

April 9, 2025

Subject: Testimony provided w/r/t the impact of Canadian Tariffs on Renoun Skis

Company Background:

- Renoun was established in 2014 by Cyrus Schenck, a native Vermonter, when he patented the use of non-newtonian materials to improve the performance of skis on snow.
- No other company in North America or Europe has the right to make skis with non-newtonian materials since Renoun owns the exclusive patent.
- Although Vermont was at one time, the center of the US ski industry, all the large ski companies have left Vermont many years ago for the Mountain West. Only Renoun and J-Skis have chosen to remain in VT and continue the heritage as a VT centered ski brand.
- Renoun has grown every year since its inception in revenue and notoriety in the ski industry, having received the ISP Gold award for our skis and recently in 2025 been featured in the 'Best Of' ski category in major publications including; Forbes, Men's Journal, Outdoor Magazine, Gear Junkie, Blister and the NY Post among others.
- Renoun has sold skis globally, however 80% of our sales are currently in the US (60% in the western mountains and 40% in the east. New England is our second largest region).
- Renoun is approaching \$2M in gross sales in 2025 and employees 10 FT people and several interns from Middlebury & UVM.
- Currently we also handle all of our shipping & distribution from with a 3PL who operates out of Burlington, VT.
- As a company, we are committed to remaining a VT skis company and hopefully our success will encourage more winter sports companies to headquarter in VT.

Current Manufacturing Situation:

- In the ski industry today, only the largest ski companies own and maintain their own factories. Smaller companies typically have their skis made by contract manufacturing facilities (predominantly in Europe, some in China).
- Renoun utilizes Utopie, in Quebec Canada to manufacturer our skis. We have been with Utopie for 10 years and they are geographically the closest provider to VT.
- There are no contract manufacturers in the US, so Renoun has to go outside the borders to have our skis made. It would cost greater then \$30M to build a factory that would equal Utopie's capability.

Predicted Impact of Tariffs on Renoun

- 1) The unit costs of our finished products will rise by 22% since our Canadian factory currently imports some raw materials from the US (steel edges, plastic sidewalls).
- 2) Our imported costs of the products will rise between 10 and 25% to US customers as we will have to pass those costs onto consumers.

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- 3) Our long-term objectives to expand our sales internationally will be curtailed because our products will be hit with reciprocal tariffs when we ship outside of the US.
- 4) Estimated compounded net impact on Renoun in 2026 could be between \$150,000 to \$225,000 in increased costs that may or may not be passed on to customers (the price of our skis will go from \$950 to \$1180) – either lowering demand or making us vulnerable to competition.

Assistance Needed:

- I. Technical assistance support to understand the full impact, regulations and compliance requirements that surround the application of tariffs on our business.
 - a. We need to clearly understand and make decisions around our options to reduce or be granted an exemption.
- II. Assistance in applying for and navigating the administrative process to successfully apply for exemptions.
- III. Any financial assistance/grants that can be applied for to lessen the impact of tariffs.