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July 20, 2006

Senator Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Senator Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Grassley and Senator Baucus:

On behalf of Nike Golf, I am writing to vigorously oppose the inclusion of S.2574, S.2575, S.2576, S.2577 and S.2578 in the Miscellaneous Tariff Bill (MTB) currently being debated. If incorporated in the MTB, these bills will result in placing one importer of golf club heads with privileged treatment, thus placing other importing manufacturers at a clear competitive disadvantage.

Presently all imported golf club heads entering the United States are subject to tariffs of 4.9% under tariff item 9506.39.0060 of the U.S. Harmonized Tariff Schedule. The five (5) referenced bills currently being considered by the Finance Committee for the MTB apply to specific imported golf club heads and request elimination of tariffs on specific equipment. Because the language in the bills narrowly targets equipment made by a single company, only club heads produced by that company will qualify for duty free treatment under the proposed legislation.

Nike is a company that was founded and is an unwavering advocate towards the principles of fair play. This duty exemption would not create a level playing field and is not “par” with the current law. Nike strongly opposes this legislation and urges you to keep fair play in line.

Thank you for consideration in this matter.

Sincerely,

Orson C. Porter
Deputy Director of Government Affairs
Nike, Inc.

ACUSHNET COMPANY

Joseph J. Nauman
Executive Vice President
Corporate and Legal

August 15, 2006

The Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Max Baucus
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Re: Support of Temporary Duty Suspension for Golf Club Components

Dear Chairman Grassley and Senator Baucus:

I write to you today in support of five bills (S. 2574, S. 2575, S. 2576, S. 2577 and S. 2578) that suspend, temporarily, the duties on certain golf club components. Acushnet Company is a leading American manufacturer of golf equipment, producing and selling famous brands that include Titleist golf balls and golf clubs, Cobra golf clubs, and FootJoy golf shoes, gloves and accessories. Acushnet, a subsidiary of Fortune Brands, Inc., is headquartered in Fairhaven, Massachusetts, and has manufacturing facilities in Massachusetts and California. Acushnet imports golf club components that are used to assemble and manufacture finished golf clubs here in the United States. There are no U.S. producers of these components.

In your April 21 letter, you requested that interested Senators introduce bills to reduce or eliminate duties on "narrowly defined products" imported into the United States that would "reduce input costs for U.S. businesses and increase the competitiveness of their products." You identified two key criteria for the bills submitted: (1) they should not cover products produced by a domestic manufacturer (i.e., the bills must be non-controversial), and (2) they should not result in more than $500,000 in lost revenue per year.

These bills are narrowly crafted to reduce input costs for golf club production in the U.S. and will increase the competitiveness of U.S. produced golf clubs. The bills also meet the two key criteria you identified: (1) there are no U.S. producers of golf club heads, and (2) because the bills are narrowly crafted the relief sought from these bills will result in less than $500,000 in lost revenue per year. In fact, because these bills will help promote and sustain Acushnet's golf club production facilities, which employ hundreds of workers in the U.S., the relief realized by the bills will be offset by other tax revenues stemming from these U.S. operations.

Importantly, these bills also promote U.S. production and U.S. jobs because they cure an inverted tariff. Golf club heads that are imported and used to make finished golf clubs are subject to a 4.9 percent duty. The duty on imported finished golf clubs is only 4.4 percent. This "inverted tariff" discourages domestic manufacturing and puts Acushnet and companies like it at a competitive disadvantage in the global marketplace. Indeed, since 2000, importers of finished golf clubs have avoided paying over $7 million in duties, while companies like Acushnet that produce golf clubs in the U.S. from imported components have been forced to pay over $18 million in additional duties.[1]

[1] See Attachment 1.

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ACUSHNET COMPANY

With the cost advantage that importers of finished golf clubs have over U.S. producers, it is no surprise that there has been a dramatic trend towards complete production of finished golf clubs abroad, particularly in China. Based on Commerce Department data, it is estimated that between 2000 and 2006 imports of finished golf clubs have increased by over 530 percent, while imports of club components have increased by less than 20 percent.[2] During this period, there has been a significant increase (30 percent) in the portion of the market held by foreign produced finished golf clubs.[3] Despite the unfair tariff structure and outsourcing trends, Acushnet remains one of the few companies that manufactures all its finished golf clubs in the United States for domestic sales.

By reducing the duty rate on golf club components to a duty rate that is lower than that of finished clubs, these bills represent a small step in leveling the playing field for U.S. manufacturers of golf clubs who seek to compete against importers of finished clubs. The bills ensure that U.S. manufacturing jobs are not lost to cheaper foreign manufacturing. For these reasons, the bills are supported by strong public policy and established trade policy.

