

January 17, 2023

The Honorable Katherine C. Tai  
U.S. Trade Representative  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street NW  
Washington, D.C. 20508

**RE:** Request for Comments in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2022-0014)

Dear Ambassador Tai:

On behalf of the recreational boating industry, I respectfully submit these comments on the Request for Comments in Four-Year Review of Actions Taken in the Section 301 Investigation: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (Docket No. USTR-2022-0014). We appreciate the opportunity to provide comments on the marine products impacted by the Section 301 tariffs on imports from China and urge the administration to end these tariffs on American manufacturers and consumers.

By way of background, the National Marine Manufacturers Association (NMMA) is the leading recreational marine trade association in North America. NMMA member companies produce more than 80 percent of the boats, engines, trailers, marine accessories, and gear used by millions of boaters in North America. The association serves its members and their sales and service networks by improving the business environment for recreational boating including providing domestic and international sales and marketing opportunities, reducing unnecessary government regulation, decreasing the cost of doing business, and helping grow boating participation, as the largest producer of boat and sport shows in the U.S.

While we support efforts to hold China accountable for its practices regarding intellectual property right and forced technology transfers, this does not impact marine products. We urge the administration to reopen the exclusion process, reinstate expired exclusions, and provide retroactive payments for tariffs paid as a result of the expired exclusions.

Since the tariffs went into effect in 2018, U.S. Customs and Border Protection has assessed more than \$167 billion<sup>1</sup> in section 301 tariffs on American companies who import products from China. Of that amount, the section 301 tariffs have impacted over 300 marine products, costing manufacturers more than \$30 million since the tariffs went into effect. When you consider over 83 percent of boat owners have a household income of \$100,000 or less, it is important to keep our products affordable.

From tariffs on raw materials and components, to retaliatory tariffs that have frozen the European Union for marine exports, the U.S. recreational boating industry continues to bear the brunt of tit-

---

<sup>1</sup> 2022, [Trade Statistics | U.S. Customs and Border Protection \(cbp.gov\)](#)

for-tat tariffs. American marine businesses should not face this unnecessary tax, especially when the products pose no risk of technological or intellectual property transfer, which is why it is difficult to understand how marine products fit with the overall purpose of these tariffs.

Many of the products imported by our members can only be sourced in China, or in some cases, are produced at a facility wholly-owned by the U.S. manufacturer. Considerations of quality and quantity must be taken into account, all of which are not easily sourced elsewhere, especially when these tariffs have coincided with the global pandemic and its impact on businesses and supply chain.

It is critical we reopen an exclusion process and reinstate expired exclusions. The vast majority of marine manufacturers did not receive exclusions for their products. Furthermore, the few products that did receive exclusions, did not receive extensions, and thus, their exclusions have since expired with no explanation. As a result, there has not been an additional opportunity for small businesses to make their cases on the impact tariffs have had on U.S. businesses operations and consumer prices.

Reinstating expired exclusions, and subsequently providing retroactive payments to companies for tariffs paid, would allow many small marine businesses to reinvest the millions of dollars in paid tariffs and expand capital in the U.S. Further, establishing a new, transparent exclusion process would provide small marine businesses a new opportunity to make the case for why their products should be excluded from these far-reaching tariffs.

As a uniquely American industry, we strongly support efforts to revitalize American manufacturing, invest in research and development and ensure our economic competitiveness. While the recreational marine industry is well-positioned to help our economy recover, we urge you to quickly address the ongoing negative impact of the tariffs on American businesses, workers, and consumers.

Sincerely,



Clayton Crabtree  
Director, Federal Government Relations  
National Marine Manufacturers Association