



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)):

Textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane, other than those specified in note 9 to section XI and other than those over 70 percent by weight of rubber or plastics (provided for in subheading 5903.20.25)

(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 man-made fiber fabrics that have been coated, covered, or laminated with polyurethane coating, excluding tire cord fabric, fabric that is 70 percent or more by weight of rubber or plastic, and fabric that is formed by bonding two sets of parallel yarns together at right angles (as specified in note 9 to section XI of the HTS). The polyurethane coating provides added durability to the fabrics. These fabrics can be used in a variety of end uses, including in the manufacture of upholstered furniture. Imports are primarily from Japan, Taiwan, China, and Korea. 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). There is also opposition to the bill from Performance Fibers, Inc., which claims to be producing the type of polyester fibers used in the subject fabrics in the United States (see attachment).

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	5903.20.25				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	7.5	7.5	7.5	7.5	7.5
Estimated value of <i>dutiable</i> imports (\$)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Customs revenue loss (\$)	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000

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

The article description set forth above was modified for greater clarity and for consistency with the permanent tariff provisions.

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	Yes	Yes	Yes
6	Mount Vernon Mills David Hastings	864-688-7180	No	No	No
7	National Council of Textile Organizations Mike Hubbard	704-215-4540	No	No	No
8	National Textile Association David Trumbull	617-542-8220	Yes	Yes	Yes
9	Performance Fibers, Inc. Brian Holden	704-765-3648	No	Yes	Yes
10	Sunbury Textile Mills, Inc. Hank Truslow, Jr.	570-286-3800	No	No	No
11	U.S. Industrial Fabrics Institute Ruth Stephens	651-225-6920	Yes	Yes	Yes
12	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: Kathi Dutilh [mailto:kdutilh@millikendc.com]
Sent: Friday, June 15, 2012 3:29 PM
To: Freund, Kimberlie
Cc: Sara Beatty
Subject: Re: Request for comment on selected MTBs

Hi Kim,

Milliken & Company objects to the following MTBs, submitted by Best Home Furnishings. Our Specialty Fabrics Division is currently producing products described in these bills.

HR 5529
HR 5530
HR 5531
HR 5532
HR 5535
HR 5536
HR 5537
HR 5539

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

www.milliken.com

The logo for Milliken, featuring the word "Milliken" in a blue, cursive script font.

-----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: Ruth A. Stephens [<mailto:rastephens@ifai.com>]
Sent: Monday, June 18, 2012 12:38 PM
To: Colby, Heidi
Cc: Jean Lineberger ; Sara Beatty
Subject: RE: MTBs on specialty fabrics

Of the list you sent (copied below), USIFI can identify domestic manufacturers (members of the association) of all items; therefore we register our opposition to each. Is there more that we should do on this Tranche?

<u>Bill No.</u>	<u>Sponsor</u>	<u>State</u>	<u>HTS number</u>	<u>Product description</u>
hr5199	Mulvaney	SC	5903.90.25	Window shade material composed of 100% filament polyester yarns in a modified basket weave with a fabric weight of 385 grams per square meter, with 30-40 grams per square meter of pigment on the front and an acrylic foam backing stabilized with ammonium stearate and aerated, applied in a 3 pass process in which the first and third passes are applied at 55-65 grams per square meter and are white in color and the second pass is applied at 55-65 grams per square meter and is black in color
hr5201	Mulvaney	SC	5903.90.25	Window shade material composed of 100% filament polyester yarns in a plain weave with a fabric weight of 480 grams per square meter with a foam backing of which 58% is a dispersion of polyurethane, acrylic and fluoropolymer, 40% is a white dispersion consisting of Titanium Dioxide dispersed in water and 2.0% is other auxiliaries
hr5203	Mulvaney	SC	3926.90.99	Window shade material composed of either 53-59% woven fiberglass and 41-47% acrylic coating with 15 grams per square meter of cotton flocked backing with titanium compound powder, or 43-47% woven fiberglass and 53-57% acrylic coating with 15 grams per square meter of cotton flocked backing with titanium compound powder
hr5206	Mulvaney	SC	7019.59.90	Window shade material composed of woven fiberglass coated with ethyl vinyl acetate
hr5209	Mulvaney	SC	6005.32.00	Window shade material composed of 100% polyester filaments warp knit weighing 160 grams per square meter with a DIN 4107 B1 fire rating
hr5536	Young	IN	5903.20.25	Textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane, of fabrics other than those specified in note 9 to section XI, other than those of over 70 percent by weight of rubber or plastics
hr5541	Young	IN	5906.99.10	Rubberized textile fabrics of cotton, other than those of heading 5902

