

House Committee on Small Business
Testimony of William A. Skalish, President
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Thank you, Chairwoman Velazquez, Ranking Member Chabot, my Congresswoman Chrissy Houlahan and members of the House Small Business Committees for the invitation. I'm honored to testify before you today.

My name is Bill Skalish and I am the owner of Granite Tech. My business Granite Tech Inc., referred to as GTI is a small import business located in Landenberg, PA that started in 2005. Our business included the importation of cut to fit and fabricated Granite, Marble and Quartz countertops from China to end users throughout the United States. Our customer base consists of the Hospitality Industry including Marriott International (One of four endorsed suppliers), Hilton, IHG, Wyndham, multifamily housing, senior living facilities and student housing. We have 7 employees on salary.

In April 2018, Cambria filed a petition with the International Trade Commission and Department of Commerce alleging that imported quartz surface products from China caused Cambria injury. In September 2018, Granite and Quartz countertops were added to List 3 of Section 301 tariffs at 10% imposed. My business has been devastated by these tariffs and the Departments of Commerce's initial decision on the Anti-dumping and Countervailing Cases in association with the Cambria Petition. While the Cambria petition primarily pertains to slabs, we are being tariffed not only on the cost of materials but also the labor to fabricate the cut to fit countertops.

Our customers including local general contractors, developers, hotel owners and hotel franchises have also felt these impacts. Numerous hotel projects have been placed on hold and some cancelled as they are now over budget not only because of the extremely high proposed tariffs levied as cash deposits on quartz surface products from China, but other materials facing tariffs as well. Furthermore, the current CVD/AD cash deposits (proposed duties) effect numerous other companies throughout the country with similar business models.

GTI's collective tariff rate on quartz surface products is currently at 308.05% which includes the Section 301 tariffs. There is no way my small company cannot survive this and could end up owing Customs and Border Patrol (CBP) in excess of \$1.5M in additional tariffs alone. Additionally, by collecting the anti-dumping and countervailing duties in advance, coupled with the extremely exorbitant percentage, Granite Tech is unable to operate as the profit margin was nowhere near 300%. During Bond renewal in January the collateral dollar amount was so high at \$200,000, money that Granite Tech didn't have due to the astronomical "deposits" we had to pay on the last shipments that were in transit when the AD rate was published in November. Granite Tech can no longer import without a Customs bond.

The impact of this case on us is particularly troubling because GTI is currently in hibernation. Due to the high tariffs, we lost two employees out of seven who were on salary and received substantial bonuses on GTI sales which are now nonexistent. Granite Tech is in hibernation until the next International Trade Commission hearing scheduled on May 9, 2019 at 9:30am and subsequent ruling. I will attend the ITC hearing as an audience member as GTI cannot buy legal fees pertaining to the case. It is unclear whether GTI's import bond would be re-activated due to non-payment of cash deposits regardless of whether

they are refunded should the case be dismissed, or the percentages lowered. I'm hopeful the ITC and DOC will be more realistic with their findings and remedy the percentages in addition to rejecting critical circumstances (90-day retroactive) on both the Countervailing case (not currently proposed) and the Anti-Dumping case (proposed and cash deposits in collection).

It brings me great concern that the current administration already seems to overlook the impact high tariffs have on small businesses like mine in Pennsylvania and across the nation.

Thank you for your time and consideration. I am happy to answer any questions.