

- **For:** Wednesday, April 9th Vermont legislative hearing on tariffs; House Commerce Committee/Sen. Econ. Committee
- To support ask by Vermont Outdoor Business Alliance (VOBA); Contact: Kelly Ault
- **Burton Spokesperson:** Forest Harger, Vice President, Office of the Chair

Burton Talking Points:

- My name is Forest Harger, and I am the Vice President of the Office of the Chair at Burton, and in this role I work for Burton's owner, Donna Carpenter.
- I would like to thank the Chairman and the committee members for giving me the opportunity to represent Burton today and to share a little bit with you about the potentially devastating impact of President Trump's recent tariffs on our business.
- For anyone unfamiliar with Burton, we're a global snowboard company founded in 1977 here in Vermont. We make snowboards, boots, bindings, and outerwear and we employ more than 800 people around the world, including over 400 people here in Vermont at our global headquarters and flagship store in Burlington.
- We at Burton are deeply concerned about our ability to navigate the challenges imposed by these tariffs. These tariffs will have an immediate double-edged impact on our business:
 - 1) They will dramatically increase our cost of goods in all categories and
 - 2) Will likely crush consumer demand for goods we have already committed to producing as our planning cycle takes place 12-18 months ahead of shipping to a consumer and our production begins 4-6 months prior to delivery.
- Burton produces goods through a mostly foreign supply chain
 - China and Vietnam deliver nearly two-thirds of our production
 - 40% of which is destined for the U.S. market with an average effective tariff rate across all countries of origin could now be into the 70's % based on the 104% rate on China.
 - This situation is incredibly dynamic and unpredictable as evidenced by the retaliatory tariffs introduced by the Chinese government literally overnight. And the dynamism of it makes it challenging for any business to plan accordingly.
 - It's worth noting that Burton has made significant resource investments in our partnerships with this supply chain to ensure our supply chain partners meet our rigorous, progressive social and environmental performance standards; these rigorous standards are in line with B Corp and Fair Labor Association standards.

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- Given all of these facts, making a change to our supply chain in an effort to avoid tariffs is not something we can do easily or inexpensively.
 - The impact of these tariffs will force us to make challenging decisions:
 - 1) We will have no choice but to pass through double-digit price increases to our customers; and
 - 2) We may be forced to make difficult choices that could directly affect our Vermont workforce
 - We are proud of Burton's contributions in Vermont and its role in an outdoor economy that drives community prosperity.
 - Our leadership has been in touch with our Congressional delegation to encourage Congress to reassert its authority over trade policy, and we are hopeful that our testimony as a Vermont business leader will help build support for Congressional intervention.
 - We ask your support as state lawmakers to find policy solutions for Vermont businesses in navigating the financial impacts and making mitigation tactics feasible.
 - We welcome the opportunity to discuss this matter further or to provide additional information about how these tariffs are affecting our business.
 - Thank you.