

Senate Finance Committee:

New Balance, a domestic manufacturer of athletic footwear, has reason to believe that passage of S.2833 and S.2834 would create a competitive threat to one of this company's significant running product lines, namely the following styles: M992BK, M992GL, M992NV, W992BK, W992BW, W992GL, W992NV, M990BO, M990RY, M990KGN. The products affected are made in Norridgewock and Skowhegan, Maine. The impact would potentially affect 450 jobs in those factories along with another 150 jobs at raw material suppliers here in the USA.

The requirement of these bills that uppers be made of pigskin will nonetheless result in athletic shoes the appearance and quality of which will make these products readily substitutable for products made by New Balance. If we were to import versions of the New Balance footwear, they would carry a duty of Men's 8 ½% and Women's 10%, whereas S.2833 and S.2834 would permit the importation of similar footwear duty-free.

Currently, pigskin-upper footwear comes in at a duty of Men's 8 ½% and Women's 10%; were it to come duty-free the domestic production of New Balance footwear competitive with pigskin would be seriously threatened.

The continued production of athletic footwear in this country is at serious risk. This risk would be greatly enhanced were S.2833 and S.2834 to be enacted.

Finally, if the Committee wishes, New Balance will make available for comparative purposes the product it manufactures which would be threatened by these bills.

Sincerely,

John B. Wilson
Executive Vice President



August 11, 2006

Senator Charles Grassley, Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC, 20510
E-mail: mtb2006@finance-rep.senate.gov

REF: Request for Comments on Miscellaneous Tariff Measures (July 11, 2006 Press Release)

Dear Chairman Grassley:

On behalf of the American Apparel and Footwear Association – the national trade association of the apparel and footwear industries, and their suppliers – I am writing to express strong support for the following bills identified in the subject press release.

S 3080, S 3124, S 3198, S 2833, S 2834, S 2835, S2836, S 2837, S 2841, S 2842, S 2843, S 2844, S 2845, S2846, S 2848, S 3124, S 3477, S 3571, S 3572, S 3573, S3574, S3575, S3576, S 3669, S 3670, S 3671, S 3672, S 3673, S3674, S 3735, S 3736 – Duty suspensions with respect to various footwear articles.

Comment. AAFA strongly supports these provisions. We are not aware of any domestic production of any of these footwear articles. Moreover, in the few cases where these bills cover the 17 footwear items that the Rubber & Plastics Footwear Manufacturers Association (RPFMA) identify as still being manufactured in the United States, the measures were crafted and refined, with the assistance of RPFMA and domestic industry, to ensure that they do not affect any domestic production of footwear.

S 3123, S 3125, S 3126, S 3127, S. 3393, S. 3394, S. 3396, S. 3397, S. 3400, S. 3401, S.3402, S. 3403, S 3493, S 3494 – Duty suspensions with respect to ski, snowboard and other water-resistant pants (i.e. performance outerwear pants) and bills to remove such pants from any sort of U.S. import quotas.

Comment. AAFA strongly supports these provisions. AAFA was involved in the development of these pieces of legislation. There is no domestic production of performance outerwear pants. Therefore, subjecting imports of such pants to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

S 3241/S 3242 – Two bills to provide duty suspensions with respect to various backpacks.

Comment. AAFA strongly supports these provisions. We are not aware of any domestic production of any of these backpacks.

S. 1954 – A bill to amend the General Notes of the HTS to give products imported from U.S. insular possessions the same treatment as products imported from FTA countries.

Comment: AAFA strongly supports this legislation. We have previously communicated to the Committee our strong support for this measure, and our desire to see this bill included in the miscellaneous tariff bill.

S. 738/S. 3344 – Bills to provide suspension of duty for certain cotton shirting fabrics.

Comment: AAFA strongly supports this legislation. Our association supported an earlier version of this legislation in the 108th Congress. This legislation would result in duty elimination for cotton fabrics that are already designated in short supply under various trade preference programs because these fabrics are unavailable in the United States and in the preference countries. Given that finished shirts may enter duty free using these fabrics, we believe it is also appropriate to permit the fabrics themselves to enter duty free. Thus, U.S. domestic manufacturers of shirts will be able to enjoy equal access to those same high quality fabrics that foreign-based manufacturers enjoy.

S. 3164 - A bill to extend trade benefits to certain tents imported into the United States.

Comment. AAFA strongly supports this provision. This legislation relates to certain camping tents, which are not made in the United States. Moreover, similar but slightly smaller tents, differentiated only by the fact that they are classified as “backpacking” tents, already enjoy duty free treatment. This provision would correct that anomaly.

S. 3051,3052, 3053, and 3054 - Bills to provide suspension of duty for certain fibers.

Comment. AAFA strongly supports these provisions. Each of these fibers is a unique, innovative product, which is not available in the United States. Therefore, subjecting imports of the subject fibers to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

In addition, we note the inclusion of a number of other provisions relating to various yarns, fabrics and fibers. While we are not taking a position on any of these provisions we would suggest that reduction in duties in those articles is more likely to sustain U.S. jobs by providing U.S. manufacturers access to foreign inputs when those inputs are no longer available in the United States. Moreover, inasmuch as many free trade agreements now contain yarn and/or fiber forward principles, enactment of such provisions may also facilitate proper findings of short supply for those programs, which would also support U.S. jobs dependent on those production-sharing relationships.

Finally, we have not commented on bills that were included in the trade provisions section of the HR 4 – the Pension Protection Act of 2006.

Please contact me should you require additional information on these or other provisions.

Respectfully submitted,



Stephen Lamar
Senior Vice President