



NATIONAL SPINNING CO., INC.

P.O. Box 191 – 1481 W. 2nd Street

Washington, NC 27889

Tel: (252) 975-7218 FAX: (252) 975-7688

James W. Chesnutt – President/CEO

jchesnutt@natspin.com

World Class Employee Owned Company

11-06

August 4, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill number is S. 3434.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and a myriad of other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

James W. Chesnutt
President/CEO

pc: Senator Elizabeth Dole
Senator Richard Burr

Meridian Dyed Yarn Group
PO Drawer 10
Valdese NC 28690-0011
828-874-2151
828-874-3780 fax
mgarner@mdyg.com

Reference: S.3434: HTS 5506.30.00

Solutia was the sole supplier for approximately 75% of our Raw Materials. We are a specialized Producer Dyed Acrylic user employing more than 125 American workers. We consume 3.3, 4.5 and 5.0 decitex Tow and Worsted length Acrylic Fibers. Without this product we would not survive. With Solutia and Cydsa in Mexico going out of business, we have no other choice but to buy fiber from Europe and the Middle East. We have experienced the average eight percent duty on these imports. This has not only caused us to pay higher prices for Acrylic Fiber, but demands that we carry as much as twenty times as much inventory to service our customers.

**Statement by Kaltex Fibers S.A. de C.V.
to the Senate Finance Committee
Opposing Duty Suspension Bills on Acrylic Fiber
(S. 3434, S. 3435 and S. 3436)**

August 15, 2006

This statement is submitted on behalf of Kaltex Fibers S.A. de C.V. (“Kaltex”) in connection with the July 11, 2006 request for public comment by the Senate Finance Committee regarding miscellaneous tariff measures introduced in the Senate during the 109th Congress. Kaltex wishes to take this opportunity to register its opposition to three pending duty suspension bills covering acrylic fiber, which were introduced on June 6, 2006 (i.e., after the May 26 deadline established by the Finance Committee) as S. 3434, S. 3435 and S. 3436.

In light of Congress’ recent passage of certain duty suspension provisions as part of H.R. 4, Kaltex wishes to state its position more specifically as follows. First, noting that S. 3435, which covers acrylic fiber tow as provided for under HTS 5501.30.00, was included in H.R. 4 as a partial duty reduction, Kaltex urges that this provision not be further modified to increase the depth of the duty reduction. Second, noting that S. 3436, which covers acrylic fiber top as provided for under HTS 5503.30.00, was omitted from H.R. 4, Kaltex urges that this provision continue to be omitted from any follow-on miscellaneous tariff legislation prepared by the Finance Committee. Should the Finance Committee nonetheless decide to include S. 3436 in subsequent legislation, we urge that this provision reflect the partial duty reduction (from 4.3 percent to 3.7 percent) incorporated in the miscellaneous tariff bill (H.R. 4944) passed by the House in March.

Kaltex is a major North American producer of the acrylic fiber covered by the subject duty suspension bills. Headquartered in Mexico, Kaltex has maintained acrylic fiber manufacturing operations in Altamira, Tamaulipas since 1985 and currently is the principal North American manufacturer of acrylic fiber.

The Senate bills of concern would suspend the U.S. most-favored-nation (MFN) rates of duty through December 31, 2009 for the three basic types of acrylic fiber as shown below:

S. 3434 (also Sec. 1414 of H.R. 4; Sec. 1132 of H.R. 4944; H.R. 1536): Acrylic or modacrylic staple fibers, carded, combed, or otherwise processed for spinning (“staple”) as provided for under HTS 5506.30.00;

S. 3435 (also Sec. 1413 of H.R. 4; Sec. 1131 of H.R. 4944; H.R. 1535): Acrylic or modacrylic filament tow (“tow”) as provided for under HTS 5501.30.00; and

S. 3436 (not included in H.R. 4; Sec. 1130 of H.R. 4944; H.R. 1534): Acrylic or modacrylic staple fibers, not carded, combed, or otherwise processed for spinning (“top”) as provided for under HTS 5503.30.00.

Kaltex opposes the requested duty suspensions because North American manufacturers have ample production capacity to satisfy U.S. demand for all types of acrylic fiber. Kaltex alone has expanded its annual production capacity to 100,000 tons of acrylic tow, staple and top, with 60,000 tons of that capacity available for exportation to the United States. This expanded capacity is sufficient to replace the output from Solutia, previously the largest North American producer of acrylic fiber, which recently closed its Decatur, Alabama production facility.

