



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](mailto: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 108<sup>th</sup> 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



August 15, 2006

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

**RE: Opposition to Duty Suspension Legislation under Consideration by the Senate Finance Committee**

Dear Mr. Chairman:

On behalf of the National Council of Textile Organization's (NCTO) and our member companies, I am writing to let you know of our strong opposition to the inclusion of the following measures in the proposed miscellaneous tariff bill currently being developed by the Senate Finance Committee

NCTO is a not-for-profit trade association established to represent the entire spectrum of the United States textile sector, from fibers to yarns to fabrics to finished products, as well as suppliers in the textile machinery, chemical and other such sectors which have a stake in the prosperity and survival of the U.S. textile sector. Our headquarters are in Washington, D.C., and we also maintain an office in Gastonia, NC.

**S. 3071**

**Legislation to suspend the duty on fabric woven with certain continuous filament wholly nylon type-66 textured yarns.**

NCTO strongly opposes this legislation as there are currently U.S. textile companies who make the fabric targeted by S. 3071. In addition to the fabric, there are also U.S. companies who produce nylon type-66 textured yarns. As a result, if this bill were enacted it would have a very damaging effect on two very important segments of the U.S. textile industry who are currently producing woven fabric with certain continuous filament wholly nylon type-66 textured yarns and its components in the U.S.

**S. 3123      S. 3125**  
**S. 3126      S. 3127**

**Legislation to suspend the duties on ski and snowboard pants.**

NCTO strongly opposes legislation to suspend the duties on ski and snowboard pants as there are currently U.S. textile companies who would be severely damaged if these proposals were enacted.

Last year, the Committee for the Implementation of Textile Agreements (CITA) reimposed quotas on imports of man-made fiber trousers from China because of the damage that these imports were inflicting upon U.S. trouser fabric manufacturers. When the quota filled for this category in July 2005, U.S. importers and retailers were granted an exemption for ski and snowboard pants, and since November 1, 2005, these products have not been subject to quota.

NCTO strongly opposed this exemption because of the damage it would inflict on U.S. trouser fabric manufacturers. When exemptions are granted for any product, but especially commodity, high-volume products like trousers, the potential for illegal transshipment across these product lines becomes extremely high, and as expected, Chinese imports of these products are up significantly in 2006. If duties on these products were suspended, illegal transshipment in these products would only increase further as other types of trousers would be misclassified to avoid duties, which for manmade fiber trousers averages 26 percent.

Suspending duties on these products will only further erode business and opportunity for U.S. fabric manufacturers and seriously harm trouser production in this hemisphere. Eliminating duties on sensitive products, like trousers, would also seriously undermine U.S. negotiating authority in bilateral and multilateral negotiations by unilaterally disarming while requiring no concessions from our trading partners in return.

### **S. 3150**

#### **Legislation to suspend the duty on tarpaulins measuring 9-feet by 12-feet with a polyvinyl chloride (PVC) coating.**

NCTO strongly opposes S. 3150 because of the damage it would cause to U.S. tarpaulin manufacturers. NCTO has several member companies who produce fabric for U.S. tarpaulin manufacturers and these producers would also be harmed by this proposal.

Furthermore, U.S. tarpaulin manufacturers depend on the commercial market for their products to help balance out the ebbs and flows of U.S. military purchasing. If the commercial market for these products is further eroded because of this legislation, the ability of these companies to continue to supply the U.S. military is also negatively impacted.

### **S. 3164**

#### **Legislation to suspend the duty on certain tents.**

NCTO strongly opposes S. 3164. There is a well established tent manufacturing industry in the U.S. that provides employment to thousands of individuals and is the economic backbone for many small communities. These manufacturers and their employees would be severely impacted if this legislation is approved.

Most of the companies engaged in the manufacturing of tent fabrics for commercial use are also suppliers to the U.S. military. The loss of the commercial tent business would make it impossible for these companies to remain in business and therefore threaten the ability to adequately supply our military with one of its most basic needs. At a time when our military is already struggling to maintain its readiness posture, we do not believe it would be prudent to pass legislation which would eliminate a major supply chain for our nation's military.