Any opposition to these bills is unfounded because there is no domestic production of the subject products. Opposition is expected from companies that import finished clubs. These companies want to continue to enjoy the unfair advantage of an inverted tariff, which has saved them millions of dollars and placed U.S. producers at a disadvantage for years. Acushnet would encourage and support other importers of golf club components, who, like Acushnet, produce clubs in the U.S., to seek similar narrowly crafted relief that meets Congressional criteria, rather than make unfounded objections to the above bills. Acushnet also would support and work with other U.S. golf club producers to permanently cure the inverted tariff, and further promote U.S. golf club production and U.S. jobs.

Acushnet requests your support for these temporary duty suspension bills, which will help Acushnet stay competitive in the global marketplace and will aid the vitality of American manufacturing.

Sincerely,

Joseph Nauman

Joseph Nauman,
Executive Vice President, Corporate and Legal

Attachments

cc: Senator John F. Kerry
Senator Edward M. Kennedy

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[2] See Attachment 2.
[3] See Attachment 3.

Titleist cobra FOOTJOY

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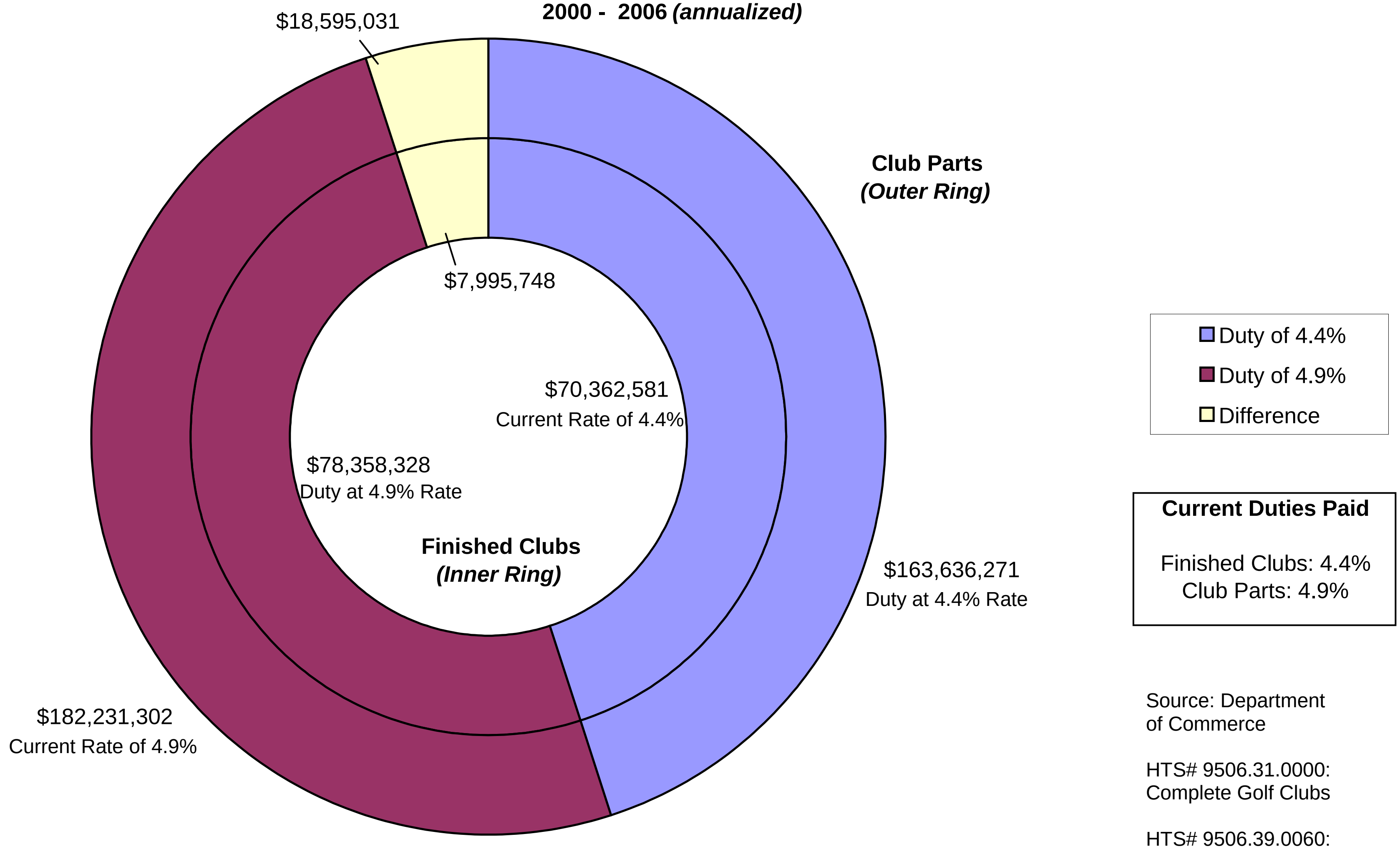
ACUSHNET COMPANY

