



March 27, 2025

Honorable Howard Lutnick Secretary United States Department of Commerce Herbert Clark Hoover Building 1402 Constitution Avenue, NW Washington, D.C. 20230

Subject: America First--Suspend Tariffs on Consumer and Display Fireworks

Dear Secretary Lutnick:

The National Fireworks Association (NFA) and the American Pyrotechnics Association (APA) represent thousands of small family-owned businesses and nonprofits dependent on fireworks sales and displays. These individuals work in a hyper seasonal industry, providing jobs and millions in tax revenue to local communities.

We support President Trump's America First effort and believe the need to Make America Great Again. However, the tariffs applied to China are creating a tremendous financial burden on our members, who would love to manufacture their product in America but can't be due to the lack of supplies and over burdensome regulations. The 20% tariff is doing irreversible financial damage, which will influence this year's celebration and dramatically reduce or prevent next year's July 4th fireworks celebrations.

Our associations and members work hard every year to provide a unique experience for our nation. Next year will be historic when America celebrates its 250th birthday. We want it to succeed, and we want to be a part of it. However, what happens in the coming days and weeks regarding tariffs will tell us what our industry will have to do to survive.

We worked tirelessly with the first Trump Administration, and former South Dakota Governor Kristi Noem, to get fireworks back to Mt. Rushmore. Your recent announcement of fireworks returning for 2026 is exciting for sure, especially for America's 250th birthday party. Let's just hope that there will be fireworks to shoot.

The 20% tariffs levied on fireworks imported from China, and the potential for additional and reciprocal tariffs, will threaten these amazing events, causing great disappointment throughout our nation, and the potential for a historic change in the fireworks industry, something that has been a part of our heritage since 1776.

Three Critical Reasons to Lift the Tariffs:

- 1. **Supporting America's 250th Anniversary and Economic Growth** John Adams envisioned that America's independence should be commemorated with "pomp and parade, with shows, games, sports, guns, bells, bonfires, and illuminations." Fireworks have been at the heart of this tradition for nearly 250 years. The 2026 Semiquincentennial is a once-in-a-lifetime celebration, and burdening our small businesses with immediate increased costs will jeopardize the associated historic events. The removal of tariffs from fireworks will allow businesses to continue with their plans to have enough affordable inventory for Americans to participate in and enjoy this historic occasion.
- 2. **A** Hyper-Seasonal Industry with No Domestic Alternative Fireworks are produced almost exclusively in China, with 99% of consumer fireworks and 75% of display fireworks imported into the U.S. originating there. The supply chain operates within a narrow seasonal window, where most of the imports happen within the first 5 months of the year and the increased 20% tariff costs will directly impact this year's Independence Day celebrations as well as the 250th anniversary in 2026. Fireworks businesses rely on a single, very short, selling season, and any disruption could be devastating. Many of these businesses are multi-generational, some with over 130 years of history, employing Americans who have dedicated their lives to this industry. Tariffs will not incentivize U.S. production-they will only increase costs. The reality is that there are no manufacturing alternatives available outside of China. Between 2022 and 2023, close to 16,000 shipping containers of fireworks entered the USA, with fewer than 100 sourced from outside of China. America's lack of key raw materials, high labor costs, and strict regulatory environment make fireworks production in the U.S. impossible. Rather than reshoring jobs, tariffs will only drive-up costs for American businesses, local governments, and consumers.
- 3. Severe Budget Impacts on Local Governments and Community Events City and local governments budget for professional fireworks displays months in advance, locking in fixed prices long before the current 20% tariffs took effect. As fireworks become more expensive with the additional tariffs, we will see organizations cut back or eliminate the events that help to unify communities and bring Americans together. Additionally, nonprofit organizations such as churches, scout troops, and veterans' groups rely on fireworks sales for fundraising. The imposed tariffs directly threaten these revenue sources, harming the very communities that cherish these celebrations.

In 2019, the first Trump administration wisely recognized the unique nature of the fireworks industry and exempted it from similar tariffs. We ask that you to talk to President Trump and ask him to remove these tariffs just like he did in 2019. His action will protect American jobs, small businesses, the industry, as well as the patriotic celebrations that define our great nation.

Tariffs do offer some leverage when it comes to certain industries. Unfortunately for us, this "tax' will only hurt us and potentially irreparably damage our industry.

Thank you for your leadership and dedication to the United States of America.

Sincerely,

Michael Ingram, President American Pyrotechnics Association Stacy Schneitter-Blake, President National Fireworks Association

Enclosure

Facts About the American Fireworks Industry

- The APA and NFA represent thousands of businesses, many of which are multi-generational, family-owned companies with over 130 years in business here in the United States.
- Fireworks sales contribute over \$2 billion annually to the U.S. economy.
- 70% of consumer fireworks are sold to support nonprofit organizations, and display fireworks are crucial to municipal budgets and community events.
- Over 99% of global fireworks production takes place in China. Between 2022 and 2023, fewer than 100 out of 16,000 shipping containers came from outside of China.
- The 2019 exemption from Section 301 tariffs recognized that fireworks imports do not conflict with America's broader trade and security objectives.
- Tariffs on fireworks harm American businesses and consumers, not China. With no viable alternative suppliers, these tariffs only increase costs and reduce accessibility to cherished American celebrations.

We respectfully urge you to act now to lift the tariffs and keep fireworks an affordable and accessible tradition for all Americans.

About the American Pyrotechnics Association

The APA is the principal safety and trade association of the fireworks industry, representing manufacturers, importers, distributors, retailers, suppliers, and professional display companies. Founded in 1948, APA's mission is to encourage safety in the design and use of all types of fireworks, provide industry information and support to its members, and promote responsible regulation of the fireworks industry. The APA has over 270 member companies, which collectively account for 90% of the fireworks manufactured, imported, distributed, and professionally displayed in the United States. For more information, <u>www.americanpyro.com</u>

About the National Fireworks Association

The National Fireworks Association (NFA) is a non-profit trade association dedicated to promoting and advancing the fireworks industry in the United States. The NFA provides educational resources, safety training, and advocacy for over 1,000 members, which include manufacturers, distributors, retailers, and display operators. The NFA works to ensure fair and reasonable regulations, helping small businesses thrive in a highly regulated environment. Additionally, the association plays a crucial role in advancing fireworks safety standards and educating both industry professionals and consumers on best practices. With a strong commitment to preserving the heritage and tradition of fireworks, the NFA continues to be a leading voice in advocating for policies that support industry growth and sustainability. For more information, <u>www.nationalfireworks.com</u>

