. In ten short years, we've grown sales to over \$35 million, and with current contracts, will be well over \$50 million next year. Our workforce is just over 40 people with plans to expand by over 25% in the coming year. That is, unless Washington gets in my way.

The tariffs proposed by President Trump would cripple my business and many like it in the Midwest. The beating heart of what often is called "Trump Country" would be stifled by the unintended consequences of these tariffs. I'm sorry if that sounds harsh, but it's true. I'm fighting for the life of my company and for the livelihood of my employees – and I'm fighting to protect an intricate auto supply chain that creates hundreds of thousands U.S. jobs.

Among many other parts, we produce all the hinges for the Jeep Wrangler. We've been producing the door and hood hinges since 2005. We were recently awarded the next generation contract. We have 28 parts on every four-door vehicle rolling off the assembly line in Toledo. This business amounts to roughly \$30 million of annual revenue.

We won this contract because Lucerne is one of the only companies in the world that produces Class-A forgings. Our process combines the strength of forged steel and aluminum and the subtlety of fine art to produce polished-perfect hinges for the Wrangler's outer body.

We're damn proud of this work.

It starts overseas – we have seven long-term, strategic manufacturing partners where these hinges are manufactured. They are then shipped to my plant in Auburn Hills, inspected and repackaged and then sent to another plant located in Milan, Michigan, where they are assembled before being shipped to the Jeep assembly plant in Toledo.

That's a supply chain: Thousands of American jobs.

Billions of American dollars.

And it's all in danger.

According to HTS subheading 83021030 "iron or steel, aluminum or zinc hinges designed for motor vehicles" could now be subject to an additional 25% duty. If that happens, my plants in Asia will pass that cost to me. I will attempt to pass the increased costs on to my customer, they will then seek other suppliers – overseas - because there is no capacity here in the US to produce these parts. I can't swallow these costs. I don't have that kind of margin in the program. I will essentially be forced out of business.

Make no mistake: This duty aimed at Asian companies is effectively a 25% tax on my company. More than \$1 out of every \$2000 of this proposal has a direct effect on my small, woman owned, Michigan business.

And I resent it. I'm angry, I'm frustrated, and honestly, I'm scared.

Scared that my president is about to make a terrible mistake.

Scared for my employees, who love their jobs, who make good money and get their tuitions paid, should they choose to further their schooling.

Scared for my community and my country, which is about to be blindsided by a bad policy forged of best intentions.

Look, I agree with the president. He's right. The trade deficit needs to be tamed. But, please, not this way – not on the backs of my employees and the future of our growing business.

Let me address the elephant in the room. Yes, these products produced by Lucerne are manufactured in Asia. And, frankly, I'm proud of that. I'm proud of the partnerships forged in years of travel to build a Michigan based business and take it global. I am the mother of three young children. I have spent so much time on the road – away from my kids and my husband – that sometimes I tell people my forwarding address is "Delta 9A." I've sacrificed so much over the years, put in so much time, busted my butt to make this business what it is today. Now it's all in jeopardy.

Would I like to move manufacturing back to the US? Absolutely. As a matter of fact, when this contract came up for renewal in 2015, we systematically looked at every forging plant in the United States. And just recently, went through this exercise again as a backup plan. However, we have yet to find one manufacturing facility here that has the capacity to take on even ONE of the parts that we make.

Because of this, prior to these proposed tariffs being announced, I started to explore opening my own forging plant in mid-Michigan. I've got a strategic plan laid out, I'm in negotiations with potential investors and will be in talks with the local city government soon. But this all takes time – much more time than allowed under the administration's trade strategy. And I



certainly won't be able to forge forward with these plans if I'm forced to hang an "out of business" sign on my front door in the coming weeks.

I truly wonder: Does President Trump know that these tariffs threaten the livelihood of so many American businesses?

I don't think he does. Because I know my President cares – and I've got to believe he will change his mind, amend this policy, and help companies like Lucerne make America great again.