

**Docket ID: USTR-2018-0018; Testimony of Ryan Lin for Lin Engineering**

Good morning (afternoon) and thank you for having me here today. My name is Ryan Lin, born in DeKalb, Illinois, and I run the business my father started in our garage 30 years ago.

The company is Lin Engineering, and I'm the Executive Vice President. We have 120 employees at our facility in Morgan Hill, California, including engineers and skilled factory workers. Most of our workforce has been with the Company for over 10 years. Did you know that it takes decades for a motor company to establish itself in any market? It took us 8 Presidential terms to grow the business to \$30M. The growth period for market acceptance for motor companies is very long.

This is what we build, stepper motors, and BLDC motors.

Here are some pretty low-tech components that demonstrate what we build and what we do. There are two primary components to a motor, a stator (stationary part) and a rotor (rotating part). The rotor is comprised of a magnet and laminated steel, shafts, and bearings.

Our core business is to procure these components in order to manufacture them into finished precision, high performance motors. To do this, our factory workers perform machining work, copper windings, calculations, design work, sub-assembly, final assembly and testing. We do this using a US labor force paid at US wages.

Our customers use our motors in medical devices, in the automotive industry, and for automation. The key to our success is helping customers design the final configuration of these motors to meet each customer's specific requirements. The components we use are currently tooled and sourced in China. There is no domestic source for these components and there hasn't been one for several years. It would require a significant amount of investment to retool in other countries. Also, many of our medical device customers would require a rigorous and lengthy approval process prior to any transfer of tooling to another source.

We are one of the last remaining domestic factories producing motors and we recently expanded operations by 20,000 sq. ft. to double our size over the next 5 to 10 years. How many other established companies are planning on doubling manufacturing in the US in 10 years? Most other suppliers of these motors simply import finished motors. They do not have a factory setup on US soil nor do they employ the headcount we do. Meanwhile, at Lin Engineering, 120 US employees and the families behind them rely on these jobs for their livelihood.

Having the tariffs on these codes would have a significant impact on our growth path, and potentially would lead to a 40% loss in our top line revenue. Sadly, this would result in a loss of jobs at our Company and we would be unable to expand our workforce as we had planned.

As I mentioned, the components that we import are fairly low-tech. Our Chinese suppliers do not need US IP or technology to produce these basic items.

For these reasons, we respectfully request that the following tariff codes be removed from List 2: Subheadings 8503.00.95; 8501.10.20; 8501.10.60; and 8501.20.40.

Thank you for allowing me to present our case today. God Bless America!