### **S. 3217**

#### **Legislation to suspend the duty on certain viscose rayon yarn.**

NCTO strongly opposes legislation to suspend the duty on certain viscose rayon yarn. There are currently U.S. yarn companies that are capable of producing the yarn targeted by this proposal. Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

### **S. 3227**

#### **Legislation to suspend the duty on certain twisted yarn of viscose rayon.**

NCTO strongly opposes legislation to suspend the duty on certain twisted yarn of viscose rayon. There are currently U.S. yarn companies that are capable of producing the yarn targeted by this proposal. Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

### **S. 3241**

### **S. 3242**

#### **Legislation to suspend the duties on certain backpacks.**

NCTO strongly opposes legislation to suspend the duties on certain backpacks. The only difference in these two proposals is that S. 3241 is a backpack with a removable separate backpack or daypack and S. 3242 does not have a removable component.

NCTO has several member companies who produce fabric for U.S. backpack manufacturers and these producers would be harmed by this proposal. Most of the companies engaged in the manufacturing of backpacks for commercial use are also suppliers to the U.S. military. The loss of the commercial backpack business would make it impossible for these companies to remain in business and therefore threaten the ability to adequately supply our military with one of its most basic needs. At a time when our military is already struggling to maintain its readiness posture, we do not believe it would be prudent to pass legislation which would eliminate a major supply chain for our nation's military.

**S. 3393**      **S. 3394**  
**S. 3396**      **S. 3397**  
**S. 3400**      **S. 3401**  
**S. 3402**      **S. 3403**

**Legislation to suspend the duties on certain water resistant pants.**

NCTO strongly opposes these eight bills to suspend the duty on certain water resistant pants. As with the ski and snowboard pants, U.S. trouser fabric manufacturers would be severely damaged if this proposal were enacted.

It is important to point out that most of the products targeted by this legislation are currently under quota from China as a result of the U.S.-China Textile Bilateral Agreement that was signed last November. Therefore, as a result of the government's own actions, these products have already been identified as import sensitive and should be managed carefully.

When duties are eliminated for specific subsets of commodity, high-volume products like trousers the potential for illegal transshipment across these product lines becomes extremely high. If duties on these products were suspended, illegal transshipment would only increase further as other types of trousers would be misclassified as water resistant to avoid duties, which for trousers average XX percent.

Of equal concern is the fact that the definition for "performance outerwear pants" is very broad and could lead to unforeseen problems for U.S. producers of similar products. Suspending duties on these products will only further erode business and opportunity for U.S. fabric manufacturers and seriously harm trouser production in this hemisphere. For example, trade in water resistant pants in the NAFTA/CBTPA region totaled \$229 million last year. The benefits of these agreements would be completely nullified if proposals such as this are allowed to move forward.

Eliminating duties on sensitive products, like trousers, would also seriously undermine U.S. negotiating authority in bilateral and multilateral negotiations by unilaterally disarming while requiring no concessions from our trading partners in return.

**S. 3641**

**Legislation to suspend the duty on certain woven fabrics of cotton, containing less than 85 percent by weight of cotton.**

NCTO strongly opposes efforts to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

### **S. 3642**

#### **Legislation to suspend the duty on knitted or crocheted fabrics of cotton, printed.**

NCTO strongly opposes efforts to suspend the duty on knitted or crocheted fabrics of cotton, printed. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

### **S. 3643**

#### **Legislation to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton, mixed mainly or solely with man-made fibers, weighing not more than 200 g/m.**

NCTO strongly opposes efforts to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton, mixed mainly or solely with man-made fibers, weighing not more than 200 g/m. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

### **S. 3644**

#### **Legislation to suspend the duty on weft pile fabrics of cotton, other than uncut weft pile fabrics or cut corduroy.**

NCTO strongly opposes efforts to suspend the duty on weft pile fabrics of cotton, other than uncut weft pile fabrics or cut corduroy. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

In closing, we strongly encourage you to prevent the inclusion of the measures outlined above from any miscellaneous trade bill or other relevant legislation considered by the Senate.

Thank you for your consideration of these comments and concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Cass Johnson", written over a thin red vertical line.

Cass Johnson  
President  
cjohnson@ncto.org



# AMTAC

American Manufacturing Trade Action Coalition

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August 14, 2006

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

## **American Manufacturing Trade Action Coalition Statement Regarding Miscellaneous Tariff Measures Introduced in the Senate During the 109<sup>th</sup> Congress**

Dear Mr. Chairman:

This letter is in response to the July 11, 2006, Senate Finance Committee request for written comments regarding miscellaneous tariff measures introduced in the Senate during the 109<sup>th</sup> Congress.

AMTAC represents over 200 domestic manufacturing companies in the textile, apparel, furniture, machine tool, steel products, plastics and other industry sectors. Our members collectively employ over 35,000 American workers with well-paying manufacturing jobs.

