US Trade Representative and Section 301 Committee;

Thank you for allowing me the opportunity to address the impacts of these 301 Tariffs on Tractor Supply Company and more importantly, our customers. Tractor Supply Company is the largest operator of rural lifestyle retail stores in the US employing over 27.000 people with more than 1,700 stores in 49 states and a rapidly growing e-commerce business. Our customers are farmers, ranchers, animal and pet owners, and rural homeowners. Many of the products we sell are sourced directly from Chinese manufactures or US companies that source from China and are impacted by these proposed se-301 List 2 tariffs. If implemented, these tariffs will result in a higher cost basis for the products we sell and will ultimately affect our customers with significantly higher prices for these products.

We appreciate the administration's focus on balanced trade, intellectual property protection and ensuring high tech manufacturing remains in the US. Tractor Supply believes that some of the HTSUS codes selected either do not match the intended objective of this initiative or do not accommodate a reasonable differentiation between those intended for use in industrial application vs. use by our customers on their farms and homes. It is also clear to us that some of the codes selected disproportionately impact the farm and ranch customers. I have addressed those in our more comprehensive submission, but today I would like to address two product categories specifically; Log Splitters (HTSUS:8465.96.00) and Dog Kennels (HTSUS:7308.90.9590)

First, Log Splitters (HTSUS 8465.96.00) While we do not directly import these products we worked to develop the supply of these from a Chinese factory in partnership with its US distribution division. 2017 imports of exclusive brand log splitters that flowed through the farm and ranch channel of business, represents over half of the total US imports in this HTSUS code from China. The technology behind the log splitter dates back to 1938 with much of the technical development occurring in the 1950's. There is clearly no technology transfer nor is there anything about this product that relates to China 2025. Rather

this product, and numerous others like it, are sourced in China due to their manufacturing and logistics efficiency. We today, have no alternative source, and there is no US supply. Products like this typically take as much as 2 years to develop, with the bulk of that time spent on creating, testing, and refining the products and production lines in order to provide the quality/value balance for our farm and ranch customers. This is a very important product category for the rural farmers as these products are essential to the clearing and maintenance of their land. Log splitters provide the only efficient and sustainable way to turn wood from their land into an economical heating fuel for their homes and barns.

In total, 75% of the production in this category is from China, with 18.5% produced in Canada. While we would love to develop domestic or Canadian supply, current product from Canada does not meet our quality standard nor do the companies have the ability to ramp up to the production levels necessary to meet our customers' needs. Most of the subcomponents of log splitters are also subject to 301 tariff on their own, making US assembly unaffordable and impractical. Simply put, we are years away from being able to make our product from another country and even then we would expect it to be significantly higher priced.

The second area we wish to address is HTSUS 7308.90.95.90(Kennels). Chapter 7308 addresses steel structures, including bridges, towers and structural steel components for architectural/building purposes. Our dog kennels and temporary outdoor covers fall into the 10 digit catch all category for: Steel structures, Other, Other, Other. Our kennels are simple wire enclosures. These kennels and our smaller canvas covered structures for tractors or utility vehicles used on the farm clearly fall outside of the focus of the 301 Tariffs. Neither of these products are subject to High-Tech technology transfer, nor do they relate to China 2025. In fact, our primary vendor for the outdoor structures is a US company that wholly owns the manufacturing operation in China. Neither of these products are easily replaced from manufactures in other geographies at anywhere close to the same quality or price. These products represent the low-tech, mass production that China excels in. Low-tech is important and different than

no-tech, as it truly limits the ability to effectively source from other developing low cost countries, and the cost burden in more developed countries with higher cost of production is even more prohibitive. The effect of having these enclosures and covers included will be to drive prices up drastically for the farm customer.

In closing, I would like to say Tractor Supply knows the rural farm and ranch customer well. They are the backbone of America, and work hard every day to live their life style and make ends meet. They simply can't afford to pay significantly more for the products they use on a regular basis. While we support the committee's intent, the application of the 301 tariffs to these items will create a disproportionate and severe economic burden by increasing costs on essential consumer products that have a long development cycle and are currently only available from China. We believe these goods have no relevance to technology transfer or China 2025. In these categories, the 301 tariffs do not serve to remedy any of the unfair or inappropriate trade practices of the Chinese, but rather they create disproportionate harm to this important segment of the US population that we all care so much about.

Thank you

Ken Strait

VP Product Development & Strategic Sourcing

Tractor Supply Company

5401 Virginia Way

Brentwood, TN 37067

615-440-4207