Precison Components, Inc.

Distinguished Panel,

Please accept my testimony regarding the removal of bearings and bearing components from the proposed additional 25% tariffs. Specifically HTS 84821050 – 84833040.

Summarizing my original written testimony, 70% of the world bearing market is shared by the top 10 bearing groups. There are currently no Chinese bearing companies in the top 10, and 8 of these major multinational bearing corporations operate a total of 61 manufacturing plants in China. China encourages multinational companies to operate wholly foreign-owned enterprises (WFOE) allowing them to control their own manufacturing, research and development. China does not require technology transfer for foreign companies to manufacture bearings in China. China's bearing industry as a whole primarily manufactures commodity and consumer level quality products, which are no longer manufactured in the United States, and do not require advanced technology to produce.

Lower cost bearings and bearing components imported into the U.S. from China, help domestic manufacturers reduce costs, ultimately allowing them to become more competitive globally. Additional tariffs on bearings coming into the United States will only serve to make US manufacturing operations less competitive as they already pay 4.8 – 9.9% import duty on bearings.

In order to level the playing field, the United States should begin to collect the value of import duties where assembled products are brought to the United States without tariffs. The current duty levels on imported Chinese bearings, as well as certain other components, put U.S. manufacturers at a disadvantage to other countries. Adding duties will increase that disadvantage.

Respectfully,

David W. Hull

David W. Hull, P.E.

President

Precision Components, Inc.
704-545-2007
4455 Morris Park Dr.
Charlotte, NC 27227