Attachment 1
U.S. Imports of Finished Golf Clubs and Parts
Comparison of Total Duties Paid
2000 - 2006 *(annualized)*



Current Duties Paid

Finished Clubs: 4.4%
Club Parts: 4.9%

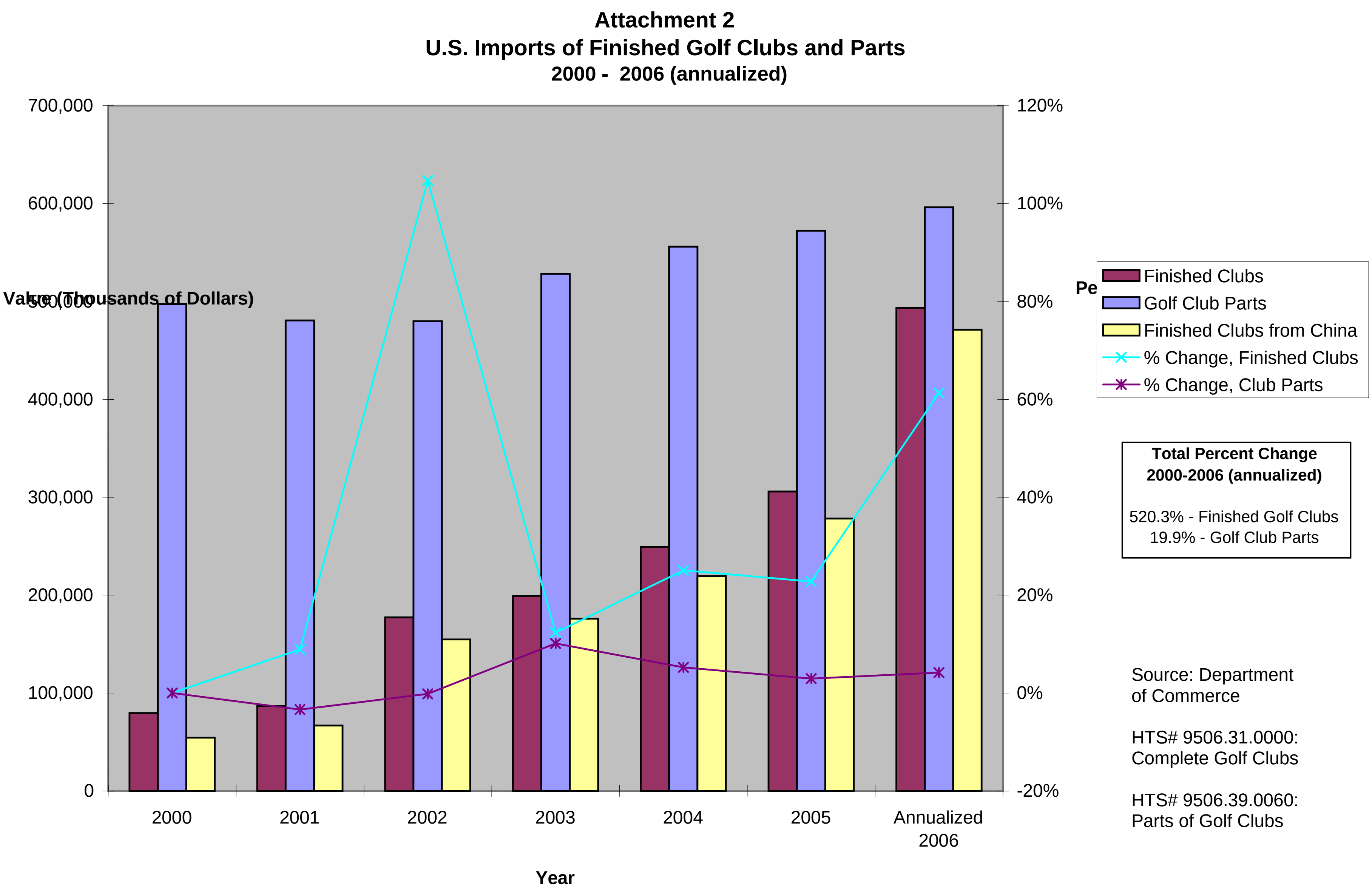