A suspension of the MFN rates of duty on the subject categories of acrylic fiber, which range from 4.3 to 7.5 percent *ad valorem*, would have a major adverse impact on North American acrylic fiber producers by eliminating the tariff preference they have heretofore benefited from by virtue of their U.S.-based or NAFTA-eligible operations. Extending unilateral duty-free treatment to the world’s largest producers of acrylic fiber, which are located primarily in the European Union and Japan, would seriously undermine the competitive position of North American suppliers.

Finally, we note that the duty impact of S. 3434-3436 would exceed \$8.8 million annually. This is well above the Finance Committee’s threshold of \$500,000 in annual duties foregone per duty suspension bill. When two of these bills were incorporated into earlier miscellaneous tariff legislation, they were amended to call for partial duty reductions rather than full duty suspensions, presumably because of the budgetary restrictions. Specifically, H.R. 4 and H.R. 4944 called for the MFN duty affected by S. 3435 to be reduced from 7.5 percent merely to 6.8 percent, and H.R. 4944 called for the MFN duty affected by S. 3436 to be reduced from 4.3 percent merely to 3.7 percent (this latter provision was omitted from H.R. 4). Should the Finance Committee decide to incorporate the subject bills into the miscellaneous tariff bill it is preparing, Kaltex urges that the provisions not exceed the partial duty reductions reflected in these earlier bills.

We appreciate this opportunity to share Kaltex's views on the pending duty suspension bills with the Finance Committee. Please feel free to contact us if the Committee has any questions regarding our position on this matter.

Respectfully submitted,

Thomas J. Scanlon
President
Benchmarks, Inc.
3248 Prospect Street, N.W.
Washington, DC 20007
Tel. 202.265.3983

Glen Raven, Inc.
1831 North Park Avenue
Glen Raven, NC 27217-1100
Phone (336) 227-6211
Fax (336) 586-1169

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill number is S. 3434.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and a myriad of other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Sandra Jarrett
Glen Raven, Inc. employee
e-mail: sjarrett@glenraven.com

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr. The applicable bill numbers are as follows:

- S. 3434: HTS 5506.30.00 - synthetic staple fibers, carded, combed or otherwise processed for spinning: acrylic or modacrylic.
- S. 3435: HTS 5501.30.00 - synthetic filament tow: acrylic or modacrylic.
- S. 3436: HTS 5503.30.00 - synthetic staple fibers, not carded, combed or otherwise processed for spinning: acrylic or modacrylic.

In early 2006, Solutia Inc., the last remaining reliable producer of acrylic fiber in the U.S., announced its departure from the acrylic fiber market. Solutia's exit from the market is a serious blow to U.S. textile manufacturers who use these fibers for high performance and outdoor fabric applications.

The U.S. textile industry is already at a severe disadvantage due to changes in world trading practices. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, I fear high performance and outdoor fabric markets will also move out of the US. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

I understand that Congress has provided the duty suspension process to address situations such as this, and I strongly encourage a favorable report by the Committee on these bills.

Thank you for your consideration of this request.

Sincerely,

Gina B. Wicker
Director of Design

CC: Richard Burr
Elizabeth Dole
NCTO



Glen Raven, Custom Fabrics LLC
Anderson Plant
P.O. Box 5348
Anderson, SC 29623-5348

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill number is S. 3434: HTS 5506.30.00 - synthetic staple fibers, carded, combed or otherwise processed for spinning: acrylic or modacrylic.

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Gregory P. Maus
Manufacturing Manager
864-224-1671

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know I strongly support the duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill numbers are S. 3434; S. 3435 and S. 3436. I support them all on behalf of my industry.

Last year, Solutia Inc. announced its exit from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers. Solutia was Glen Raven's primary acrylic fiber supplier, and our company was almost devastated by this move. Fortunately, we were able to replace our source quickly, but now we are faced with the duties involved—another blow to our company. Our jobs, once again, are at stake.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration.

Sincerely,

GLEN RAVEN, INC.

