



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)):

Woven fabrics of artificial staple fibers containing less than 85 percent by weight of artificial staple fibers, mixed mainly or solely with man-made filaments, of yarns of different colors (provided for in subheading 5516.23.00).

(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 artificial fiber (e.g., rayon) woven fabrics of yarns of different colors, containing less than 85 percent by weight of artificial staple fibers, mixed mainly or solely with man-made filaments. These fabrics can be used in a variety of end uses, including in the manufacture of upholstered furniture. Imports are primarily from China. Opposition to this bill is noted below in the Contacts table. The industry associations representing domestic producers claim there is domestic production of the subject product (see attachments).

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	5516.23.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	8.5	8.5	8.5	8.5	8.5
Estimated value of <i>dutiable</i> imports (\$)	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
Customs revenue loss (\$)	1,445,000	1,445,000	1,445,000	1,445,000	1,445,000

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

None

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	Best Home Furnishings (Interested entity) Pat Miller	812-367-0331	No	No	No
2	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	Yes	Yes	Yes
3	Copland Fabrics, Inc. Jason Copland	336-226-0272	No	Yes	Yes
4	David Rothschild Co., Inc. Walter Rothschild	336-342-0035	Yes	Yes	Yes
5	Milliken & Company Kathi Dutilh	202-775-0084	No	No	No
6	Mount Vernon Mills David Hastings	864-688-7180	No	No	No
7	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
8	National Textile Association David Trumbull	617-542-8220	Yes	Yes	Yes
9	Sunbury Textile Mills, Inc. Hank Truslow, Jr.	570-286-3800	Yes	Yes	Yes
10	Valdese Weavers, Inc. Bob Walters	828-893-4157	Yes	Yes	Yes

From: Sara Beatty [<mailto:sbeatty@amtacdc.org>]
Sent: Friday, June 29, 2012 10:48 AM
To: Colby, Heidi; TX.CH.ID; atantillo@amtacdc.org; Lloyd Wood
Subject: Batch 6 Responses - Public

Heidi,

Our positions on Batch 6 are as follows;

- H.R. 5300-5302 (These are not on the Ways and Means list and appear to be duplicates for 5491-5493.) No position.
- H.R. 5379 (Reusable grocery bags) AMTAC objects. Unifi produces recycled yarns for this end use.
- H.R. 5459 (Non-woven fiberglass sheets) AMTAC has no position. Note - there is no HTS code given in the bill making it difficult to fully vet.
- H.R. 5485 (Narrow woven fabrics) AMTAC objects. Unifi makes yarn for this product. It is also our understanding that there are numerous U.S. narrow fabric producers including: Aplix Inc, Asheboro Elastic Corp, Bo Buck Mills Inc, DMI Industries, Franklin Braid Mfg Co, Interstate Narrow Fabrics Inc, Joe-Anne Narrow Fabrics, Julius Koch Usa Inc, Leedon Webbing Co Inc, North East Knitting Inc., Southern Weaving Company, and Stretch Products Corp.
- H.R. 5489 (Cases for toys/electronic games) AMTAC has no position.
- H.R. 5490 (Cases for toys/electronic games) AMTAC has no position.
- H.R. 5491-5493 (Viscose rayon yarn) AMTAC has no position.
- H.R. 5496 (Sanitary items/ diapers) AMTAC has no position.
- H.R. 5497 (Warp knit open-work fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5510 (Fiberglass sheets for acoustical ceiling use) AMTAC has no position.
- H.R. 5529 (Woven fabric of syn filament yarn) AMTAC opposes. Milliken and Copland make this product.
- H.R. 5530 (Woven fabric of syn staple fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5531 (Woven fabric of poly staple fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5532 (Woven fabric of syn filament fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5533 (Pile fabrics) AMTAC has no position.
- H.R. 5534 (Woven fabrics of art. staple fibers) AMTAC opposes. Copland makes this product.
- H.R. 5535 (Warp knit fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5536 (MMF fabric coated with polyurethane). AMTAC opposes. Copland and Milliken make this product. In addition, the U.S. Industrial Fabrics Institute (USIFI), which is an associate member of AMTAC, includes U.S. producers of many types of coated fabrics. Two such companies are Trelleborg Engineered Solutions in Spartanburg, SC, and Twitchell Corporation, in Dothan, AL, which both produce this particular fabric. Performance Fibers, headquartered in Huntersville, NC, produces man-made polyester fibers in the United States which are used to produce the subject fabrics and are consumed by textile weaving and coating mills in the United States.
- H.R. 5537 (Warp knit fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5538 (Long-pile fabrics of mmf) AMTAC has no position.
- H.R. 5539 (Knit fabric) AMTAC opposes. Milliken makes this product.
- H.R. 5540 (Pile fabric) AMTAC opposes. Member production.
- H.R. 5541 (Rubberized textile fabrics of cotton). AMTAC opposes - Trelleborg (USIFI) makes this product.