On HR 5594 and 5595-- woven mesh of perfluoroalkoxy copolymer resin – I have asked 3M and Donaldson for advice but have not yet had responses. You may want to contact the filtration industry associations:

<http://www.nafahq.org/> or <http://www.inda.org/>

Regards,
Ruth Stephens, USIFI Executive Director
a division of IFAI
1801 County Road B West
Roseville, MN 55113 USA
P: 651 225 6920 or 800 636 4942
M: 651 271 6741
F: 651 631 9334
W: www.usifi.com



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: Holden, Brian [mailto:Brian.Holden@performancefibers.com]
Sent: Thursday, June 21, 2012 12:14 PM
To: Freund, Kimberlie
Subject: RE: MTBs on specialty fabrics

Yes, we do. The negative impacts of reduced tariffs on these fabrics will flow back through the value chain. Please understand that Performance Fibers, Inc. is the only U.S. manufacturer of high tenacity polyester fiber so critical to the viability of the U.S. textile industry including support of these products used by the U.S. Military. We are sending a letter per Heidi's recommendation.

From: Kimberlie.Freund@usitc.gov [mailto:Kimberlie.Freund@usitc.gov]
Sent: Thursday, June 21, 2012 12:12 PM
To: Holden, Brian
Subject: RE: MTBs on specialty fabrics

Brian,
Heidi Colby-Oizumi forwarded your email to me. I am handling HR 5536. I see your firm makes fibers of the type used in the fabrics. I was wondering if your firm also opposes the proposed bill? Thanks very much.

Kind regards,

Kimberlie Freund
International Trade Analyst

U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436
202-7018-5402

From: Holden, Brian [mailto:Brian.Holden@performancefibers.com]
Sent: Thursday, June 21, 2012 12:02 PM
To: Colby, Heidi
Cc: jeanline@bellsouth.net; rastephens@ifai.com; Christopher.Hitt@performancefibers.com
Subject: RE: MTBs on specialty fabrics

Heidi,

In response to your email, I can confirm that we produce man-made polyester fibers in the US that are consumed by textile weaving and coating mills in the US which are used to produce fabrics which make up 5903.20.25.

hr5536	Young	IN	5903.20.25	Textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane, of fabrics other than those specified in note 9 to section XI, other than those of over 70 percent by weight of rubber or plastics
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I will also have letters sent per your note as well.

Please let me know if you need anything else.

Best regards,
Brian

Brian Holden
Marketing Director, Americas
Brian.Holden@PerformanceFibers.com

Performance Fibers, Inc
16905 Northcross Drive, Suite 300
Huntersville, NC 28078

Phone: 704 765-3648
Mobile : 330 289-4294

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
2D SESSION

H. R. 5536

To suspend temporarily the rate of duty on textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane.

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 textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane.

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

3 **SECTION 1. CERTAIN TEXTILE FABRICS OF MAN-MADE FI-**
4 **BERS IMPREGNATED, COATED, COVERED OR**
5 **LAMINATED WITH POLYURETHANE.**

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

“	9902.01.00	Textile fabrics of man-made fibers impregnated, coated, covered or laminated with polyurethane, of fabrics other than those specified in note 9 to section XI, other than those of over 70 percent by weight of rubber or plastics (provided for in sub-heading 5903.20.25)	Free	No change	No change	On or before 12/31/2015	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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