Jane N. Greene
Executive Assistant to the President & CEO

cc: Missy Branson, NCTO
Senator Richard Burr
Senator Elizabeth Dole

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request. I welcome your communication.

Thank you for your consideration.

Sincerely,

GLEN RAVEN, INC.

Carl E. Wallace, Jr.
Vice President, Secretary & General Counsel

cc: Missy Branson, NCTO
Senator Richard Burr
Senator Elizabeth Dole

CEW/sew
06CW131

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration.

Sincerely,

GLEN RAVEN, INC.

Susan E. Waddell
Manager of Corporate Planning
& Shareholder/Director Relations

cc: Missy Branson, NCTO
Senator Richard Burr
Senator Elizabeth Dole

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

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The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and a myriad of other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

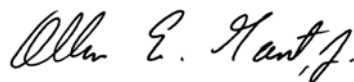
We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request. I welcome your communication.

Thank you for your consideration.

Sincerely,

GLEN RAVEN, INC.



Allen E. Gant, Jr.
President & CEO

cc: Missy Branson, NCTO
Senator Richard Burr
Senator Elizabeth Dole

Joan Stewart
Glen Raven Inc
1831 N Park Ave
Glen Raven, NC 27215

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to ask for your support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill number is S. 3434: HTS 5506.30.00.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Joan Stewart
336-586-1125

Glen Raven, Inc.
1831 N. Park Avenue
Glen Raven, NC 27217

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Reference Senate bill number: S.3434: HTS 5506.30.00

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill is S.3434: HTS 5506.30.00.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U. S. textile manufacturers who use these fibers.

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on this bill.

Please do not hesitate to contact me if you have any questions or need additional information on this request. My telephone number is 336-227-6211 and e-mail is ecoble@glenraven.com.

Thank you for your consideration of this request.

Sincerely,

Elizabeth E. Coble
Corporate Manager of Employee Relations

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill numbers is: S3434.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

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We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,



Becky Vann
Glen Raven Inc
1831 N Park Ave
Glen Raven, NC 27217
336-586-1321 Direct Line
336-586-1163 Fax
bvann@glenraven.com

July 27, 2006

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

Dear Chairman Grassley:

I am writing to let you know of Glen Raven's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr and the bill numbers are S.3434, S.3435, and S.3436.

Last year, our supplier, Solutia Inc., announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and a myriad of other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, many of our plants and thousands of our workers in the Southeast will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Steven L. Ellington
President, Glen Raven Custom Fabrics, LLC

Sle:et

cc: Senator Elizabeth Dole
Senator Richard Burr

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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Thank you for your consideration of this request.

Sincerely,

Hal Hunnicutt
Glen Raven Custom Fabrics, LLC

July 27, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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Thank you for your consideration of this request.

Sincerely,

Patricia S. Craft
Technical Designer
Glen Raven, Custom Fabrics LLC
Anderson Plant
PO Box 5348
Anderson SC 29623-5348 USA
(864)224-1671 x-4406
(864)225-2948 fax
pcraft@glenraven.com

cc: Jim DeMint, Senator South Carolina
Lindsey Graham, Senator South Carolina

July 25, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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The U.S. textile industry is already facing tremendous market pressures due to the lifting of textile and apparel quotas on January 1, 2005. Increased competition from China and a myriad of other countries who employ unfair trade practices to gain market share have already put our industry and other U.S. manufacturers at a severe disadvantage. If our industry is forced to absorb an eight percent average duty on imported acrylic fibers, many of us will be unable to compete and will be forced to exit the market for our product lines that utilize these fibers. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on these bills.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Ed Hamrick

Dir. of Marketing
Caron International



NATIONAL SPINNING CO., INC.

P.O. Box 191 - 1481 W. 2nd Street

Washington, NC 27889

Tel: (252) 975-7101 FAX: (252) 975-7688

Harry Wetmore - V.P. Market Development

hwetmore@natspin.com

World Class Employee Owned Company

July 26, 2006

The Honorable Charles Grassley
United States Senate
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Grassley:

I am writing to let you know of our company's support of duty suspension legislation for acrylic fiber. Legislation to suspend duties on acrylic fiber was introduced by Senator Richard Burr on Senate bill number S.3434.

