FOR IMMEDIATE RELEASE

Plumbing Manufacturers International Testifies on Adverse Impacts Expected from Latest Section 301 Tariffs

The 25 percent duties will harm job creation, cause lost sales, and result in higher prices for consumers, association states

WASHINGTON, D.C. – June 18, 2019 – Plumbing Manufacturers International (PMI) CEO/Executive Director Kerry Stackpole testified on June 17 before the Office of the United States Trade Representative (USTR) on the unfavorable effects that Section 301 Tariffs of up to 25 percent on \$300 billion worth of Chinese goods are expected to have on U.S. plumbing manufacturers, the economy, and consumers.

Dozens of plumbing-related products and components are included on List 4 – the most recent list, including toilets, sinks, shower heads, faucet handles, and more. The \$300 billion list also includes vegetables, meat and cheese products, home appliances, bicycles, software, clothing, and tech items.

"These additional proposed tariffs will cause disproportionate harm to U.S. economic interests and in particular, plumbing manufacturers, our workers, suppliers, distributors, retailers, and American consumers," Stackpole stated in his testimony. "Our members estimate they will incur millions of dollars annually in added direct costs and expenses if the List 4 duties are implemented, not to mention the millions of dollars of lost sales resulting from increased prices on these products. These are real dollars that will no longer be reinvested back into their companies and workforce."

Stackpole added that while PMI shares the administration's concern about China's policies and practices that have harmed U.S. businesses, PMI believes the proposed imposition of unilateral tariffs on Chinese imports will not address the underlying issues and will continue to invite Chinese retaliation.

In addition, several PMI members, including LIXIL, Spectrum Brands, Moen Incorporated and Water Pik, Inc., are scheduled to testify to voice their objections to the proposed duties. Troy Benavidez, vice president of Corporate Affairs for American Standard, part of LIXIL Americas and a PMI member company, testified on June 17 and expressed his company's concern about how the tariffs may harm U.S. businesses and consumers. "If plumbing products become more expensive and U.S. consumers reduce their purchases of these products and the plumbing services needed to install and maintain them, good paying careers in the plumbing trade will continue to decline," he said.

Concern for the damage the tariffs will cause was evident by the number of objections raised during the first day of the USTR hearings. More than 300 witnesses are expected to testify over the seven days of hearings in June, with representatives from sectors, including semiconductors, energy, plumbing, software, home appliances, sports equipment, boat manufacturing, chemical firms, pet supplies, bicycles, and fireworks. More than 2,000 comments were submitted to the docket as of June 17. Posthearing rebuttal comments on the fourth list of tariffs are due July 2.

In addition, PMI was one of 661 companies and associations that signed <u>a coalition letter</u> to President Trump opposing the tariffs.

PMI members produce 90 percent of all plumbing products in the U.S. and along with their retail and wholesale partners and suppliers, generate more than 271,000 good-paying jobs and over \$10 billion dollars in wages annually. Overall, the industry contributes \$85.5 billion dollars to the American economy – about four-tenths of 1 percent of America's gross domestic product, according to a 2018 PMI economic study of the industry.

About Plumbing Manufacturers International

Plumbing Manufacturers International (PMI) is the voluntary, not-for-profit international industry association of manufacturers of plumbing products, serving as the Voice of the Plumbing Industry. Member companies produce 90 percent of the United States' plumbing products. As part of its mission, PMI advocates for plumbing product performance and innovation contributing to water efficiency and savings, sustainability, public health and safety, and consumer satisfaction. PMI's members are industry leaders in producing safe, reliable and innovative water-efficient plumbing technologies. PMI members manufacture water-efficient toilets, urinals, faucets, showerheads and other products at more than 70 locations in 25 states and that are sold in home improvement stores, hardware stores and showrooms and online. For more information on PMI, contact the organization at 1750 Tysons Blvd., Ste. 1500, McLean, Va., 22102; tel.: 847-481-5500; fax: 847-481-5501. www.safeplumbing.org.

Media contact: Judy Wohlt, judy@visinkcom.com, 630-991-6942

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