From the list published at <http://finance.senate.gov/sitepages/2006MTB.htm>, we have identified 14 duty-suspensions and related bills that we oppose as harmful to the interests of the domestic producers that we represent.

**AMTAC opposes S. 3150** to suspend temporarily the duty on tarpaulins measuring 9-feet by 12-feet with a polyvinyl chloride (PVC) coating. We have several member companies that produce this product. Furthermore, the U.S. domestic tent industry is currently under great financial distress with companies being forced to lay-off employees as recently as last week.

**AMTAC opposes S. 3164** to amend the Trade Act of 1974 to extend trade benefits to certain tents imported into the United States. AMTAC's tent manufacturers vigorously oppose this bill as well, which would allow for duty free imports of tents over approximately 18 ft x 18 ft from least-developed countries. U.S. manufacturers currently make this product and would be negatively affected by duty-free imports from low-cost suppliers.

**AMTAC opposes S. 3123.**

**AMTAC opposes S. 3125.**

**AMTAC opposes S. 3126.**

**AMTAC opposes S. 3127.**

These four bills suspend temporarily the duty on ski and snowboard pants. When the China safeguard quota on man-made fiber trousers filled last year in early August, U.S. importers and retailers asked that ski pants be exempted from this quota and allowed entry. CITA granted their request, and since November 1, 2005, man-made fiber ski pants have no longer been subject to quota. AMTAC strongly opposed the ski pants carve-out due to its negative effect on U.S. producers of these fabrics. Moreover, the potential for illegal transshipment across these product lines is extremely high. Not surprisingly, ski pant imports from China are up dramatically so far

2006. Suspending the duty on these products will only further the damage being suffered by U.S. fabric producers and increase the likelihood for illegal misclassification of other pants to evade duties.

**AMTAC opposes S. 3393.**

**AMTAC opposes S. 3394.**

**AMTAC opposes S. 3396.**

**AMTAC opposes S. 3397.**

**AMTAC opposes S. 3400.**

**AMTAC opposes S. 3401.**

**AMTAC opposes S. 3402.**

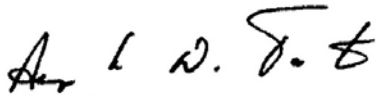
**AMTAC opposes S. 3403.**

These eight bills suspend temporarily the duty on certain water resistant pants. Most water resistant pants are currently included in apparel categories that are subject to the U.S./China Textile Bilateral Agreement and thus under quota. As a result, these products have already been identified as sensitive in the U.S. market. AMTAC's members produce the fabric that goes into these products and will be harmed if the duty on the final product is suspended. As with the ski and snowboard pants, suspending the duty on water resistant pants would also encourages illegal misclassification of other pants. Finally, the definition for "performance outerwear pants" appears to be very broad and could lead to some additional problems for U.S. producers of similar products.

In conclusion, we strongly encourage you to preclude the aforementioned bills from the proposed miscellaneous tariff bill being prepared by the Senate Finance Committee and to oppose their passage in any other form.

Thank you for your attention to our concerns in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Aug. D. Tantillo". The signature is written in a cursive, somewhat stylized font.

Augustine D. Tantillo  
Executive Director



August 15, 2006

Senator Charles Grassley, Chairman  
Committee on Finance  
U.S. Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Senator Max Baucus, Ranking Member  
Committee on Finance  
U.S. Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

RE: Request for Comments on Miscellaneous Tariff Measures

Dear Senators Grassley and Baucus:

I am writing today on behalf of Outdoor Industry Association (OIA) – the trade association for the \$289 billion active outdoor recreation industry – and its members to express our strong support for several miscellaneous tariff measures being considered by your committee. OIA provides trade services for more than 4,000 suppliers, manufacturers, distributors, sales representatives and retailers and has members in every state of the U.S.

The following bills were introduced on behalf of OIA and its members and represent cost savings for outdoor businesses that employ nearly 6.5 million people and their consumers.

**Duty Suspension on Certain Performance Footwear**

**S. 3571, S. 3572, S. 3573, S. 3574, S. 3575, S. 3576, S.3669, S. 3670, S. 3671, S. 3672, S. 3673, S. 3674**

Outdoor Industry Association is not aware of any domestic production of footwear products incorporating a laminated or coated textile fabric and valued over \$20/pair that are addressed by these bills. OIA worked closely with several of our members that manufacture applicable footwear products, such as trail running shoes and certain hiking shoes and boots, as well as the Rubber and Plastics Footwear Manufacturers Association (RPFMA) to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty relief for the performance footwear addressed in these bills.

