

Congress of the United States
Washington, DC 20515

September 13, 2018

The Honorable Robert E. Lighthizer
Ambassador
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Lighthizer:

We write to you to express our concerns about the 25 percent tariffs levied on U.S. imports of e-bicycles from China and the proposed 25 percent tariff increase on bicycles and bicycle products imported from China.

While we agree that the administration must address China's unfair trade practices, we believe China's theft of intellectual property is unrelated to our importation of e-bicycles, bicycles, and bicycle products. In addition, it is our position that the imposition of tariffs on these goods will not directly affect China's Made in China 2025 agenda or other advanced technology development strategy. The tariffs on e-bicycles will, however, cause disproportionate harm to the emerging technologies of American digital transportation platforms and U.S.-based high-technology mobility solutions. We are concerned that the proposed tariffs on traditional bicycles and bicycle products could put the price of bicycles out of reach of Americans who rely on them for transportation and recreation and make it harder for Americans to purchase lifesaving safety equipment like helmets and lights. We, therefore, urge you to remove the tariff on all e-bicycle products and e-bicycle equipment and refrain from imposing additional tariffs on bicycles and bicycle products.

E-bicycles are opening up new transportation options for Americans who are aging, face physical limitations, or live in hilly communities, and they are making transportation more affordable for all. This is extremely important in the U.S. today. Access to reliable transportation has been found to be the single biggest factor in whether someone can escape poverty. Efficient and sustainable transportation, such as e-bicycles, can drive productivity, growth, and sustainability by addressing the negative consequences of a legacy transportation system.

Also, in addition to the disproportionate harm done to U.S. businesses, workers, and consumers, an added 25 percent duty on e-bicycles will cause a chilling effect on U.S. innovation and competitiveness as U.S. companies have invested heavily to establish a global leadership position in the emerging technology of digital transportation platforms. They are now poised to deliver transformative benefits in every corner of the economy — from how people access jobs to how businesses deliver goods to consumers. In order to fully capture the benefits of multimodal platforms, however, companies must constantly advance and refine the integration between, and optimization among, all the different modes of transportation. Limiting U.S.

companies' access to the crucial last-mile mode of e-bicycles will therefore have a severely negative impact on innovation and investment across their entire platforms.

Traditional bicycles are equally important. They provide convenient, healthy, and environmentally friendly short-distance transportation. If tariffs are imposed on them, domestic bicycle sales will suffer, putting at risk thousands of American jobs in engineering, design, sales, and service. Possibly most harmful is the proposal to raise duties on helmets, lights, and products that are all critical to rider safety. Anything that would reduce purchase of protective equipment or incentivize people to forego mechanical work that keeps bicycles in safe, working order will negatively impact the safety and wellbeing of American cyclists.

We understand that USTR's goal with the tariff action is to bring about policy change in China, and we agree with this goal. We, however, do not believe tariffs on imported e-bicycles, bicycles, and bicycle products put us closer to this goal. We urge you to remove the Section 301 tariffs for e-bicycles designated under Harmonized Tariff Schedule (HTS) 8711.60.00. We also urge you to refrain from imposing tariffs on bicycles and bicycle products under HTS headings beginning with 8712 and 8714. Additionally, we ask that you exempt the safety equipment and bicycle parts under HTS headings 6506.10.30, 6506.10.60, 4011.50.00, 4012.90.30, 4012.90.70, and 4013.20.00. We want to work with your office to develop tough and effective remedies that are tailored to achieve our shared goals and we look forward to your response.

Sincerely,



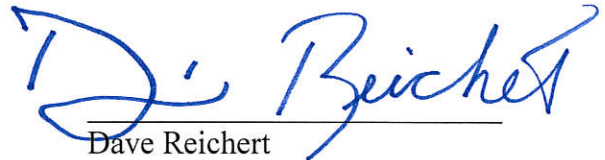
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