Please let us know if you have any questions. Thanks! Sara

Sara Ormand Beatty
Vice President of International Trade
American Manufacturing Trade Action Coalition (AMTAC)
910 16th Street, NW, Suite 402
Washington, DC 20007
[\(202\) 452-0866](tel:(202)452-0866)

From: Walter Rothschild [<mailto:wgroth@bellsouth.net>]
Sent: Monday, June 25, 2012 9:01 PM
To: Freund, Kimberlie; Maria.D'Andrea@trade.gov
Cc: walter@davidrothschildco.com
Subject: from Walter Rothschild, David Rothschild Co Inc

Kimberlie, Maria,

We are an American upholstery fabric weaving mill, and I would like to **strongly oppose** several bills to reduce tariffs on imported fabric. They are: HR.5529, HR.5530, HR.5531, HR.5532, HR.5533, HR.5534, HR.5535, HR.5536, HR.5537, HR.5538, HR.5539, HR.5540, and HR.5541.

David Rothschild Co Inc makes several of these categories in our mill in Reidsville, NC, and our American competitors make all of these categories.

The majority of upholstery fabric imports are from China, and they have the incredible advantage of having an undervalued currency that allows them to sell to the United States and makes it almost impossible for us to sell to China. The United States foolishly allows China to set the value of their own currency unilaterally with no influence from the international currency markets that value the US dollar. While I believe in the value of free markets, there is no free market that trades the Chinese RMB and the US dollar.

The majority of the upholstery fabrics used in the US are imported, but there is still a dynamic, modern upholstery fabric manufacturing industry in the United States that needs these tariffs. In fact, we should be increasing our tariffs on Chinese goods until their currency is traded freely on all the international markets that trade the dollar and euro.

The furniture manufacturer in Representative Todd Young's district that would be the main beneficiary of these bills buys very little American fabric, if any, and just wants to be able to buy more inexpensive imported fabric even cheaper.

Please feel free to call me at any time. Thanks.

Sincerely,

Walter Rothschild, Pres.
David Rothschild Co. Inc.
618 Grooms Rd
Reidsville, NC 27320
336-342-0035
walter@davidrothschildco.com

Corporate office:
512 12th St
Columbus, GA 31902

From: Mike Hubbard [<mailto:MHubbard@ncto.org>]
Sent: Thursday, June 21, 2012 8:39 AM
To: Jones, Jackie
Cc: Sarah Pierce
Subject: More MTB comments

Jackie,

NCTO opposes several of the MTBs offered by Rep. Todd Young because, based on the extremely broad product descriptions offered in the bills, the covered products are readily available from a host of U.S. manufacturers.

The fabrics described in H.R. 5529, 5530, 5531, 5532 are readily available from Sunbury Textile Mills.

Although not NCTO members, an internet search shows that several companies are able to produce the pile fabrics described in H.R. 5533, 5538, and 5540. These companies include Glenoit Fabrics, Monterey Mills, and probably Contemporas, among others.

The fabric in H.R. 5534 is available from Valdese Weavers.

The warp knit fabrics described in H.R. 5535 and 5537 are available from numerous companies. Dyeing and printing is available in the U.S. as well.

The knit fabric described in H.R. 5539 is also widely available.

Another bill, H.R. 5036 proposed by Rep. Charles Dent for knit stretch fabrics is available from numerous companies, including Elastic Fabrics of America.

H.R. 5201 from Rep. Mick Mulvaney for certain window shade materials is available from Rockland Industries.

NCTO member companies provide the fiber and yarns that go into all of these products.

Thank you for providing this opportunity for us to comment. If you have any questions or need more information, please do not hesitate to let us know.

Mike Hubbard

Mike Hubbard
National Council of Textile Organizations
469 Hospital Drive, Ste. C
Gastonia, NC 28054
Tel: +1-704-215-4540
Fax: +1-704-671-2366

-----Original Message-----

From: David Trumbull, NTA [mailto:dtrumbull@nationaltextile.org]

Sent: Tuesday, June 26, 2012 10:10 AM

To: Freund, Kimberlie

Subject: Fw: Miscellaneous tariff bills

Kim,

I have now heard from several companies and can state that the National Textile Association opposes all of the duty suspension bills relating to fabrics filed by Representative Todd Young (R., IN-9) and disclosing Best Home Furnishings as a potential beneficiary. The thirteen bills are:

HR 5529

HR 5530

HR 5531

HR 5532

HR 5533

HR 5534

HR 5535

HR 5536

HR 5537

HR 5538

HR 5539

HR 5540

HR 5541

I have heard from companies who make in the U.S. like or competitive fabrics for the upholstery industry and therefore oppose all these bills.