**Duty Suspension on Knit Performance Outerwear Pants**

**S. 3393, S. 3394, S. 3396, S. 3397, S. 3400, S. 3401, S. 3402, S. 3403**

Outdoor Industry Association is not aware of any domestic production of knit performance outerwear pants at commercially viable volumes. Knit performance pants - pants that are water resistant through the lamination or coating of highly technical fabrics and are used for a broad range of outdoor activities such as skiing, hiking, biking, and hunting – incorporate technically advanced and innovative features and require specialized production machinery not available in the United States.

The imposition of duties on these highly specialized knit performance pants does not serve to protect any domestic industry, as none exists for the products addressed by these bills and in fact, only have a detrimental impact of increasing costs for U.S.-based outdoor companies and their consumers. OIA worked closely with several of our members that manufacture applicable products to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty relief for knit performance pants addressed in these bills.

**Duty Suspension on Certain Wheeled Backpacks**

**S. 3241, S. 3242**

Outdoor Industry Association is not aware of any domestic production of wheeled backpacks that include a telescopic handle and are valued over \$30 and addressed by these bills. OIA worked closely with several of our members that manufacture applicable products to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty suspension on wheeled backpacks addressed by these bills.

**Elimination of Quantitative Restrictions on Performance Outerwear Pants**

**S. 3493, S. 3494**

Outdoor Industry Association is not aware of any domestic production of performance outerwear pants at commercially viable volumes. Performance pants - pants that are water resistant through the lamination or coating of highly technical fabrics and are used for a broad range of outdoor activities such as skiing, hiking, biking, and hunting – incorporate technically advanced and innovative features and require specialized production machinery not available in the United States.

A large number of OIA members that manufacture and/or retail woven performance outerwear pants endured substantial economic loss and other

hardship from last year's embargo on man-made fiber pants produced in China. The outdoor industry was particularly and disproportionately impacted by the embargo as outdoor apparel manufacturers and retailers must ship their products late in the year, usually in the third and fourth quarters, when quota had already been filled and resulted in an embargo that blocked millions of dollars in inventory from reaching retail outlets.

Those same companies continue to face increased costs and the prospect that quotas on performance pants will again be filled and their products will again be embargoed leading to uncertainty in the outdoor apparel market.

In addition, these highly specialized garments are erroneously classified with all man-made fiber pants and are therefore subject to import restrictions meant to address trousers, slacks, dress pants, khakis and other mass market garments.

Ski and snowboard pants from China are not subject to quantitative import restrictions. The Committee for the Implementation for Textile Agreements (CITA) determined that "ski and snowboard pants from China do not contribute to market disruption... (of manmade fiber trousers) and should not be covered by the 2005 safeguard quota." Performance outerwear pants are similar to ski/snowboard pants in all aspects, with the exception of end uses and therefore should have been included in the exclusion.

The imposition of quantitative restrictions on these highly specialized garments does not serve to protect any domestic industry, as none exists for the products addressed by these bills and in fact, only have a detrimental impact of increasing costs for U.S.-based outdoor companies and their consumers.

OIA strongly supports the elimination of quantitative restrictions on performance outerwear pants addressed by these bills.

#### **Duty Suspension on Certain Ski and Snowboard Pants**

**S. 3123, S. 3125, S. 3126, S. 3127**

Outdoor Industry Association is not aware of any domestic production of ski and snowboard pants addressed by these bills. OIA also notes that the production of ski and snowboard pants are not subject to quantitative import restrictions and that the Committee for the Implementation for Textile Agreements (CITA) has determined that "ski and snowboard pants from China do not contribute to market disruption...and should not be covered by the 2005 safeguard quota." This finding should also support the suspension of duties on ski and snowboard pants meant to assist a domestic industry where none exists. OIA strongly supports these bills.

#### **Duty Suspension on Certain Ski and Snowboard Boots and Cross Country Ski Footwear**

**S. 3124**

Outdoor Industry Association is not aware of any domestic production of ski and snowboard boots and Cross Country Ski Footwear addressed by this bill. OIA strongly supports this bill.

Respectfully submitted,

A handwritten signature in black ink that reads "Frank Hugelmeyer". The signature is written in a cursive style with a long horizontal line extending to the right.

Frank Hugelmeyer  
President