Source: Department of Commerce

HTS# 9506.31.0000: Complete Golf Clubs

HTS# 9506.39.0060: Parts of Golf Clubs

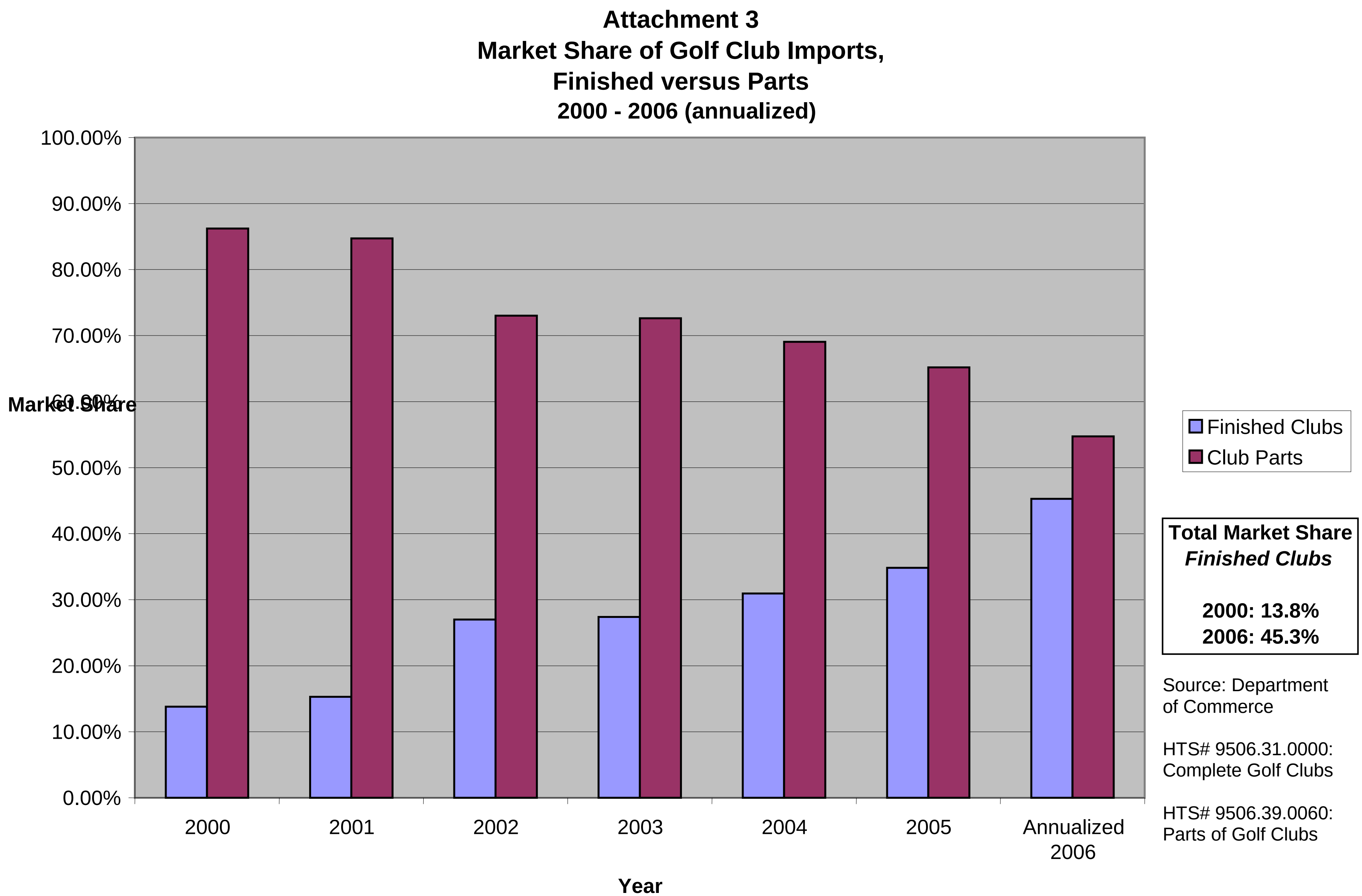
Prepared by Georgetown Economic Services

