



## 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/](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)):**

Diaper pads, designed to be inserted in diapers or diaper shells, the foregoing with an outer layer of water-resistant laminated knitted fabric of polyester and with an absorbent fabric layer or layers of knitted fabric of certified organic cotton, with elastic gussets to absorb moisture near the wearer's legs, with snaps or other fasteners to hold the pads in place (provided for in subheading 9619.00.61)

(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 product is an absorbent diaper insert constructed of layers of organic cotton fabric that is snapped or otherwise fastened into a cloth diaper shell. Unlike disposable diapers, these pads are made of textile materials and can be washed for repeated use. China is the primary source of imports. Opposition to this bill is noted below in the Contacts table.

**IV. Estimated effect on customs revenue**

Subject product HTS subheading(s)	9619.00.61				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	10.8	10.8	10.8	10.8	10.8
Estimated value of <i>dutiable</i> imports (\$)	140,000	180,000	220,000	260,000	285,000
Customs revenue loss (\$)	15,120	19,440	23,760	28,080	30,780

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 to more accurately describe the subject diaper pad.

**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	The Natural Baby Company (Interested entity) Jeff Batton	406-522-0800	No	No	No
2	All Together Enterprises Dennis Frederick	877-215-9004	No	No	No
3	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	No	No	No
4	Bummi Shirley Murdoch	514-289-9855	No	Yes	Yes
5	Cotton Babies Jennifer Labit	888-332-2243	No	No	No
6	Cutey Baby, LLC Ada Vaughn	630-440-6501	No	No	No
7	Firefly Diapers Marc Pehkonen	801-282-6895	No	No	No
8	Geffen Baby Sharona Kahen	323-588-3000	No	No	No
9	Green Textile John Simon	864-595-9900	No	No	No
10	Happy Heinys Linda Byerline	619-258-6867	No	No	No
11	Loveybums Pam Lewis	413-253-0511	No	No	No
12	Luvaboos Heather Holt	585-319-4981	No	No	No
13	National Council of Textile Organizations Mike Hubbard	202-822-8026	No	No	No
14	National Textile Association David Trumbull	617-542-8220	No	No	No
15	Orange Diaper Company Jennifer Rosenberg	757-204-4814	Yes	Yes	Yes
16	Pro Service Inc. Mark Anderson	800-397-8594	No	No	No
17	Real Diaper Industry Association Mandi Meidlinger	607-339-7579	Yes	Yes	Yes
18	Regal Lager Dave Milligan	800-593-5522	No	No	No

	#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
	19	Rumparooz Julie Ekstrom	303-279-3864	No	No	No
	20	SEAMS Sarah Friedman	803-772-5861	No	No	No
	21	SoftBums Sarah Van Bogart	612-216-4213	No	No	No
	22	Thirsties, Inc. Sadler Merrill	888-315-2330	Yes	Yes	Yes
	23	Tiny Tush LLC Charlene Foster	608-356-2500	Yes	Yes	Yes
	24	Triple 8 Corporation (Swaddlebees and Blueberry Diapers) Casey McClure	865-671-6849	Yes	Yes	Yes
	25	Wade Manufacturing Bernie Hodges	704-694-2131	No	No	No

## Colby, Heidi

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**From:** Colby, Heidi  
**Sent:** Thursday, July 19, 2012 9:53 AM  
**To:** Colby, Heidi  
**Subject:** FW: one more note...

**From:** Jen ~ Orange Diaper Co [<mailto:jennifer@orangediaperco.com>]  
**Sent:** Thursday, July 19, 2012 9:43 AM  
**To:** Colby, Heidi  
**Subject:** Re: one more note...

Hi Heidi,

Orange Diaper Company is a domestic manufacturer of cloth baby diapers and accessories and we are opposed to H.R 5496, S. 2876, S. 2877, and S. 2878.

Sincerely,  
Jennifer Rosenberg  
Owner, Orange Diaper Company

[www.orangediaperco.com](http://www.orangediaperco.com)  
naturally sweet from the bottom up  
toll free 1.866.803.5281  
local 757.204.4814

**From:** Mandi @ Jillian's Drawers [mailto:mandi@jilliansdrawers.com]

**Sent:** Friday, July 27, 2012 2:18 PM

**To:** Colby, Heidi

**Subject:** Re: Request for consideration of Miscellaneous Tariff Bills on sanitary products, diapers, and the like

Heidi,

The Real Diaper Industry Association would like to make the following statement:

*The Real Diaper Industry Association, an association of cloth diaper manufacturers, retailers, and diaper services, opposes Bill No.: S. 2875, Bill No.: S. 2876, Bill No.: S. 2877, Bill No.: S. 2878, Bill No.: S. 2545, and Bill No.: H.R. 5496. We have members that manufacture these products in the United States and would be harmed by the removal of these tariffs.*

We encourage future discussions on these tariff bills. We understand the issues are complex. Unfortunately, RDIA was not part of the original wording of these bills, otherwise we could have had these discussions before.

