BUSINESSFORWARD

FOR IMMEDIATE RELEASE
Thursday, January 14, 2015

CONTACTS:
Rachel Harvey Katz
RHarvey@BusinessFWD.org
202-470-1318

Baltimore Small Business Leader Testifies on Trans-Pacific Partnership at U.S. International Trade Commission Hearing

WASHINGTON – The Trans-Pacific Partnership would help small businesses expand overseas by reducing tariffs, simplifying burdensome regulation, and alleviating Customs and other delays, according to Jay Steinmetz, the CEO at Barcoding, Inc., a global systems integrator based in Baltimore. Barcoding, Inc., which develops and deploys software and accompanying technology for automatic identification in products sold all over the world, has a unique position as a small business growing exports overseas.

He will share these views at the U.S. International Trade Commission hearing today in Washington. The full text of his testimony, as prepared for delivery, is below.

The hearings are open to press. Media interested in interviews with Mr. Steinmetz should contact Rachel Harvey Katz at RHarvey@businessfwd.org or 202-470-1318.

Introduction
I am the CEO of Barcoding, Inc. a $50-million company, headquartered in Baltimore, Maryland with about 70 employees in offices across the country. We design, develop, and deploy software, hardware, and accompanying technologies for automatic identification.

In this work, we grease the wheels for U.S. commerce. If you distribute or manufacture products, there's a chance you work with us in some way. Our customers include companies like Dick's Sporting Goods, Enterprise Rent-a-Car, Georgia Pacific, and Toyota.

International Trade

We are a globally oriented company, like so many are these days. As a global systems integrator we often purchase products that might be manufactured in China, Korea or Taiwan. These items are many times stocked by our distributors in Baltimore, South Carolina, or Ohio. From there they are shipped to our facility in Baltimore where we load the product with our software, configure the product, and ship it to customers around the world.

That being said, most of our customers are domestic right now. International customers represent less than 10 percent of our overall sales. In fact, a lot of our international sales go to U.S. customers who are deploying our products worldwide.

The largest countries we do business in are Canada, Mexico, India, China, Japan, Chile and Peru.

While international customers represent a smaller share of our business, the strain on our operations is outsized.

Barriers to Trade

We are failing to keep up our ability to do business internationally. Every time we do business overseas we experience a myriad of challenges, which impede our profitability and make those experiences less desirable than just offering products in the United States. And as a small company, we are learning how these international processes work on the fly—we do not have the resources to manage most of these issues to the depth of large multi-national corporations.

We constantly have products stuck in customs. Many of our customers are manufacturers who have just-in-time operations—we can't afford for items to be late.

The tariffs on our products are complicated and expensive. Whether the customer pays for the tariff or we do, we ultimately lose money.

Different countries have different standards for power supplies and wireless technology. These variations are another burden for our small business to overcome.

We are also concerned about intellectual property protections in other countries. We developed a technology jointly with Europeans, but we are nervous to show this product to the Chinese, because we have heard horror stories about Chinese businesses stealing U.S. ideas without any repercussions. The effect is we lose the opportunity to reach customers throughout Asia.

Previous Trade Agreement Successes

In our experience, it is easier to do business in countries where the United States has trade agreements in place. For example, it is easiest for us to work in Mexico and Canada, because of NAFTA. We have fewer challenges shipping our products there, largely because U.S. package delivery companies like UPS have clear shipping processes. It should be noted that we typically get money upfront when shipping to Mexico.

Benefits of Trans-Pacific Partnership

The Trans-Pacific Partnership would reduce many of the barriers we face with doing business in Asia Pacific countries, help increase our sales, and hire more workers.

It would fast-track shipping requirements, reduce tariffs, simplify customs and regulations, and safeguard intellectual property.

Conclusion

While my company would benefit from doing more work internationally, the sad reality is it is just so much easier to do work domestically.

But the world is changing and increasingly, there are more opportunities for growth outside the United States. It is time our trade policies reflect this reality and make it easier for U.S. businesses, particularly small business, to do business internationally.