

ARMSTRONG WORLD INDUSTRIES, INC. 2500 COLUMBIA AVE., LANCASTER, PA 17603 P.O. BOX 3001, LANCASTER, PA 17604 717 397 0611

www.armstrong.com

JEFFREY D. NICKEL, DEPUTY GENERAL COUNSEL BUSINESS & COMMERCIAL SECTION

August 10, 2006

Email: mtb2006@finance-rep.senate.gov Via: email and US Postal Service

Senate Finance Committee ATTN: MTB 219 Dirksen Senate Office Building Washington, DC, 20510

RE: Amendment of Harmonized Tariff Schedule to Provide New Tariff Rate for High Density Fiberboard Products and Bills to Reliquidate the Import Entries of High Density Fiberboard S.3129, S.3190, S.3229, S.3326, S.3327, S.3328, S.3329, S.3330, S.3331, S.3332, S.3333, S.3334, S.3335, S.3336, S.3337, S.3339, S.3340, S.3341, S.3342, S.3343

## Dear Chairman Grassley:

On behalf of Armstrong World Industries, Inc., the following are our comments pursuant to the July 11, 2006 announcement requesting public comment on the miscellaneous tariff measures that have been introduced in the Senate during the 109<sup>th</sup> Congress.

Armstrong is a leader in the design and manufacture of floors, ceilings and cabinets. Headquartered in Lancaster, Pennsylvania, Armstrong and its subsidiaries operate 41 plants in 12 countries and have approximately 14,600 employees worldwide. Armstrong supports the bills noted above.

First, we would like to express our support for the three bills S.3129, S.3190, S.3229 as they each will provide for a new tariff rate that would apply prospectively to high density laminated fiberboard flooring. Second, we would like to express our support for the bills S.3326, S.3327, S.3328, S.3329, S.3330, S.3331, S.3332, S.3334, S.3335, S.3336, S.3337, S.3339, S.3340, S.3341, S.3342, S.3343 that would allow for reliquidation retroactively.

## S.3129, S.3190, S.3229:

These three bills are almost identical: S.3129 – introduced by Senator Chambliss; S.3190 – introduced by Senators Menendez and Lautenberg; and S.3229 – introduced by Senator Lott. We support the basic premise of each of these bills, which is to amend the Harmonized Tariff Schedule of the United States to provide for a new tariff rate line specifically for high-density

fiberboard. As the specific language of each of these bills is slightly different, we have been contacted by and have cooperated with the ITC in its investigation and in drafting compromise language.

The compromise language that we support is as follows:

"Laminate boards, tiles, or panels bonded in whole or in part, coated, or impregnated, with melamine or other synthetic resins"

Our preference is for the Chambliss version of the bill (with the amended specific wording above) as it will automatically allow us to amend our entries of these products at the new tariff rate line from 1994 to the effective date of the bill. The Chambliss version of the bill, as amended, would remove the requirement for the other related bills that we are also referencing in this letter. These bills deal specifically with reliquidation of entries that would be affected by this tariff rate line change.

Additionally, the amended Chambliss bill would include providing reliquidation for all entries up to the time of implementation of the bill. The other bills for reliquidation requests only cover entries through May 25, 2006 thus leaving a period from May 26, 2006 through the enactment of the legislation in which new reliquidation requests and legislation would have to be made.

The reason the new tariff rate line designation is needed is that when the United States switched from the old system of classification to the new system, this product in a "high density" laminate fiberboard form, particularly for flooring panels, did not exist.

A specific tariff rate line is already provided in the new tariff classification system for "medium density" laminate fiberboard. The subject bills reflect the same tariff rate line provision as currently provided for in the HTSUS for medium density product. We seek that same tariff treatment for the high density version of that product.

This action will in fact generate revenue. On a going forward basis, all imports will be subject to the specific rate set forth in these bills. In the absence of this new tariff rate line, the product may be allowed duty free entry into the United States, pending the outcome of a court case. Flooring companies have been in litigation with U.S. Customs and Border Protection due to the conversion from the Tariff System of the United States to the Harmonized Tariff Schedule for many years. On March 16, 2006, the United States Court of International Trade stayed proceedings until November 15, 2006 to allow parties in litigation over this issue to have Congress enact legislation that would correct the classification of high density laminate fiberboard and to create a new tariff provision with the compromise duty rate. The Chambliss bill will effectuate the directive of the Court.

While this product is being manufactured in the United States, domestic production is wholly insufficient to satisfy market demands. As the product continues to increase in popularity, we believe that the institution of this tariff rate line will afford protection to domestic production in the form of a stable and level playing field upon which industry participants can base investment

decisions without the uncertainties of the present litigation, yet allow customers adequate access to supply.

## **Reliquidation bills**

<u>S.3326, S.3327, S.3328, S.3329, S.3330, S.3331, S.3332, S.3333, S.3334, S.3335, S.3336, S.3337, S.3339, S.3340, S.3341, S.3342, S.3343:</u>

The remaining bills highlighted above are specific reliquidation bills introduced by Sen. Specter that will allow Armstrong to recover the fair portion of previously paid duties on high density laminate fiberboard in excess of the compromise duty rate. We strongly support that these bills be included in the miscellaneous tariff bill - whether incorporated through Senator Chambliss' bill -- and thus not required -- or if the new tariff rate line is implemented through either Senator Lott or Senators Menendez and Lautenberg's bills, then these reliquidation bills need to be included in the final legislation.

Please feel free to contact me at 717 397-0611.

Sincerely,

/s/

Jeffrey D. Nickel Deputy General Counsel – Business & Commercial Armstrong World Industries, Inc.

cc:

Senator Arlen Specter 711 Senate Hart Washington, D.C. 20510

Sen. Rick Santorum Senate Dirksen-511 Washington, D.C. 20510

Sen. Trent Lott Senate Russell-487 Washington, D.C. 20510

Sen. Saxby Chambliss Senate Russell-416 Washington, D.C. 20510