

Industry importers, trade associations support extending China tariff exclusions

Public comment period for extensions beyond August ended July 7

WASHINGTON – A number of importers and manufacturers spoke in favor of extending tariff exclusions on products ranging from upholstered seating to cribs and bassinets, citing a lack of production capacity and trained workers in the United States that can produce the same quality as manufacturers in China.

They also cited concerns about product safety, particularly relating to children's products that have been made in China for years and have thus adhered to safety standards aimed at protecting children.

Companies and trade associations made these arguments to the Office of the U.S. Trade Representative as part of a public comment period that began in early May and ended July 7. At issue was whether items on List 3 covering some \$200 billion in Chinese-made goods would receive an exclusion extension beyond Aug. 7.

Among the groups commenting was the **Juvenile Products Manufacturers Assn.**, which spoke in favor of extending the tariff exclusions on several product categories.

“On behalf of our members, we appreciate the exclusions previously granted on List 3,” the JPMA said regarding infant seats with plastic bases and upholstered seating. “However, we believe, as do our members, that the termination of these exclusions on Aug. 7, 2020, will increase costs, making these life-saving and critical products less affordable and accessible to American families. High unemployment rates and economic uncertainty in the current times support even further the need to keep essential baby products affordable.

“Since many juvenile products have traditionally been sourced overseas for decades, there does not exist a comparable U.S. manufacturing base for these products,” the JPMA continued. “For a variety of reasons, including unique safety and testing requirements, alternate domestic sourcing is not generally available in the supply chain. This has not changed since September 2018, and any attempts to secure alternate sourcing have been delayed by issues of capacity, compliance or travel restrictions related to COVID-19.”

The group made a similar argument for the extended exclusion of toddler beds, bassinets and cradles made of reinforced or laminated plastics along with other upholstered seating designed for children.

Nursery and youth furniture resource **Delta Children** spoke in favor of extending the tariff exclusions on wood changing tables and other items including the toddler beds, bassinets and cradles, noting that there was no production for such items in the U.S. and that it would be extremely difficult to shift sourcing to another country – and achieve the same safety standards – particularly during the COVID-19 pandemic.

“Having a factory produce children’s products requires us to be present to teach proper safety standards,” Delta Children noted. “Without in-person training, goods may be produced that could endanger small children. Due to the pandemic, travel is restricted and has made sourcing these products in new factories outside of China near impossible. Parents need safe and affordable goods for their children. Currently, the only option is continued production in China.”

Comments came from trade associations, importers, manufacturers as well as retailers who sell the exempted products on their floors.

Top 100 Company **Rooms To Go**, for example, supported an extension of the exemptions granted for wood frame upholstered dining chairs, citing a lack of manufacturing in the U.S. to produce such items. In addition, it said, similar chairs produced in other countries are not the same quality as those coming out of China.

“Upholstered dining chairs with wooden frames other than teak are widely available only in China,” the retailer said. “Those available in other countries do not suffice to satisfy the demands of Rooms To Go’s customers: They are low quality, not available in sufficient quantities, available only with long lead times or a combination of those negative factors.”

“There are exceedingly few U.S. manufacturers of upholstered dining chairs with wooden frames other than teak,” the company added. “Domestic manufacturers are not able to produce products of adequate quality and in quantities sufficient to satisfy Rooms To Go’s customers’ demands.”

The company voiced similar concerns relating to other exempt products such as wooden frame upholstered seating, floor lamps and outdoor household tables with aluminum frames covered in polyethylene rattan wicker.

Bernhardt supported an extension for upholstered chairs with wooden frames, noting that it could not find a U.S. supplier that can produce the items to its specifications and in the quantities it requires. It made a similar argument in extending exemptions on pivoting back supports for chairs, also sourced in China.

“This product has been custom-engineered in collaboration with our Chinese manufacturers,” the company said. “Custom-engineering requires significant up-front time and expense. Locating the appropriate U.S. manufacturers who would be able to custom-engineer this product to our specifications would require an investment of significant time and many thousands of dollars. Furthermore, the U.S. does not currently possess a sufficient labor pool to fulfill the demand present in the market for this product.”

Hooker Furniture supported the extension of exclusions on products including wood cabinets with glass fronts and wood frame upholstered dining chairs.

The company said that it has been unable to find sources for these goods in the U.S. that can replace or supplement such items made in China. Domestic manufacturers, it added, that once existed have either closed or shifted to other product types.

“Products in this quantity and quality bracket are no longer produced in the U.S.,” the company said, adding that it continues to lower its reliance on China for finished goods.

“We are working to secure sourcing outside of China, but rely on the exclusion to allow us the financial capacity to continue to meet demand while we identify new suppliers,” the company said. “Hooker has made great strides in restructuring our supply chain out of China, with Chinese products now comprising only 38% of our sourcing, down from 60% prior to the China Section 301 tariff actions. With continued tariff relief, we plan to reduce our sourcing from China to 20% by the end of the year and will systematically continue to shrink this number.”

Accent and occasional furniture specialist **Butler Specialty Co.** spoke in favor of extending exclusions on tables made with stainless steel and adjustable legs as well as wood entry tables, stating that the items were not available out of the U.S. or any other country but China.

“The products are custom-made, and Butler has worked with the same factories in China for 30 years,” the company said. “The products are not available from sources in United States.”

The comment period opened in early May and continued through July 7, and a decision is expected in the coming weeks. To view these and other industry comments, [click here](#):