



July 28, 2006

Senator Charles Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC, 20510

Senator Max Baucus
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC, 20510

Dear Chairman Grassley and Ranking Member Baucus:

I am writing on behalf of Callaway Golf Company, owner of Callaway Golf, Odyssey, Top-Flite and Ben Hogan branded products, in opposition to S.2574, S.2575, S.2576, and S.2578, all of which are being considered for inclusion in the omnibus miscellaneous tariff bill that will be considered by the Finance Committee. Although not readily apparent these bills give one particular competitor—Acushnet Company—a significant and unfair competitive advantage over other importers of the same components used to manufacture drivers and fairway woods. Callaway Golf **opposes** these bills.

Golf club heads imported from outside the United States are entered under tariff item 9506.39.0060, Harmonized Tariff Schedule of the United States, dutiable at 4.9 percent. The bills listed above would create a new classification for certain golf club heads at a zero duty rate. The bills describe the heads that would be subject to the zero duty rate by reference to certain proprietary design features that are used by only one company, Acushnet Company, which sells golf clubs under the Titleist and Cobra brands. Simply put, under the definitions and descriptions of the golf club heads exempted from duty in the proposed legislation, Acushnet would be the **only** golf club company that would qualify for duty free importation. Of course, Acushnet's golf club heads would be incorporated into Titleist and Cobra drivers and fairway woods, and would directly compete with the drivers and fairway woods made by its competitors, including Callaway Golf. There is no good reason to give a competitive advantage to Titleist, a subsidiary of Fortune Brands.

In sum, S.2574, S.2575, S.2576, and S.2578 provide duty free treatment for the benefit of only one company, to the very serious detriment of all other competing US companies that import golf club heads from outside the United States. Callaway Golf strongly opposes the inclusion of these bills in the omnibus miscellaneous tariff bill that will be considered by the Finance Committee. Callaway Golf is also making its objections known to the US International Trade Commission.



Please contact me at (760) 930-5849 if you have questions or would like additional information about Callaway Golf or its products.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Rider", with a stylized flourish at the end.

Michael J. Rider
Senior Vice President, General Counsel

cc:

Congressman Bill Thomas
Chairman
House Ways & Means Committee
2208 Rayburn House Office Building
Washington, DC, 20515

Congressman Charles B. Rangel
Ranking Member
House Ways & Means Committee
2354 Rayburn House Office Building
Washington, DC, 20515

Senator Diane Feinstein
331 Hart Senate Office Building
Washington, DC, 20515

Senator Barbara Boxer
112 Hart Senate Office Building
Washington, DC, 20515

Congressman Brian P. Bilbray
2350 Rayburn House Office Building
Washington, DC, 20515

Senator Gordon Smith
404 Russell Senate Building
Washington, DC 20510

Senator Ron Wyden
230 Dirksen Senate Building
Washington DC 20510