

**TESTIMONY OF LISA BURNS  
REYNOLDS CONSUMER PRODUCTS LLC**

**Hearing Before Section 301 Committee  
July [ 24/25 ], 2018**

Good [ morning/afternoon ] [ Mr./Ms. ] Chairman and panelists. My name is Lisa Burns, and I am the Vice President of Marketing for Reynolds Foil & Cooking, with Reynolds Consumer Products (RCP).

RCP manufactures and markets products sold under two of the most trusted household brands – Reynolds® and Hefty®. For more than three generations, our brands have been a part of family kitchens in the United States and throughout the world.

I am here today to urge that the tariff classification applicable to imported polyethylene plastic wrap – subheading 3920.10 – be removed from the list of products that will be subject to an additional 25 percent tariff.

In January 2018, our company launched a new, innovative product – Reynolds KITCHENS® Quick Cut™ Plastic Wrap – to address consumers’ frustrations with conventional plastic wraps. According to The Cambridge Group, Demand Landscape, in 2016, over 55% of plastic wrap users were frustrated with plastic wraps and their number one frustration was **“difficulty in dispensing.”** With this information, we focused our attention on the packaging of the product to address the frustration of consumers. The innovative features of this new product include: (1) a built-in slide cutter as part of the product packaging to ensure a clean cut each time the product is used; (2) a Starter Edge™ that makes it easy to find the start of the roll; and (3) packaging that automatically holds the roll in place to make dispensing easier. Because of the new innovative features, consumers are embracing our new product and we continue to grow our market share.

RCP manufactures most of our products in the United States and Canada. Our preference would have been to manufacture and source Reynolds KITCHENS® Quick Cut™ Plastic Wrap in the United States. However, we determined to source the product from outside the United States due to the complexity of the unique packaging features.

The imposition of an additional 25 percent duty on imports of PE plastic wrap would have a significant negative impact on RCP's ability to continue to offer Reynolds KITCHEN® Quick Cut™ Plastic Wrap to customers.

Further, the imposition of a 25 percent tariff on imports of PE plastic wrap will not advance the Administration's objectives in this proceeding.

First, the manufacturing of PE plastic wrap is not a priority of the "Made in China 2025" initiative. Rather, that initiative is focused on emerging high-technology industries that the Chinese Government believes will drive future economic growth – including artificial

intelligence, aerospace, augmented and virtual reality, high-speed rail and shipping, and new energy vehicles.

Second, manufacturing PE plastic wrap does not involve sensitive industrial technology. To the contrary, the technology needed to manufacture PE plastic wrap has been widely available for many years. PE plastic wrap is manufactured using a simple process that involves extruding a resin to form the film. The wide dispersion of that simple technology is demonstrated by the United States importing PE plastic wrap from a range of countries, including: France, Germany, India, Macau, South Korea, Taiwan, and Vietnam.

Third, to the best of our knowledge, the Chinese supplier from which we source Reynolds KITCHEN® Quick Cut™ Plastic Wrap has not benefited from any support made available pursuant to the “Made in China 2025” initiative.

Fourth, our company was not required to transfer sensitive intellectual property to any Chinese entity in connection with the decision to source PE plastic wrap from China. Although we believe the features that make our new product innovative and unique are significant, they are clearly distinguishable from the types of technologies the Government of China has worked to acquire to maximize its opportunities to dominate certain high-tech sectors.

Fifth, our company has not experienced any theft of intellectual property by any Chinese entity in making arrangements to source Reynolds KITCHENS® Quick Cut™ Plastic Wrap from China or in any other sense. The absence of such efforts further demonstrates that there are no sensitive technologies associated with manufacturing PE plastic wrap in China.

Finally, the imposition of a 25 percent tariff on PE plastic wrap will impose a significant financial impact on RCP. Our company is currently evaluating alternative sourcing options and will potentially transfer production to another location. The challenges we are facing are with cost and capability.

For these reasons, we respectfully urge the Section 301 Committee to remove the tariff classification for PE plastic wrap from the list of products subject to a 25 percent tariff. Thank you and I would be pleased to answer any questions you might have regarding my testimony.