



February 22, 2016

Chairman Broadbent, Commissioners, thank you for the opportunity to testify today on the possible addition of travel goods to the universe of eligible products under the Generalized System of Preferences. My name is David Wunderli, and I am the President of Ogio International. I am testifying today in support of these petitions.

I am representing Ogio International and also the Sport and Fitness Industry Association (SFIA). Since my testimony today will be part of the public record, I will refrain from using any business confidential information in my testimony. If the Commission would like to see additional information, I would refer to the petitions filed by the Luggage Coalition and the Backpack, Sport & Travel Bag Coalition, of which Ogio International was a named petitioner. I am also happy to file any additional comments with the Commission if additional information is requested.

Ogio International is a U.S.-based, cutting edge creator of gear bags for a variety of sports, outdoor recreation, business and casual use. We are a leading designer and marketer of adrenaline inspired, high quality bags and apparel. Our designs are born from a long-standing sports heritage in golf, action/power sports, and endurance sports. We have over 500 products under the OGIO brand across ten different sales channels, including on-course and off-course retail and pro shops; major sporting goods chains including Dick's Sporting Goods, The Sports Authority, Scheels and GolfSmith; department stores, specialty shops, college bookstores, consumer electronics, online retailers, and international distributors. In addition, OGIO distributes products to the ASI (advertising specialty industry) market which supplies company-branded travel and business use bags on a business to business basis typically used for conferences and large events. OGIO also partners in co-branding relationships with other well-known brands such as KTM and Polaris.

Founded in 1987, OGIO is headquartered in Utah, with 65 employees working out of our Draper, headquarters. We also employ independent sales representatives throughout the United States, which brings our U.S. employment to approximately 130 people. We have over 50 international sales distributors operating throughout Europe, South America, Australia and Asia. OGIO also works with two U.S. embroidery and embellishment companies who embroider our products with logo's of thousands of unique brands, universities, and country clubs. In addition, we have contracted the services of two 3<sup>rd</sup> party logistics companies that warehouse and fulfill all of our domestic distribution needs. These logistics partners are each based in California.

meet our growth needs and expand easily. That is in the short term. From a long term view, I believe that other BDCs could see investment and eventually grow into significant suppliers as well. I would like to note however, that given the more technical nature of our product mix, our factory selections tend to be those that have developed a higher level of expertise. OGIO does not have the resources to invest in infrastructure improvements while also investing in the training and quality control needed to bring a new sourcing partner up to our standards. OGIO therefore strongly supports granting duty-free access to all GSP countries which will enable companies like OGIO to immediately expand into countries like the Philippines that have existing factories capable of absorbing this level of production and will also encourage companies producing less technical products that have the adequate capital to invest in LDC's with an eye on long term growth and development within those countries.

Finally, I would like to discuss a key question posed to the ITC – “the impact of this petition on domestic employment.” OGIO estimates that for every \$5 of cost reduction on an imported product, the price to the consumer drops approximately \$20. An \$89.00 college laptop bag, for example, under GSP would drop to a \$73.00 retail price to the consumer. Lower prices to consumers will translate into higher sales volumes for us. The higher sales volume will spawn investments in more design personnel, customer service representatives, 3<sup>rd</sup> party services, warehouse space, utilities, freight, insurance, and other aspects of our business.

A core tenet of duty policy is to protect US manufacturing interests, and this is reflected in the overall GSP product approval process. The US manufacturing industry in regards to golf bags, backpacks, and luggage is virtually nonexistent. In the past, OGIO has tried to develop viable product offerings made in the USA by enlisting the help of a few cut and sew operations in the southern United States. These remaining facilities are surviving almost exclusively on military contracts which require U.S. production. These factories cannot achieve anywhere near the price/value proposition needed in today's non-military markets. Consumers simply cannot afford to pay double or triple the price for a school pack or recreational golf bag. There is no market to speak of that is being protected under the current duty policy as it applies to golf bags, back packs, and soft sided luggage.

Thank you for your time, I look forward to answering any questions you may have.

Sincerely,

David J. Wunderli  
President  
OGIO International Inc.