UNITED STATES TRADE REPRESENTATIVE
SECTION 301 COMMITTEE
SECTION 301 TARIFFS PUBLIC HEARING

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Testimony of

Jane Hardy
CEO, Brinly-Hardy Co.

My name is Jane Hardy – I am the CEO of Brinly-Hardy Co., the 5th generation Hardy family member and only female to head the company. Brinly-Hardy is a family business designing and manufacturing residential and commercial landscaping equipment and more recently, residential zone heating equipment. We are a Kentucky corporation with our manufacturing based in Jeffersonville, Indiana, employing as many as 200 people. We have been in business since 1839 and have always found a way to change and to survive over our 179 years that included several wars, depressions and recessions. However, I fear that we will not survive the recent tariff actions and, most recently, the Section 301 duties that USTR is imposing. On behalf of our employees and my entire family, I thank you for the opportunity to provide remarks today. I'm here to specifically request that USTR remove **HTS 84324200** from the proposed list of products subject to Section 301 duties. This one change could literally save our company and save our employees' jobs.

Brinly-Hardy takes great pride in creating and keeping American manufacturing jobs. We began by producing horse-drawn plows and now manufacture residential and commercial lawn

and turf equipment for Home Depot, Lowes, John Deere and others. In 2014, we acquired the assets of Louisville Tin & Stove, a 125 year-old manufacturer of residential zone heating equipment based in Louisville, Kentucky, saving another 45 local jobs. For all of our products, we manufacture in the United States, source components globally, and strategically source a few complete products from other countries.

For the products we manufacture, which is more than 80% of our SKU's, our primary raw material is steel which we buy exclusively from U.S. companies. Our steel contracts expire in April, and in April of this year, immediately following announcement of the Section 232 tariffs, we were hit with 25-37% increases from our suppliers. There has been no reduction since, and none is anticipated by our suppliers. We are not large enough to push back on these increases, and we are not able to pass them through to our customers.

The products that we manufacture also include wheels, hardware and other components sourced from US suppliers and from suppliers in many other countries, but primarily from China. These are not high-tech items, and we source wherever we can to suit our designs and to remain competitive. Many of these components were included in the Section 301 tariffs that took effect July 6. So both the raw material that we buy in the US and the components that we source from Asia have been impacted – at minimum – by 25% increases in cost.

Finally, the few complete products that we have produced in China, in partnership with other US companies, have now been added to the current tariff list. We import commercial-grade fertilizer spreaders sold to landscape contractors and professionals, and we just recently redesigned and improved our product line – making a tooling investment of over $400,000. We are currently the most premium brand in the industry. We will not be able to sell our products if we raise our prices to cover a 25% tariff, and we will not be able to recover our investment in tooling.

Thousands of landscape contractors will be impacted as well. This product is important to our profitability, and to a large extent subsidizes the product we make in the US for consumers. This final 25% tariff imposition – the inclusion of HTS 84324200 - could be the nail in our coffin.

Since the announcement of the Section 232 tariffs and the first round of 301 tariffs, we have had to respond with significant layoffs and salary cuts. We have eliminated our 2nd shift of production, have implemented week-long shutdowns, and are anticipating further cuts. We are producing at the lowest level since 2009, and cannot sustain it. USTR's Section 301 duties punish companies such as ours for smartly diversifying. While I applaud USTR for seeking to address the very real problem of Chinese intellectual property theft, that is not the situation here. There is little IP and what there is, is respected by our trusted suppliers. We are caught in the middle of this trade battle; our US manufacturing jobs, and our 179-year history should not be considered acceptable collateral damage.

In addition to your 301 Committee duties, I know that at least one of you represents the Small Business Administration with a mission to "protect the interests of small business concerns." Please do not ignore your primary mission to serve small U.S. businesses such as Brinly-Hardy when making your decision on the current Section 301 duty list.

We have felt the pain of the current trade war enough – through the Section 232 duties and the first round of Section 301 duties. Please prevent the closing of another U.S. manufacturer by not imposing tariffs on imports under **HTS 84324200.**

Thank you very much for your time and consideration.