



July 25, 2018

To whom it may concern,

I am writing today on behalf of the Wilderness Supply Company with physical retail locations in Winnipeg and Thunder Bay. Our specific category in the retail landscape pertains to outdoor camping goods and paddle sports.

The imposition of tariffs on aluminum and steel is a completely unacceptable action by the United States. This is something I fully agree upon and is not the behaviour one would expect from a partner and ally.

Our industry, specifically paddle sports, has become collateral damage in this battle. The tariff code of 8903.99.90.90 is one that encompasses both canoes, kayaks and other personal, non-motorized recreation vessels which we supply to our customers.

It is my position that "other vessels for pleasure or sports" should not be wrapped into the same tariff code as outboard motors. First of all, we promote non-motorized, clean, healthy and active transportation in our urban and back country lives. Second, the average price of an outboard motor is significantly higher than a canoe or kayak. The two customers are very different individuals.

We had a significant amount of orders from our customers that were placed well before the tariffs were imposed. On June 29, I personally drove 22 hours return to pick up a load of canoes prior to the July 1 deadline. This order was originally scheduled to ship on July 4th and would have resulted in an extra charge of \$1500.00 CDN to our business.

While this number does not seem like a lot of money, consider this is only one small shipment. As these were committed items, we certainly could not go back to the customer and ask them to pay 10% more for their items. We were able to save on this one shipment but have already seen the 10% charge show up as line items on our brokerage and freight bills. We have another committed order that we have no choice but to assume the \$1500 charge we will see by bringing it across the border.

We are faced with many challenges in retail over the past couple years – rapid higher minimum in Ontario, the low CDN dollar in comparison to the US dollar, increased property tax, rent and extremely high shipping rates. These, combined with a tariff on a large percentage of what we buy puts immense pressure on our business.

So, what changes has this 10% tariff encouraged us to do?

We have certainly dropped orders from our American partners where possible. We are indeed searching for brands from Europe. Unfortunately there are no decent roto molded kayak manufacturers in Canada. I don't see this tariff encouraging the return of manufacturing to Canada in these areas.

We have increased our prices. Consumers have seen large increases in retail pricing over the past few years due to the low dollar. This is another hit and a reason for them to hold off buying products now in a "wait and see" mentality.

We have minimized our staff and payroll as much as we can in the short term. As we struggle to pay employees higher wages in retail, we are hit on all fronts from higher costs that minimizes our ability to invest in what matters – people.

Moving business away from American partners is not easy. It's like saying to them - we've been great neighbours for so long – we have loved coming over for dinner all the time but I'm sorry we will no longer come over and enjoy your company because your dad has done something stupid. Second, as shipping canoes and kayaks poses a large challenge in cost and logistics, it is not easy to shift business to manufacturers located in other countries - or even Canada for that matter where the shipping charges will be significantly more.

I respect this government's position on imposing retaliatory measures and standing with our other partners in doing so.

I respectfully request that tariff code 8903.99.90.90 is removed from the affected list or canoes and kayaks are removed from this code altogether as they are lumped into the "other" portion of this code.

Sincerely,



Rick Shone
President and CEO