

Testimony of Ryan Marino
Tile Council of North America
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Hearing on Section 301 China Investigation
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Good afternoon, Members of the Trade Policy Staff Committee, and thank you very much for the opportunity to testify today. My name is Ryan Marino of the Tile Council of North America.

TCNA has a long-standing relationship with Clemson University, where I earned my degree in Ceramic Engineering. We are the trade association for the North American tile industry. Our member companies account for more than 99% of U.S. tile production and over 99% of U.S. mortar, grout and related installation products manufacturing. As with many trade associations, the Tile Council serves both as a policy resource for member companies, and as a technical resource, conducting cutting edge research, and working with counterparts in other countries to establish international performance standards for tile. Indeed, as an engineer, I conduct much of this lab research.

The U.S. tile industry is sizable. In 2017, our member companies shipped \$1.4 billion of domestically-made tile, and our tile-producing member companies employed more than 5,750 American workers.

The U.S. industry is also vibrant. It includes both large and small companies offering aesthetically-pleasing, innovative products, that compete alongside dozens of family-owned craft facilities.

As we indicated in our comments of May 11th, TCNA, on behalf of U.S. tile manufacturers, requests that the Administration add ceramic floor and wall tile classifiable under HTSUS 6907 to the list of products subject to additional duties as a consequence of USTR's 301 determination.

Despite our industry's size, it is threatened by the growing presence of Chinese imports in the marketplace. For this reason, the inclusion of floor and wall tile would have broad-based (indeed, perhaps universal) support among U.S. tile manufacturers and industry suppliers and would be justified on trade policy grounds.

Imports of Chinese floor and wall tile merit inclusion on the list of products subject to tariffs for three reasons:

First, mislabeling: Porcelain tile sells at a premium in the U.S., both for the quality of its decoration, made possible by porcelain technology, and for its low water absorption that provides excellent freeze thaw resistance and strength. TCNA believes that imports of Chinese “porcelain” tile often do not meet U.S. or international standards for porcelain, defrauding the customer and damaging the tile industry through inferior products (and the resulting complaints of poor performance), and by depressing prices for genuine porcelain tile products.

Second, IP violations: Ceramic tile producers devote substantial time and resources to product design and development. As a building “finish”, ceramic tile is selected based on its design in addition to its performance. We regularly hear U.S. manufacturers complain of designs being copied by manufacturers in China.

Third, underselling: According to the latest International Trade Commission data, Chinese tile imports are priced at \$0.87 per square foot – a dramatically lower price than the \$1.52 per square foot for domestic shipments of ceramic tile. This dramatic price discrepancy (a 57% difference) is indicative of dumping, particularly in light of the fact that some of the best clay deposits in the world are in the United States, close to the manufacturing facilities of TCNA members.

In sum, the U.S. ceramic tile industry is threatened by unfairly traded Chinese product, and that U.S. producers would wholeheartedly support the inclusion of ceramic tile classifiable under USHTS 6907 to the list of products subject to additional duty.

Thank you for the opportunity to testify today, and I look forward to any questions.