



Hearing on Section 301 Proposed Tariffs, No. USTR-2018-0005

**Testimony by Joe Cohen, CEO of Snow Joe LLC
May 15, 2018**

Good afternoon.

I am Joe Cohen, the founder and CEO of Snow Joe. I'd like to testify today that imposing tariffs on certain snow products would harm American consumers and business in the United States.

Thank you for this opportunity.

I launched Snow Joe more than a decade ago when I was only 14 years old. My goal was to help Americans clear out snow during a storm with a better, more affordable product. When I founded the company, we sold only one product – an electric snow shovel that you could buy for less than \$100. Called the “Snow Joe”, this product sold out within 17 minutes and it remains one of our more popular products today.

14 years later, Snow Joe is a thriving and rapidly growing company which creates work for hundreds of Americans and helps many, many more clear snow with affordable products. We take pride in our continued development of innovative and high quality outdoor tools that make American consumers' lives easier and safer in the winter months, during many snow storms and a few natural disasters. We invest heavily in American R&D and provide work for approximately 300 people primarily in the greater New Jersey and New York areas. We are also opening a new online distribution center in New Jersey that will support at least 100 more jobs and we are expanding into Washington state.

Because we are a company founded on American ingenuity, Snow Joe recognizes the importance of fair and reciprocal trade and protecting intellectual property rights. We therefore appreciate the goals that the Administration has set to promote these policy priorities. However, we believe that several of the proposed tariffs would cause undue harm to our customers and to our company without addressing the stated concerns of the Administration.

Although Snow Joe's snow throwers and shovels are designed and developed in the United States, they are manufactured in China *out of necessity*.

I'll explain why we had to turn to China for manufacturing. When I launched my company, I looked for U.S. suppliers of gas-free powered snow products in the United States but found none. I have not found any such U.S. suppliers over the past 14 years. Today I am not aware of any significant production of such products, anywhere in the world outside of China.

U.S. manufacturing of our products is out of the question today – and here’s why. The manufacturing of these powered snow tools in the U.S. would require the building of new production facilities from scratch with massive investment; however, such investment would take years before production would be realized. The seasonal nature of these products – which are generally sold between September and January each year – diminishes incentives for U.S. production. For a small or medium-sized company like mine, such an investment is simply not commercially feasible.

Because Snow Joe’s tools are marketed and sold for home use, the primary users of these products are ordinary, “do-it-yourself” families and individuals looking for a better way to clear out snow. Our customers seek out our affordable products at times when they need them the most – such as during a serious snow storm.

The imposition of a significant tariff on Snow Joe’s powered snow products would harm our customers who rely on these products during such times of need. Without any alternative sourcing options, we would be unable to offset the impact of the tariffs by purchasing domestically or from another country. Because of the complexities, costs and start-up time associated with building a new factory in the United States, the limited supply options would persist well into the foreseeable future.

This result undermines the stated goals of the Administration in proposing these tariffs. For example, in seeking to address China’s trade practices, the Administration indicated its intent to target tariffs on products benefiting from China’s industrial policies such as Made in China 2025. Snow Joe’s consumer snow products are not a focus of China’s industrial policies or its efforts to challenge U.S. leadership in high technology sectors. Nor is Snow Joe aware of any instances of Chinese intellectual property theft with respect to these products.

Imposing tariffs on powered snow removal products certainly would not eliminate the unfair trade practices outlined in the Section 301 Report since those practices simply do not exist when it comes to consumer snow removal products.

Even worse, because there is no known U.S. or significant third country supply for powered snow tools, the imposition of tariffs would impose undue costs on U.S. consumers who rely on these products. The proposed tariffs would also disproportionately harm the small- and medium-sized businesses – such as mine – that provide these useful snow removal tools.

For these reasons, Snow Joe respectfully requests that USTR exclude from its proposed list the specific tariffs highlighted in our submission, which cover electric and cordless snow blowers and snow shovels.

Thank you for this opportunity to present these views today.

I am happy to answer any questions.