

The Honorable Robert E. Lighthizer  
U.S. Trade Representative  
600 17th Street, NW  
Washington, D.C. 20508

January 13, 2020

Dear Ambassador Lighthizer:

On behalf of the member companies of FWI, the Association of German Tool Manufacturers, we are writing to express our organizations objections to the inclusion of certain groups of hand tools on the list of goods subjected to retaliatory tariffs following the World Trade Organization's (WTO) ruling related to European subsidies provided to Airbus.

We would like to highlight the following products for your reference:

Part 11 (Products of Germany which are subject to additional import duties of 25 percent ad valorem):

- J 8201.40.60 Axes, bill hooks and similar hewing tools (o/than machetes), and base metal parts thereof
- J 8203.20.20 Base metal tweezers
- J 8203.20.60 Pliers (including cutting pliers but not slip joint pliers), pincers and similar tools
- J 8203.30.00 Metal cutting shears and similar tools, and base metal parts thereof
- J 8203.40.60 Pipe cutters, bolt cutters, perforating punches and similar tools, nesoi, and base metal parts thereof
- J 8205.40.00 Screwdrivers and base metal parts thereof
- J 8211.93.00 Knives having other than fixed blades
- J 8211.94.50 Base metal blades for knives having other than fixed blades
- J 8467.19.10 Tools for working in the hand, pneumatic, other than rotary type, suitable for metal working
- J 8467.19.50 Tools for working in the hand, pneumatic, other than rotary type, other than suitable for metal working

and

Section 2 (products that are being considered for additional import duties):

- J 8203.20.40 Slip joint pliers.

We would like to point out, that the regular tariffs for some tools, which are now subject to the retaliatory tariffs of 25%, are already relatively high (e. g. axes: 7,0%, pliers 5.5%, screwdrivers 6.2%).

Our member companies maintain high standards of social and environmental responsibility and compete with US tool manufacturers on a level playing field. They do not benefit from the subsidies provided to Airbus and do not receive any subsidies, which are not in compliance with WTO rules.

According to our information, it is very unlikely that German tool manufacturers will be triggered by the retaliatory tariffs to move parts of their production to the United States. Most of the concerned companies are small and medium sized, family-owned businesses, which would be overburdened by the setup of an additional manufacturing facility in the United States.

Due to the fact, that also parts of hand tools (e. g. forged blanks) are subject to the import tariffs, even such parts would have to be manufactured in the United States too. This makes such a facility even more complex and less attractive for the manufacturers.

In some cases, German tools are tailor-made for special applications or offer unique selling propositions. They can not be replaced by tools from other sources easily. Thousands of American craftsmen, MRO specialists and DIY enthusiasts are used to working with safe and innovative German tools of high quality to achieve perfect results.

The retaliatory tariffs lead to price increases for those US customers and cause damages for US importers and distributors of German tools.

On the other hand, the resulting additional revenues for the US government budget from the retaliatory tariffs on hand tools are relatively low. Based on the trade volume of 2018 with axes, pliers, metal cutting shears, pipe cutters, bolt cutters, perforating punches etc. and screwdrivers, we estimate this volume at ca. 12 Mio \$.

Given that our industry is completely unrelated to the aerospace sector, we respectfully ask that you remove the above products on the product list. Thank you for your time and consideration.

Sincerely

A handwritten signature in blue ink that reads "Ch. Kleinbongartz".

Michael Kleinbongartz

FWI President

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**Association of German Tool Manufacturers FWI**

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