Furthermore, I note that the bills, as written, cover a wide range of fabrics suitable for variety of end uses and are, therefore, contrary to the interest of manufacturers in every sector of the domestic U.S. textile industry.

David Trumbull
Vice President, International Trade
National Textile Association

From: Hank Truslow Jr. [mailto:htruslowjr@sunburytextile.com]
Sent: Wednesday, June 20, 2012 4:44 PM
To: Freund, Kimberlie
Subject: Re: Miscellaneous tariff bills

Hi Kimberlie,

It was a pleasure speaking with you today. We do produce products that are listed on your spreadsheet and we would specifically oppose the following bill numbers that pertain to products we make:

hr5529
hr5530
hr5531
hr5532
hr5534

Please do not hesitate to get in touch with me if you require any additional details or information. And thank you for contacting me in the first place.

Kind regards,
Hank Truslow Jr.



6/21/2012

Kimberlie Freund
U.S. International Trade Commission

After careful review of the “Temporary Duty Suspension” proposed by Representative Todd R Young (R Indiana 9th) on a variety of woven, knitted and coated fabrics we must state our opposition to take this action in general and specifically to the bills that will have a direct impact on Valdese Weavers and our employees:

HR5529	HR5530	HR5531	HR5532
HR5534	HR5536	HR5541	

Any temporary suspension of duties will make domestically produced product less competitive in the market place to those products produced in global areas of low labor rates and limited to no benefits for their employees.

We fail to see the logic of suspending duties on goods shipped into the US by non-domestic producers while duties remain in effect on textile products woven in the US that are being exported.

Valdese Weavers has four manufacturing facilities and is one of the largest employers in Burke County, North Carolina supporting 750 dedicated employees. The short and long term impact of such action puts our JOBS and those of our supplier network at risk.

We fail to see how this legislation benefits any of the hard working domestic textile industry employees and strongly oppose this proposed legislation.

Sincerely,

Bob Walters
Valdese Weavers
VP Customer Relations
1000 Perkins RD SE
Valdese NC 28690
Phone: 828.893. 4157
Cell: 828.381.5188
bwalters@valdeseweavers.com

From: Jason Copland [mailto:jason.copland@coplandfabrics.com]
Sent: Friday, June 22, 2012 8:53 AM
To: Freund, Kimberlie; sara beatty; rebecca.gudicello@trade.gov
Subject: Re: Fabric MTBs

Here is my list that we object to at Copland Fabrics:

HR 5199
HR 5201
HR 3972
HR 5529
HR 5530
HR 5531
HR 5532
HR 5534
HR 5536
HR 5199
HR 5201
HR 5209

Many of these bills are very broad and need to be rejected without my input. Please be sure and listen to AMTAC and NCTO on more rejections. It is a little disturbing that someone has filed all of these requests. It appears to just be a blanket blast of codes to see what they can get away with.

Please call me with any questions or concerns.

Jason Copland
President and CEO
Copland Fabrics, Inc.
Burlington, NC
336-226-0272
www.coplandfabrics.com

112TH CONGRESS
2^D SESSION

H. R. 5534

To suspend temporarily the rate of duty on woven fabrics of artificial staple fibers containing less than 85 percent by weight of artificial staple fibers, mixed mainly or solely with man-made filaments, of yarns of different colors.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the rate of duty on woven fabrics of artificial staple fibers containing less than 85 percent by weight of artificial staple fibers, mixed mainly or solely with man-made filaments, of yarns of different colors.

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. WOVEN FABRICS OF ARTIFICIAL STAPLE FI-**
 2 **BERS CONTAINING LESS THAN 85 PERCENT**
 3 **BY WEIGHT OF ARTIFICIAL STAPLE FIBERS,**
 4 **MIXED MAINLY OR SOLELY WITH MAN-MADE**
 5 **FILAMENTS, OF YARNS OF DIFFERENT COL-**
 6 **ORS.**

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

“	9902.01.00	Woven fabrics of artificial staple fibers containing less than 85 percent by weight of artificial staple fibers, mixed mainly or solely with man-made filaments, of yarns of different colors (provided for in sub-heading 5516.23.00)	Free	No change	No change	On or before 12/31/2015	”.
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11 (b) **EFFECTIVE DATE.**—The amendment made by
 12 subsection (a) applies to articles entered, or withdrawn
 13 from warehouse for consumption, on or after the 15th day
 14 after the date of the enactment of this Act.

○

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