



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)):

Long pile fabrics, knitted or crocheted, of man-made fibers (provided for in subheading 6001.10.20)

(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 knitted "long pile" fabrics of man-made fibers. These fabrics can be used in a wide variety of end uses, including in the manufacture of apparel (such as for linings), paint rollers, and upholstered furniture. Imports are primarily from China and Korea. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6001.10.20				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	17.2	17.2	17.2	17.2	17.2
Estimated value of <i>dutiable</i> imports (\$)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Customs revenue loss (\$)	1,720,000	1,720,000	1,720,000	1,720,000	1,720,000

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

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	No	No	No
3	David Rothschild Co., Inc. Walter Rothschild	336-342-0035	Yes	Yes	Yes
4	Draper Knitting Company Kristin Draper	781-828-0029	Yes	Yes	Yes
5	Monterey Mills Brent Birkhoff	608-373-2944	Yes	Yes	Yes
6	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
7	National Textile Association David Trumbull	617-542-8220	Yes	Yes	Yes

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

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Reidsville, NC 27320
336-342-0035
walter@davidrothschildco.com

Corporate office:
512 12th St
Columbus, GA 31902

From: Birkhoff, Brent [mailto:birkhoffb@montereymills.com]
Sent: Thursday, June 28, 2012 3:03 PM
To: Freund, Kimberlie
Subject: RE: Miscellaneous tariff bills

Yes, we adamantly oppose everything except the warp. Thanks,

From: Kimberlie.Freund@usitc.gov [mailto:Kimberlie.Freund@usitc.gov]
Sent: Thursday, June 28, 2012 2:02 PM
To: Birkhoff, Brent
Subject: RE: Miscellaneous tariff bills

Thanks very much. So your firm opposes all except the warp fabric bills?
Kim

From: Birkhoff, Brent [mailto:birkhoffb@montereymills.com]
Sent: Thursday, June 28, 2012 2:59 PM
To: Freund, Kimberlie
Subject: RE: Miscellaneous tariff bills

This is easy. We do not do any warp fabrics but we do everything else. So, the 6005.32 and 6005.34 would not be us. All of the rest is and would put us out of business if we start importing without an import duty. I am on vacation next week but you have my cell phone number below. Please call or email me anytime if you need anything else. Thanks,

Brent A. Birkhoff, SPHR
Monterey Mills
608-373-2944
608-373-3944 Fax
414-630-7321 Cell



Bill No.	Sponsor	State	Current HTS No.	Product Description As Introduced
hr5533	Young	IN	6001.92.00	Pile fabrics, including `long pile' fabrics and terry fabrics, knitted or crocheted: Other: Of manmade fibers
hr5535	Young	IN	6005.32.00	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004: Of synthetic fibers: Dyed
hr5537	Young	IN	6005.34.00	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004: Of synthetic fibers: Printed
hr5538	Young	IN	6001.10.20	`Long pile' fabrics of man-made fibers
hr5539	Young	IN	6006.32.00	Knitted or crocheted fabrics: Of synthetic fibers: Dyed
hr5540	Young	IN	6001.22.00	Pile fabrics, including `long pile' fabrics and terry fabrics, knitted or crocheted: `Long pile' fabrics: Of man-made fibers

-----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: 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

112TH CONGRESS
2D SESSION

H. R. 5538

To suspend temporarily the rate of duty on “Long pile” fabrics of man-made fibers.

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 “Long pile” fabrics of man-made fibers.

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. “LONG PILE” FABRICS OF MAN-MADE FIBERS.**

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

“	9902.01.00	‘Long pile’ fabrics of man-made fibers (provided for in subheading 6001.10.20)	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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