STATEMENT OF GREGORY L. OWENS
CO-FOUNDER AND CEO, SHERRILL MANUFACTURING

Thank you. My name is Greg Owens, and I am the co-founder and chief executive officer of Sherrill Manufacturing.

If you drive west from Boston to Chicago on interstate 90 you will pass by abandoned factory after abandoned factory. If you get off at New York exit 33 you will arrive in Sherrill, New York, former home of the iconic flatware brand "Oneida" and what became world's largest flatware factory in the 1990's . The factory started operations during the civil war.

Like thousands of manufacturing businesses across the rust belt, Oneida was unable to compete with ever lower prices from China. Despite efforts to streamline, automate and justify continued operations in any way they could, there was simply no way to make the math work and they officially gave up in 2004. Oneida once had 2,500 manufacturing employees in the Sherrill plant and was by far the largest employer in the town they literally built. The largest employer in town is now the casino and the biggest problems are unemployment and the opioid crisis. Sherrill/Oneida was once known as the "Silver City" and is now famous for what seems like weekly methamphetamine arrests.

The math was simple. Subsidized commodity grade stainless steel in China was half the cost of domestic stainless in the United States and on the world market. With stainless representing 60% to 85% of the value of flatware produced in China even if the company achieved a transformation cost, manufacturing cost, of zero, they could still not compete. Sales were falling because other brands, who had abandoned manufacturing years before, were selling finished product, made in China, to Oneida's customers at below Oneida's cost. They pulled the plug and decided to outsource production.

Since the mid 1990's, China has increased its share of the U.S. flatware market from virtually nothing to now being the dominant supplier, with over 70% of the U.S. market.

After the Oneida plant closure announcement Matt Roberts and I decided to purchase the factory and start Sherrill Manufacturing. We bought the land, buildings and all of the equipment inside. Sherrill signed a short term contract with Oneida to provide a

small amount of manufactured flatware, continue silver plating operations, provide packaging services and lease back warehouse space. That initial contract has ended and Sherrill Manufacturing is now independent, free from any non-compete clauses, and has established our own brand, Liberty Tabletop.

Our formula for fighting unfair Chinese competition is to cut out all of the middlemen and sell direct to the customer via our website and Amazon. We also enjoy a substantial contract with the military through GSA and GSA Advantage. Our business model is rounded out by several OEM contracts where we are producing flatware for others here in the United States. The low cost business model of flatware coming in primarily from China, again made from subsidized stainless steel, has prevented us from entering the "traditional retail" brick and mortar stores which still account for the vast majority of flatware sales in the U.S.

While the factory to table direct business model, leveraging our advantage by eliminating massive retail markups, has allowed us to grow our internet sales, we are starting to see another threat. Chinese companies are now using the tooling (molds) they used to supply American companies that have outsourced production and are creating their own brands which sell direct on platforms like Amazon. These new "China direct " brands are also starting to appear in stores. The technology and flatware designs have now transferred and the American IP is largely unprotected.

Production at our factory was once in excess of 150 million dollars. This year, due to foreign competition, we will produce slightly over 2 million. We would like to change that.

This is why we are submitting our petition to have flatware imported under harmonized codes 8215.20.00 and 8215.99.05 included in the list of items to have a 25% duty level applied. This will be a significant factor in leveling the playing field allowing our company to expand sales, hire more workers and regain market share lost to unfair Chinese competition. If the requested relief is granted perhaps we can fulfill our mission of making Sherrill, New York the "Silver City" once again.

I thank you for your time and for your continued efforts on behalf of the interests of U.S. manufacturers and their workers.