Thank you,  
Mandi Meidlinger

Real Diaper Industry Association, Chair  
Jillian's Drawers, President  
[www.JilliansDrawers.com](http://www.JilliansDrawers.com)  
171 E. State Street, Ithaca, NY  
607.272.1237 / 800.516.2991

**From:** Sadler Merrill [mailto:Sadler@thirstiesbaby.com]

**Sent:** Tuesday, July 24, 2012 4:11 PM

**To:** Colby, Heidi

**Subject:** RE: Request for consideration of Miscellaneous Tariff Bills on sanitary products, diapers, and the like

Hello Heidi,

Thank you for the email informing us of the proposed legislation. We would love to register our opposition. We are greatly concerned because if these bills pass it could negatively affect all domestic manufacturers in our industry. If they do pass it would increase margins for the companies who import, enabling them to spend more on marketing, product development or lower their prices, thereby making it all the more difficult for the domestic manufacturers to be competitive and sustainable. In my opinion, removal of such tariffs is not only concerning to companies in our industry, but to all domestic manufacturers and for the overall U.S. economy. Bills such as these do not protect the American worker but rather encourage companies to manufacture abroad and eliminate domestic jobs. Considering the state of our economy, I am not sure why anyone would propose bills such as this. I really don't understand the motivation or the intended benefit here.

Our company, Thirsties Inc. ([www.thirstiesbaby.com](http://www.thirstiesbaby.com)) has been in business for 8 years. We manufacture our products in the USA and source our materials almost entirely from USA sources. Why do we go through so much trouble to maintain our manufacturing home? Because (a) we believe in rewarding the skills and talents of our fellow Americans; (b) because we aim to reduce the distance our diapers travel from yarn to diaper, thereby greatly reducing the carbon footprint of our manufacturing and distribution process; (c) because we want to do our part to rebuild domestic industry; (d) because we know that the only way to truly monitor quality – from raw goods to final product - is to build individual and mutually beneficial relationships with each and every one of our suppliers and sewers.

We recently invested in a textile cutting machine to support our manufacturing. This investment cost us more than \$100,000. 3 years ago there were 18 machines like ours in Colorado, now there are zero. Removing tariffs on imports supports this trend and will only encourage exportation of more manufacturing jobs.

We have over 500 juvenile product retailers in the USA that sell our products. Through surveys we have learned that many of our retail partners and end-user customers choose Thirsties cloth diapers because we are made in the USA. We have 11 employees and the sewing company we work with in Denver, CO has more than 20 sewers. Further, we work with 17 raw material suppliers who also manufacture (knit) their products in the USA. If there was duty-free treatment of imported cloth diapers it would be even harder for any company to manufacture cloth diapers domestically and be competitive on pricing, thereby putting the jobs of all those who are indirectly or directly employed by Thirsties at risk. Imports are already less expensive. I can't understand why we need to reduce their costs even more and amplify the disadvantages of manufacturing in the USA.

Please let me know if you need any additional information.

Thank you,

Sadler Merrill | Thirsties, Inc.

O: 888-315-2330 ext. 2

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

From: Charlene [mailto:charlene@tinytush.com]

Sent: Monday, July 23, 2012 2:58 PM

To: Colby, Heidi

Subject: RE: Request for consideration of Miscellaneous Tariff Bills on sanitary products, diapers, and the like

Hello my name is Charlene Foster owner of Tiny Tush Natural Baby Products we manufacture cloth diapers in the USA. I would like wish to register opposition again the Senate bills 2875, 2876, 2877, and 2878 and House Resolution 5496 will cause loss of job in the USA. We make diapers , diaper inserts (pads) and diaper covers (shells)that is described in each of these bills.

All the best,  
Charlene

Charlene Foster / CEO  
charlene@tinytush.com  
608-768-8874



**From:** Casey McClure [mailto:casey@swaddlebees.com]  
**Sent:** Monday, July 23, 2012 11:14 AM  
**To:** Colby, Heidi  
**Subject:** Re: URGENT: Needs addressing by July 23rd!!

Heidi:

Thank you for your response. Yes, you are correct. I confirm that Triple 8 Corporation, oppose all of the bills (that is, S. 2575 H.R. 5496, S. 2875, S. 2876, S. 2877, S. 2878) .

Please let me know if you have any further questions.

