



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

II. Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Tank tops of knitted fabric, whether assembled or knitted in the piece, with textile or polymer-based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor (provided for in subheading 6109.90.10)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject products are made with textile-based electrodes incorporated into the garment that monitor the wearer's heart rate, which is sent via a transmitter to a display unit. The products are designed for athletic and fitness uses. It is likely that for the first few years, the products will be imported mostly from China and then Turkey and Sri Lanka by 2017.

IV. Estimated effect on customs revenue

| Subject product HTS subheading(s) | 6109.90.10 | | | | |
|--|------------|--------|--------|--------|--------|
| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
| Col.1-general rate of duty or percentage point reduction (%) | 32 | 32 | 32 | 32 | 32 |
| Estimated value of <i>dutiable</i> imports (\$) | 7,000 | 14,000 | 28,000 | 28,000 | 28,000 |
| Customs revenue loss (\$) | 2,240 | 4,480 | 8,960 | 8,960 | 8,960 |

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The language "whether assembled or knitted in the piece" was added after "of knitted fabric" in the product description to allow for classification purposes for the tank tops to be cut and sewn from knitted fabric or to be knitted into the shape of a tank top without cutting and sewing. The word "stretch" appearing before fabric in the product description was eliminated because virtually all knit fabric is stretchable.

VI. Continuation

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VII. Contacts with domestic firms/organizations

| | # | Firm/organization and contact name | Telephone number | Claims same or competing product made in the United States | Submission attached | Opposition noted |
|--|---|--|------------------|--|---------------------|------------------|
| | 1 | Adidas America, Inc. (Interested entity) Kurt Tandan | 971-234-4173 | No | No | No |
| | 2 | American Manufacturing Trade Action Coalition Sara Beatty | 202-452-0866 | No | Yes | Yes |
| | 3 | McMurray Fabrics, Inc. Doug Knowton | 910-944-2128 | No | No | No |
| | 4 | Milliken & Company Kathi Dutilh | 202-775-0084 | No | Yes | Yes |
| | 5 | National Council of Textile Organizations Mike Hubbard | 704-215-4540 | No | Yes | Yes |
| | 6 | National Textile Association David Trumbull | 617-542-8220 | No | No | No |
| | 7 | Unifi Manufacturing, Inc. Jane L. Johnson | 336-316-5278 | No | Yes | Yes |

From: Sara Beatty [<mailto:sbeatty@amtacdc.org>]
Sent: Monday, June 18, 2012 4:08 PM
To: Colby, Heidi; Jones, Jackie; Boron, Andrea; Gaffney, Shannon
Cc: Auggie Tantillo; Lloyd Wood
Subject: Batch 4 - AMTAC Comments

Of the Batch 4 bills, AMTAC is opposed to HR 4822, HR 4823, HR 4824, HR 4983, HR4984, and HR 4985. We object to the shopping bag bills (H.R. 4822-4824) as UNIFI produces recycled yarns for use in shopping bags. We oppose the sports garments bills (HR 4983-4985) as U.S. companies including Milliken & Co and UNIFI produce yarns and fabrics that are incorporated into garments in the NAFTA/CAFTA region that compete with these products.

AMTAC supports HR 4947 - certain viscose rayon staple fibers.

We have no position on HR 4830 - glass fiber rovings.

Thanks for considering our input, and let us know if you have any questions.

Sara Ormand Beatty
Vice President of International Trade
American Manufacturing Trade Action Coalition (AMTAC)
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Washington, DC 20007
(202) 452-0866 <<tel:%28202%29%20452-0866>>

From: Kathi Dutilh <kdutilh@millikendc.com>
Sent: Friday, June 15, 2012 4:03 PM
To: Jones, Jackie
Cc: Sara Beatty
Subject: Re: FW: Request for comment on selected MTBs

Hi Jackie,

Milliken & Company opposes three of the bills for which you requested comments:
HR 4983-4985; Milliken's Specialty Fabrics Division manufactures performance knits, including t-shirts, tank tops, sport shorts and sports bras. We do not at this time incorporate electrodes, but have concerns that our like knit products made in Central America could be displaced by similarly priced knit products entering duty-free from Asia.

Still waiting for some info on HR 5036
back to you soon

[Kathi Dutilh](#)
Manager, Government Relations
Milliken & Company
[202-775-0084](tel:202-775-0084)
kdutilh@millikendc.com
Right-click

From: [Mike Hubbard](#)
To: [Jones, Jackie](#)
Cc: [Sarah Pierce](#)
Subject: MTB batches 2-4
Date: Monday, June 18, 2012 5:04:25 PM
Attachments: [Batches 2-4 bill reports - textiles.xls](#)

Jackie,

Attached are NCTO's positions on MTB batches 2-4.