Last year, Solutia Inc. announced its departure from the acrylic fiber market as part of the company's reorganization plan. Solutia was the last remaining reliable producer of acrylic fiber in the U.S. and its exit from the market is a serious blow to U.S. textile manufacturers who use these fibers.

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Thank you for your consideration of this request.

Sincerely,

Harry Wetmore
VP Product Development

pc: Senator Elizabeth Dole
Senator Richard Burr



6 Beacon Street, #1125, Boston, Mass. 02108
(617) 542-8220 (617) 542-2199 fax

July 28, 2006

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

**National Textile Association Statement Regarding Miscellaneous
Tariff Measures Introduced in the Senate During the 109th Congress**

Dear Mr. Chairman:

I write in response to the July 11, 2006, Senate Finance Committee solicitation of statements regarding miscellaneous tariff measures introduced in the Senate during the 109th Congress.

The National Textile Association is the nation's oldest and largest organization representing the fabric-making industry in the U.S. Our members knit, weave, dye, print, and finish fabric in the U.S., as well as supply the fabric industry with fibers, yarns, and other products and services.

From the list published at <http://finance.senate.gov/sitepages/2006MTB.htm> we have identified three bills that we must oppose as harmful to the interest of domestic producers we represent.

NTA opposes S.738 a bill to provide relief for the cotton shirt industry. We have communicated our concerns to a representative of the U.S. cotton shirt industry and he agreed to changes to the bill to make it acceptable to NTA. Those changes resulted in the filing of a new bill, S.3344 to which NTA has no objection.

NTA opposes S.1954 the *Insular Possessions Act of 2005*.

This bill would amend the requirements for duty-free treatment of goods shipped to the U.S. from insular possessions of the U.S. by lowering, from 50 percent to 30 percent, the percentage of the total value of a good which must originate in the insular possession or the U.S. This change is of great interest to U.S. textile producers because the Commonwealth of the Northern Mariana Islands (CNMI) is one of the beneficiaries of the insular possessions duty-free provision, being a

major shipper (79 million square meters worth in 2005) of apparel articles to the U.S.

In addition to duty-free status, the CNMI enjoys an extremely privileged trading relationship with the U.S. Apparel articles assembled in the CNMI may, legally, be marked "Made in the U.S.A." notwithstanding that the CNMI is exempt from the U.S. minimum wage. Furthermore, exemption from U.S. immigration laws, combined with the CNMI's own liberal guest worker program means that most of the apparel jobs in the CNMI are not even held by citizens of the CNMI.

Allowing more foreign content in goods entered duty-free from insular possessions will create an incentive for manufacturers to reduce insular possession/U.S. content in favor of cheap inputs from foreign countries. Among these foreign beneficiaries is, undoubtedly, China. U.S. imports of certain textile and apparel articles of Chinese origin are limited, through the year 2008, under a bilateral agreement between the U.S. and China. S.1954 would create a loop-hole for Chinese-origin goods to enter the U.S., via the CNMI, in circumvention of the hard-won U.S.-China bilateral agreement.

NTA opposes S.3642 a bill to temporarily suspend the duty on knitted or crocheted fabrics of cotton, printed. The NTA member companies who indicate that they manufacture cotton knit fabrics in the U.S. are

Alamac American Knits LLC

Beverly Knits, Inc.

Contempora Fabrics

Domestic Fabrics

Fab Industries, Inc.

Safer Textile Processing

From the list published at <http://finance.senate.gov/sitepages/2006MTB.htm> we have identified the follow bills that we support, the passage of which would be beneficial to the domestic producers we represent, or to which we have no objection:

NTA supports S.982 a bill to suspend the duty on certain rayon staple fibers. To the best of our knowledge and believe there is no domestic source for rayon.

NTA supports S.2328 a bill to extend through 2009 the existing duty suspension on certain synthetic filament yarns.

NTA supports S.2329 a bill to extend through 2009 the existing duty suspension on certain filament yarns.

NTA supports S.3022
NTA supports S.3023
NTA supports S.3024
NTA supports S.3025
NTA supports S.3026
NTA supports S.3027
NTA supports S.3028
NTA supports S.3029



These bills are suspension (or extend existing suspensions) of duty on certain fibers, yarns, and fabrics of fine animal hair such as cashmere, camel hair, and vicuna. These fibers are not commercially produced in the U.S. and the domestic producers of yarns and fabrics of fine animal hair support the duty suspension.