Best regards,

Casey McClure  
Director of Sales, Swaddlebees and Blueberry Diapers  
11145 Outlet Drive  
Knoxville, TN 37932  
USA

On Fri, Jul 20, 2012 at 4:38 PM, <[Heidi.Colby@usitc.gov](mailto:Heidi.Colby@usitc.gov)> wrote:

Casey,

Thank you for your input, which I will attach to my report. May I confirm that you oppose all of the bills (that is, S. 2575 H.R. 5496, S. 2875, S. 2876, S. 2877, S. 2878) or only certain ones?

Regards,

Heidi

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**From:** Casey McClure [[casey@swaddlebees.com](mailto:casey@swaddlebees.com)]  
**Sent:** Friday, July 20, 2012 2:34 PM  
**To:** Colby, Heidi  
**Subject:** Re: URGENT: Needs addressing by July 23rd!!

Heidi:

1. Tell USITC if you produce cloth diapers in the U.S: Yes, we do produce diapers domestically inside the US
2. Tell USITC if you are opposed to proposed legislation to remove import duties on diapers: As a company we are opposed to removing import duties on diapers.
3. Provide a statement of opposition in writing. (Email is fine.) Our company, Triple 8 Corporation, doing business as Swaddlebees and Blueberry Diapers, produce all of our diapers here in the United States. We support about 30 US jobs with our production and this is very fundamental to our competitive advantage. As it stands now, US made goods are more expensive due to the US labor laws, but we are able to recoup some of that cost by advertising being made in the USA. If a company makes their products overseas and brings them over duty free, then

what motivation do they have to help the US economy. I know they will say we have a support staff stateside and they support all the domestic Retailers, but it is doing nothing to grow US manufacturing jobs. We have been in business since 2005 and we have looked at overseas production, and even tried it once, but to us, working with a local manufacturer and the benefits it brings, far outweigh the cost savings. For these basic reasons, we oppose suspending/ending tariffs on diaper imports.

Please let me know if you require anything else.

Thank you and have a fantastic day!!!

Best regards,

Casey McClure  
Director of Sales, Swaddlebees and Blueberry Diapers  
11145 Outlet Drive  
Knoxville, TN 37932  
USA

**From:** Shirley [mailto:shirley@bummis.com]  
**Sent:** Tuesday, July 24, 2012 1:51 PM  
**To:** Colby, Heidi  
**Subject:** RE: Miscellaneous tariff bills

Hello Heidi,

We produce cloth diapers using predominantly U.S. made fabric and object to HR 5496, S 2875, S 2876, S 2877, and S 2878. We also employ American citizens in our US warehouse.

Removing tariffs for imports as described above, will smash the efforts of those manufacturers that are attempting to rebuild textile manufacturing in the USA. The only things protecting their valiant efforts were tariffs on imported goods, the rising costs in China and the desire of Americans to buy locally made products. We, who produce with American made textiles and components will never be able to compete with duty free products being imported into the USA and thus will no longer be able to use American made components. We will be forced to close our manufacturing or to produce with off shore product.

We are strongly against these bills as we have fought hard to maintain our manufacturing in North America and our top suppliers in our supply chain are in the USA

Additionally, these bills leave one item still with tariffs, prefold cotton diapers. These are the one item on the list NOT made in the USA and yet they are the one item left with tariffs, this is nonsensical. If these do go through, these diapers should be also tariff free.

Thank you,  
Shirley Murdock  
Vice President  
Bummi Inc.

112TH CONGRESS  
2D SESSION

# S. 2876

To suspend temporarily the duty on diaper pads with an outer layer of water-resistant laminated knitted fabric of polyester and with a layer or layers of certified organic cotton.

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## IN THE SENATE OF THE UNITED STATES

MAY 8, 2012

Mr. BAUCUS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on diaper pads with an outer layer of water-resistant laminated knitted fabric of polyester and with a layer or layers of certified organic cotton.

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. DIAPER PADS WITH AN OUTER LAYER OF**  
4                               **WATER-RESISTANT LAMINATED KNITTED**  
5                               **FABRIC OF POLYESTER AND WITH A LAYER**  
6                               **OR LAYERS OF CERTIFIED ORGANIC COTTON.**

7       (a) IN GENERAL.—Subchapter II of chapter 99 of  
8       the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following  
 2 new heading:

“	9902.01.00	Diaper pads, designed to be inserted in diapers or diaper shells, the foregoing with an outer layer of water-resistant laminated knitted fabric of polyester and with a layer or layers of certified organic cotton, with elastic gussets to absorb moisture near the wearer’s legs, with snaps or other fasteners to hold the pads in place (provided for in subheading 9619.00.61) .....	Free	No change	No change	On or before 12/31/2015	”.
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3 (b) EFFECTIVE DATE.—The amendment made by  
 4 subsection (a) applies with respect to goods entered, or  
 5 withdrawn from warehouse for consumption, on or after  
 6 the 15th day after the date of the enactment of this Act.

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