The three apparel lines from Adidas are unusual. NCTO – and the overall US textile industry – typically oppose any type of finished apparel MTB on principle. Some apparel is still made in the US, and any imports that displace our co-production partners in the Western Hemisphere are detrimental to US textile production. Adidas is talking about a very limited number of imports, but at the targeted price points, this type of specialty apparel would be eagerly sought out by fitness enthusiasts and health professionals. The fiber would come from the US as well, and from the description of the product we gained from a conference call with Rep. Blumenauer's office and Adidas, it doesn't sound like fabric production and assembly require anything unique. I don't see why this can't be made in the US or the region. Further, we have been told by NCTO member Unifi that they have provided yarn samples to the petitioner for the body component.

If you have any follow up questions or need more detailed information, please let me know.

Mike

Mike Hubbard
National Council of Textile Organizations
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Gastonia, NC 28054
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From: [Johnson, Jane - GSO](#)
To: [Jones, Jackie](#)
Cc: [Sara Beatty](#); spierce@ncto.org; mhubbard@ncto.org
Subject: FW: Objection to MTBs HR 4983, HR 4984 and HR 4985
Date: Monday, June 18, 2012 4:39:49 PM

Jackie, Unifi objects to the MTBs for the following products:

H.R. 4983- Women's sports bras of stretch fabric with textile or polymer-based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor (provided for subheading 6212.10.90)

6212.10.90 covers "Brassieres, not containing lace, net or embroidery, containing under 70% by wt of silk or silk waste, whether or not knitted or crocheted" 16.9% tariff / U.S. imports of 6212.10.90 from NAFTA and DR-CAFTA were about \$190 million in 2011.

H.R. 4984 - Knit tank tops of stretch fabric with textile or polymer based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor (provided for in subheading 6109.90.10)

6109.90.10 covers "T-shirts, singlets, tank tops and similar garments, knitted or crocheted, of man-made fibers" / 32% tariff / \$465 million in U.S. imports from NAFTA/CAFTA in 2011

H.R. 4985 - Knit garments of stretch fabric with textile or polymer based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor (provided for in subheading 6110.30.30)

6110.30.30 covers "Sweaters, pullovers and similar articles, knitted or crocheted, of manmade fibers, nesoi" / 32% tariff / \$708 million in U.S. imports from NAFTA/CAFTA in 2011

One of the primary end uses for Unifi polyester and nylon yarns is knit fabric that goes into sports bras, knit tank tops or knit garments using similar stretch fabric. We also provide elastomeric covered yarns for these stretch fabrics. The elastomeric yarns are available from Invista in the US. We have actually sampled the petitioning company with the yarns for the body component, and we do compete in this market with our 4t7 product.

Please call me if you have any questions. Jane

Jane L. Johnson
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Email Disclaimer: www.unifi.com/disclaimer.htm

112TH CONGRESS
2D SESSION

H. R. 4984

To suspend temporarily the duty on knit tank tops of stretch fabric with textile or polymer-based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

Mr. BLUMENAUER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on knit tank tops of stretch fabric with textile or polymer-based electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. KNIT TANK TOPS OF STRETCH FABRIC WITH**
 2 **TEXTILE OR POLYMER-BASED ELECTRODES**
 3 **KNIT INTO OR ATTACHED TO THE FABRIC**
 4 **AND THAT INCORPORATE CONNECTORS DE-**
 5 **SIGNED TO SECURE AN ELECTRONIC TRANS-**
 6 **MITTER THAT TRANSMITS PHYSIOLOGICAL**
 7 **INFORMATION FROM THE ELECTRODES TO A**
 8 **COMPATIBLE MONITOR.**

9 (a) **IN GENERAL.**—Subchapter II of chapter 99 of
 10 the Harmonized Tariff Schedule of the United States is
 11 amended by inserting in numerical sequence the following
 12 new heading:

| | | | | | | | |
|---|------------|--|------|-----------|-----------|-------------------------|----|
| “ | 9902.01.00 | Knit tank tops of stretch fabric with textile or polymerbased electrodes knit into or attached to the fabric and that incorporate connectors designed to secure an electronic transmitter that transmits physiological information from the electrodes to a compatible monitor (provided for in subheading 6109.90.10) | Free | No change | No change | On or before 12/31/2015 | ”. |
|---|------------|--|------|-----------|-----------|-------------------------|----|

13 (b) **EFFECTIVE DATE.**—The amendment made by
 14 subsection (a) applies to goods entered, or withdrawn from
 15 warehouse for consumption, on or after the 15th day after
 16 the date of the enactment of this Act.

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