Written Testimony for the Section 301 Tariff Committee provided by Priority Wire & Cable for July 24, 2018 hearing.

First I want to thank the committee for the opportunity to appear and testify. The decisions that this committee reaches will have significant impact on our company and employees.

Priority Wire & Cable is a medium sized business with 425 direct employees working from our facilities in 29 states across the U.S. In addition we work through 43 Manufacture Representatives with employees in all 50 states. We offer competitive pay, bonuses, profit sharing and an unheard of fully funded healthcare insurance plan to our employees, plus we pay millions of dollars of commission to our Reps annually.

We are celebrating our twenty-fifth year in business and we believe we are a great example of the type of company that we need to have more of in the United

States. Our ability to provide a healthy compensation package has been the result of hard work by our dedicated employees and building a service model that is unsurpassed in our industry. It is not the result of intellectual property theft or low prices. We maintain massive inventories of a wide variety of wire and cable from domestic and foreign partners including China within our 14 warehouses throughout the U.S. We provide same or next day service to Distributors throughout the U.S. to allow them to supply their customers to propel our construction growth and maintain a strong electrical grid. In 25 years our domestic competitors have not been able to match that service and left a void in the Market which we have filled.

Yet, with the previously issued $34 billion dollar tariff package that included many of our products and the potential for additional tariffs in the $16 billion dollar Annex C package, there is a great risk to our company's future and the employment of 400+ employees.

The first set of tariffs essentially created a monopoly by levying a 25% tariff under code 8544.49.30.80 on our Central Office Power Supply Cable as there were only two approved companies that can supply this cable to the likes of AT&T, Verizon, Nokia and other critical telecom infrastructure companies.

This second set of tariffs which include HS code 8544.60.60 would likely cause wire shortages of a critical cable type for Utilities in California.

In the aftermath of the devastating wild fires throughout California which are reported to have burned over 1.3 million acres in 2017 alone, the leading cause has been determined to be electrical power problems.

Just Google, “California fire cause” and you will find many articles pointing to power lines which have historically been bare wires, being the cause of many of the fires. One solution that a task force of Utility Engineers is recommending is a heavily insulated wire to

replace the bare overhead wires in place today. The insulation can prevent the arcing or sparks that happen when bare conductors come in contact with another conductor or a ground pathway due to overgrown vegetation, severe weather or downed power poles.

Just one of the large California Utilities has told us that they have up to 10,000 miles of bare cable that needs to be replaced with insulated cable. They have told us that their supplier, one of two domestic companies that we believe can produce this wire, said they do not have the capacity to provide the wire in the time frame desired.

By the way, one of these cable suppliers is also reportedly going to testify in these hearings that tariff code 8544.60.60 which includes this type of wire, needs to be on the list. I am sure it is not their intent to hurt the Utilities sourcing opportunities, but adding this code to the new list of tariffs could slow the work that needs to get done to prevent the fires that have caused loss of life and property.

While we request that the tariff codes 7614.10.10, 7614.90.20, 8544.49.10, 8544.49.20 be removed from the list to help us preserve our employees jobs throughout the United States we strongly urge the committee to consider removing tariff code 8544.60.60 from the list so as to not reduce the availability of key utility cables needing immediate replacement. As previously noted, we believe there are only two domestic producers capable of making this cable, neither of which have the capacity to supply the market what it needs.

Thank you for your time and this opportunity to speak and I hope you will consider our recommendation.