Testimony of Michael Kersey
President, American Lawn Mower Co. and Great States Corporation
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Hearing on Section 301 China Investigation
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Members of the Trade Policy Staff Committee, thank you for the opportunity to testify today. I am Michael Kersey, President of the American Lawn Mower Co. and Great States Corporation, which I will refer to today as "ALM."

ALM, a family-owned Indiana company, is more than 120 years old. We have provided the consumer with a reliable, low emission, easy to use option, in the lawn and garden equipment market since the company's founding in 1895. At that time, Robert B. Kersey, grandfather of our current company CEO, and my great-grandfather, started his business focusing on the reel lawn mower. The reel mower, which is solely powered by the operator's force, continued to be the company's backbone into the early 1940's. After a brief shift to supplying the U.S. military with practice bombs in support of our armed forces during World War II, the company went back to its bread and butter, the reel mower, and has continued to be an industry leader in this market segment despite the introduction of the gasoline powered mower.

During the shift from reel to gasoline mowers, ALM was able to weather a well-saturated reel market of over 60 domestic suppliers in the early 1950s to four in the 1970s, by providing excellent quality, by focusing on customer service, and by the vertical integration of ALM's processes. In the 1980s, the company made the decision to expand its product offering into the small garden tiller market, however, choosing to focus on the much smaller, more reliable, and more environmentally friendly electric only segment. In the 2000s, ALM has continued to expand its product portfolio to include chipper/shredders and snow throwers, not only focusing on new plug-in electric products, but also becoming a leader in the battery-operated lawn power tool market. Today, ALM products are sold at Walmart, Lowe's, The Home Depot, and on-line.

A number of ALM products are on the proposed Section 301 tariff list, including electric corded and lithium battery-powered snow throwers, chipper/shredders, and parts. We supplied a detailed list of the tariff numbers of

concern with our written comments dated May 11, 2018. These products represent a significant portion of our sales. To the best of our knowledge, there are not any U.S. manufacturers of these electric and battery-powered products. ALM has to import them, and the predominant source is China. It is difficult for us to imagine that other countries would be able to replace China as a supplier of these products, at least within a year's time, and we do not foresee that ALM or any other U.S. company could begin to manufacture these products in the United States without a lengthy disruption in supply. If the Administration imposes tariffs on our products, it will jeopardize ALM and will not help a single U.S. manufacturer.

Moreover, because ALM's products are designed primarily for home use, the imposition of tariffs on ALM's products would have a disproportionate impact on American households. Our customers rely on ALM's products for low emission yard and garden care and for snow removal, particularly during the extreme winters that the East Coast has been experiencing.

ALM's products are not high tech. They are not the sort of things that benefit from China's intellectual property practices, nor do they contribute to China's high tech ambitions. It makes no sense that these products are on the proposed tariff list.

In fact, I would think that imposing tariffs on snow blowers, chipper/shredders, and parts would run counter to what the Administration is trying to accomplish here. It would only encourage Chinese producers of these goods to migrate to more expensive, higher tech products – the sort of products we are attempting to target with these 301 tariffs.

TPSC staff, ALM will supplement this testimony, as necessary, with a post-hearing brief, but I thank you for the opportunity to testify today and I look forward to any questions.