

BEFORE THE
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE,
TRADE POLICY STAFF COMMITTEE
WASHINGTON, D.C.

Notice of Action and Request for Public
Comment Concerning Proposed
Determination of Action Pursuant to
of Action Pursuant to Section 301

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Docket No. USTR-2018-0018

**STATEMENT OF WILLIAM HARMON,
GOAL ZERO LLC**

**IN OPPOSITION TO IMPOSING TARIFFS ON
HTS 8501.31.80 AND 8541.40.60**

July 24, 2018

Good Morning, I am William Harmon and I am the General Manager of Goal Zero. We are a mid-size U.S. company located in Bluffdale, Utah, with almost 80 employees and a track record of innovative off grid power solutions. The company motto is: “Power. Anything. Anywhere.” True to that principle, Goal Zero designs and produces consumer goods that are **light, portable and multifunctional**, such as: flashlights and portable solar panels to charge personal devices and power packs.

We sell consumer products – unlike most solar companies. Goal Zero imports small panels, with a maximum power output of 100 watts, from third party suppliers in China under two HTS subheadings: **8501.31.80** and **8541.40.60**. Our products are used off grid: for recreational purposes, for emergency situations or to bring power in remote locations where there is no access to the grid. For example, Goal Zero has sent millions of dollars of products to hurricane ravaged areas like Texas, Florida and Puerto Rico.

We have a sample product here today:

- This is the Nomad 7 panel, with two panels measuring less than 35 sq. inches each, inside a foldable case. With a maximum power of only 7 watts, this panel can charge a phone, a camera or a tablet.

There are good reasons why the Committee should exclude HTS codes 8501.31.80 and 8541.40.60, from the additional 25% duties.

First, these small portable panels are not available from domestic producers. All of Goal Zero's production depends on small panels from China that are further processed to meet the size, voltage and lamination requirements of solar-powered portable consumer goods.

Traditional panels are produced in high volume on automated lines. Unlike traditional panels, ours require significant transformation before they can be used. One panel in our Nomad 7 product is roughly the size of **a single** 6 x 6 inch cell. Because our panels are intended for portable applications, each cell must be cut into several pieces, wired and laminated to produce the combination of voltage and watts required for the consumer good. For instance, 5 volts is required for charging cell phones, so panels like the Nomad 7 are made of cells cut and wired for 5 volts.

It is fair to say that we are taking a monocrytsalline cell and rebuilding it into a small panel at the voltage needed for portable applications. This processing takes skill, experience and specialized equipment. To Goal Zero's knowledge, there are no U.S. or third country suppliers outside of China that are willing to produce these small panels to the specifications that Goal Zero requires. Imports are therefore **not** displacing U.S. production and additional tariffs will not benefit the U.S. solar industry in any meaningful way.

Second, No U.S. producer of solar cells and panels has requested that solar panels imported under HTS 8501.31.80 be added to the USTR's product list for Section 301 remedies. Imports under the HTS code we use have been linked to no acts, policies or practices of China that are detrimental to U.S. interests. As such, there can be no expectation that inclusion of this HTS subheading in the Section 301 remedies will have any effect to eliminate acts, policies or practices of China that the USTR wishes to address through these Section 301 remedies.

With respect to imports under HTS 8541.40.60, the acts, policies and practices identified by the Trade Representative do not apply to Goal Zero or its products. We understand one U.S. producer has alleged harm due to imports of solar cells and modules from China based on the solar PERC technology. However, the off grid small portable panels imported by Goal Zero do not utilize the PERC technology. More to the point, our small off grid panels simply do not compete with the traditional on-grid panels produced in the United States. Inclusion of HTS 8541.40.60 in the Section 301 remedies would impact our panels as well – which are of a small volume and linked to no adverse acts, policies or procedures of China.

Third, solar panels imported under HTS 8501.31.80 and 8541.40.60 are already subject to multiple remedies, including AD/CVD duties and safeguard duties under Section 201. In that proceeding, our off grid and portable small panels

of 100 watts or less were excluded from the remedies. But this new Section 301 remedy would put us back in a position where we would face disproportionate harm. Because our panels are heavily customized we have no choice but to import from China. A 25% tariff on our small panels will therefore function purely as a penalty on Goal Zero and our customers. It will increase our costs and we will, in turn, be forced to increase our own prices to the U.S. customers. These higher costs will reduce demand and threaten jobs.

Moreover, because there are very few producers globally that can produce the small, customized panels that Goal Zero needs, the imposition of tariffs on these products will also be ineffective in eliminating China's acts, policies and practices covered by this investigation.

In closing, I would like to add that if the USTR will include these codes in the Section 301 tariff list, our small panels should be excluded as they were in the Section 201 proceeding. In that proceeding off grid and portable small panels of 100 watts or less were excluded from the remedies, as part of the Presidential Proclamation. Thus, the USTR has already recognized the lack of U.S. supply of these small panels and the disproportionate harm that a tariff increase would have on a medium size business like Goal Zero.

On behalf of my company, our workers, and our customers, thank you for the opportunity to explain our position. And I respectfully ask that you not include our products in the Section 301 tariff list.