ACUSHNET COMPANY



Prepared by Georgetown Economic Services

ACUSHNET COMPANY



Prepared by Georgetown Economic Services

SPORTING GOODS Manufacturers Association

July 18, 2006

Senator Charles Grassley	Senator Max Baucus
Chairman	Ranking Member
Committee on Finance	Committee on Finance
United States Senate	United States Senate
Washington, DC 20510	Washington, DC 20510

RE: Proposal for tariff exemptions for specific golf club heads in the MTB

Dear Chairman Grassley and Senator Baucus:

On behalf of Sporting Goods Manufacturers Association members who produce golf clubs I am writing to strongly oppose inclusion of S.2574, S.2575, S.2576, S.2577 and S.2578 in the Miscellaneous Tariff Bill (MTB) currently under development. If included in the MTB, these bills would result in preferential treatment for one importer of golf club heads thereby placing other importing manufacturers at a competitive disadvantage. An additional concern is the detrimental impact preferential tariff treatment would have on the domestic golf club manufacturing industry.

Under current law imported golf club heads entering the United States are subject to tariffs of 4.9 % under tariff item 9506.39.0060 of the U.S. Harmonized Tariff Schedule. The five (5) referenced bills currently being considered by the Finance Committee for the MTB apply to specific imported golf club head and request elimination of tariffs on specific equipment. Because the language in the bills narrowly targets equipment made by a single company, only club heads produced by that company will qualify for duty free treatment under the proposed legislation.

As the organization that represents numerous golf equipment manufacturers producing equipment both domestically and overseas, SGMA does not understand why Congress would support policies providing one brand with duty free treatment for its products at the expense of other manufacturers of the same product. SGMA believes it is anti-competitive for Congress to interfere in the marketplace by providing one golf club head manufacturer with an economic advantage over its competitors. SGMA and our golf equipment manufacturing members oppose these bills and ask the Finance Committee to reject the proposed exclusionary tariff exemptions on specific golf club heads.

We thank you for consideration of our position.

Sincerely,

Bill Sells
Director, Government Relations

www.sgma.com | 1150 17th Street NW, Suite 850, Washington, DC 20036 | p: 202.775.1762 f: 202.296.7462

COPY:	William Thomas Chairman Committee on Ways & Means US House of Representatives Washington, DC 20515	Charles Rangel Ranking Member Committee on Ways & Means US House of Representatives Washington, DC 20515

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PING

A Karsten Subsidiary

May 22, 2006

Via Facsimile No. 202-228-1703 and First Class Mail

Ms. Claudia Bridgeford
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

Re: Opposition to S. 2574, S. 2575, S. 2576, S. 2577, S. 2578

Dear Ms. Bridgeford:

We write to express our opposition to Senate bills 2574 - 2578 which would grant one golf company a competitive advantage in the marketplace.

PING is proud to be an American-made golf equipment manufacturer. We have gone to great lengths to continue manufacturing the majority of our golf equipment here in Arizona despite market pressures to move production out of the country. Only when no more foundries could be found in the United States to produce titanium club heads and thin-walled stainless steel fairway woods, did we agonizingly move production of such golf components to China. It is our understanding that the other major golf companies, including domestic public companies like Callaway, Nike and Acushnet (which owns Titleist and Cobra), manufacture the vast majority of their product overseas. PING continues to assemble, grip, customize and support our metal drivers and fairway woods here in Arizona, and continues to cast the majority of our golf equipment products such as our putters and our number one selling G5 irons here as well. Moreover, PING is making significant investments to prepare the way to again manufacture all of our golf club equipment in the United States.

Each of the proposed bills references titanium driver heads or stainless steel fairway wood heads which compete with our successful PING G5 titanium drivers and stainless steel fairway woods, subject to the same tariff provision under Chapter 95 of the Harmonized Tariff Schedule of the United States. Yet the proposed legislation has been written so narrowly such that it appears that only Acushnet in Senator Kerry's state would benefit. These bills are directly contrary to the goals of the miscellaneous tariff bill. The tariffs are minimal compared to the labor, healthcare, tax and regulatory costs we absorb by producing equipment here. Our laws should encourage manufacturing to stay in the United States, for the building up of this great country. We controvert the proposed tariff suspensions which would give one golf company a competitive advantage on the golf equipment manufacturing playing field.

We appreciate the opportunity to provide comments on this important matter, and would be happy to discuss these concerns with you at your convenience. Thank you for your attention to the trade concerns involving our life passion.

Very truly yours,
PING

S. Christian Bowen
Trade Compliance Manager