

Jesse Appell – Opening Statement

House Committee on Small Business 9 17 25

Good afternoon, Chairman Williams, Ranking Member Velázquez, and Members of the Small Business Committee, and everyone watching on YouTube.

I want to thank you all for the honor and opportunity to represent my fellow creator-small businesses, and to farm the aura of this esteemed chamber.

My name is Jesse Appell, and I am the founder of Jesse's Teahouse. I run an online teahouse, which is really two businesses—a media company and an ecommerce business. Every day, my 1.5 million followers watch me make and drink tea; some of these followers also purchase the tea I drink. As of today, we have sent over 80,000 orders to customers all over the country.

I source my teas from farmers in China and Taiwan, many of whom I met during my time as a Fulbright research fellow in China. My work as a cultural ambassador has moved online, and I spend several months a year in Asia going to tea mountains, filming videos with our farmers so people can see the tea they will be drinking and know the people who make it. I started this business with my own savings in my dad's kitchen during COVID, and it's amazing how it has grown.

I get tons of messages from customers who have shared a teatime with their spouse, or kids, or parents. But sometimes the emails go deeper. One customer was a veteran who told me that the ritual of teamaking, along with the socialization from inviting people over for tea, was the best treatment for PTSD he had found so far. Another told me he has replaced hard drugs with tea, swapping one habit for another and the mantra: "Only tea in the house!"

All of this good is possible because of two uniquely American pillars: a free internet where I can share my story, and a free market that allows me to sell the best tea in the world. It is the protection and improvement of those free systems to which I hope to call the committee's attention.

On challenges to our Internet freedoms, the most immediate issue for my business is the potential banning of TikTok. A few hours before this statement was due, news broke that there may be a "TikTok deal." A good deal would be excellent news. If TikTok is banned, I lose 600,000 followers and sales losses that are likely in the hundreds of thousands.

But even if the Tiktok deal is perfect, this process was not comfortable for creators. There as a real change of creating what amounts to an American version of the great Firewall, which would have “solved” the problem with reactive isolation rather than the American ideals of openness, law, and transparency. And in the end, a deal is not a law and deals can be undone, so I urge Congress to codify any such deal.

Because even if every national security issue with Tiktok is resolved, the battle on copyright enforcement, data privacy, algorithm manipulation continues. As Congress considers these issues, please consult us creators. I don’t want foreign powers manipulating my algorithm – but I also don’t want domestic CEOs, or even a for-profit board manipulating my algorithm. Creators want clearly defined rules by which all platforms should play - not just foreign ones.

As for challenges in the free market, the recent tariffs have had a devastating impact on my business. I estimate we have lost approximately \$250,000 in sales as direct result of the most recent trade war. I run a subscription tea club, where every 3 months, we send our club members great new teas. But our May subscription box sat in the port during the trade war, and we had to skip it altogether. We also couldn’t get a single restock shipment between January and August. This is all in addition to increased taxes.

Further, the chaotic nature of the policy changes has also been a challenge. I woke up one day to find the *de minimis* exemption was closed completely, without exception. The postal service had to shut down receiving from China while they awaited further instructions. Then it was reversed, then reinstated. Will it be reversed again?

Developing a new product takes six to nine months. I don’t know anymore what US trade policy will be in six to nine months.

And beyond my personal stake, should it be necessary for small business owners to need to get day-by-day updates on minute trade policy rules in order to run a small business?

In the end, I sell tea. There are no national security implications and no jobs to be gained from a tariff. And yet, the real jobs that I have created for myself and my 5 American employees have been staked as leverage and are being treated as less important than hypothetical jobs that might come from hypothetical success of these tariffs.

I urge the Members to consider exempting small businesses from these tariffs. As small businesses, we simply do not have the resources withstand these added costs and uncertainties.

Finally, I want to thank the members for their time and attention. I paid for my own ticket to come here and share my experiences in good faith. If any members believe I can be of help any way going forward, please contact me. I am here to try to solve these problems.

A wise man once said, do it for the 'gram. Today, I do not just for the 'gram, but for America, and all creators. Thank you.