NTA supports S.3051

NTA supports S.3052

NTA supports S.3053

NTA supports S.3054

NTA supports S.3217. To the best of our knowledge and belief there is no domestic source for this rayon.

NTA supports S.3227 To the best of our knowledge and belief there is no domestic source for this rayon.

NTA supports S.3232.
NTA supports S.3233.



These bills extend and modify duty suspensions on wool products, wool research fund, and wool duty refunds, programs that have been in force since 2000 and which, taken together have provided significant relieve to the domestic wool textile and apparel industry.

NTA supports S.3240 a bill to clarify the tariff treatment of textile parts of seats and other furniture.

Cut pieces of fabric for use as furniture upholstery are classified as furniture parts under headings 9401 or 9403 of the Harmonized Tariff Schedule of the U.S. They are duty-free, in contrast to the duty on fabric in roll form, which range from 7 to 17 percent depending on fabric type.

This duty circumvention is severely damaging to U.S. upholstery fabric manufacturers. In 2005 the U.S. imported \$1.2 billion in textile parts for chairs and other furniture, of which \$811 million were of Mexican origin (for automobile seats) and \$336 million were of Chinese origin (for home

furnishings). While it is not possible to calculate precisely the loss in tariff revenue to the U.S. treasury due to this duty circumvention, it is undoubtedly several tens of millions of dollars annually.

The tariff schedule does not define what operations must be performed on fabric to transform it into furniture parts. Currently U.S. Customs and Border Protection classifies fabric as a furniture part even if it has undergone the very minimal further processing of cutting. We believe that the mere cutting of fabric should not be considered transforming operation for classification in HTSUS headings 9401 and 9403.

The design of this bill is to establish a reasonable definition of textile furniture parts based on substantial transformation. The National Textile Association endorses this effort. In addition, Senator Elizabeth Dole and Senator Rick Santorum have joined Senator Chafee in efforts to challenge this misclassification.

The NTA Upholstery Fabrics Committee, at the meeting held on Tuesday, April 11, 2006

VOTED to endorse the efforts of Senator Lincoln Chafee of Rhode Island to correct the misclassification of upholstery fabric as furniture parts and to contact their members of Congress and urge them to support Senator Chafee's efforts. The members of the Upholstery Fabrics Committee reiterated that misclassification of upholstery fabrics is a major issues which is seriously damaging U.S. producers of upholstery fabrics.

The NTA Board of Government, meeting later the same day, likewise

VOTED to support efforts to correct the misclassification of upholstery fabrics. Noting the seriousness of the issue, as emphasized by the members of the Upholstery Fabrics Committee, the NTA Board of Government directed the staff to exert the utmost energies in pushing for a legislative or administrative correction to the problem of misclassification of upholstery fabrics.

NTA supports S.3252

NTA supports S.3264

NTA supportss S.3265

NTA supports S.3266

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To the best of our knowledge and belief there is no domestic source for this rayon.

NTA has no objection to S.3344 a bill to provide relief for the cotton shirt industry. This is an alternative version of S.738; NTA opposes S.738.

NTA supports S.3395. To the best of our knowledge and belief there is no domestic source for this rayon.

NTA supports S.3434.

NTA supports S.3435.

NTA supports S.3436.

NTA supports S. 3645. To the best of our knowledge and belief there is no domestic source for this rayon.

Finally, from the list published at <http://finance.senate.gov/sitepages/2006MTB.htm> we have identified additional bills that may be of interest to domestic U.S. textile producers but regarding which we are not making comments at this time. We may be filing additional comments before the August 15th deadline. Our silence at this time regarding the following bills should not be taken as an indication of domestic industry assent.

S.541	S.3102	S.3236	S.3402
S.2647	S.3103	S.3241	S.3403
S.2648	S.3105	S.3242	S.3479
S.3070	S.3110	S.3362	S.3493
S.3071	S.3123	S.3393	S.3494
S.3097	S.3125	S.3394	S.3556
S.3098	S.3126	S.3396	S.3641
S.3099	S.3127	S.3397	S.3643
S.3100	S.3150	S.3400	S.3644
S.3101	S.3164	S.3401	

Thank you for your consideration of these comments.

Sincerely yours,

David Trumbull
Director, Member Services