

United States International Trade Commission

**Advice Concerning  
Possible  
Modifications to the  
U.S. Generalized  
System of  
Preferences, 2010  
Special Review,  
Certain Sleeping  
Bags**

Investigation No. 332-513

USITC Publication 4141

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# U.S. International Trade Commission

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# U.S. International Trade Commission

Washington, DC 20436  
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## **Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Special Review, Certain Sleeping Bags**

Investigation No. 332-513

CLASSIFIED BY: United States Trade Representative,  
Letter Dated January 15, 2010

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Letter Dated January 15, 2010



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*NOTICE*

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# ABSTRACT

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This report contains the advice of the U.S. International Trade Commission (Commission) to the President regarding the probable economic effect of removing certain sleeping bags (HTS subheading 9404.30.80) from the list of articles eligible for duty-free treatment under the Generalized System of Preferences (GSP) for all GSP-eligible countries. The advice concerns the probable economic effect of this action on U.S. industries producing like or directly competitive articles, on U.S. imports, and on U.S. consumers.





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# Chapter 1

## Introduction and Summary of Findings

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### Introduction<sup>1</sup>

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This report provides advice concerning the probable economic effect (PE) of the removal of certain sleeping bags (HTS subheading 9404.30.80) from the list of articles eligible for duty-free treatment under the provisions of the U.S. Generalized System of Preferences (GSP) for all GSP-eligible countries, as requested by the United States Trade Representative (USTR).<sup>2</sup> Specifically, the report provides advice as to the PE of the proposed action on U.S. industries producing like or directly competitive articles, on U.S. imports, and on consumers.

\* \* \* \* \*

### Summary of Advice

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<sup>1</sup> The information in these chapters is for the purpose of this report only. Nothing in this report should be construed to indicate how the Commission would find in an investigation conducted under any other statutory authority.

<sup>2</sup> See app. A for the USTR request letter. See app. B for the Commission's *Federal Register* notice instituting the investigation.



# CHAPTER 2

## CERTAIN SLEEPING BAGS

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### Removal<sup>1</sup>

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HTS subheading	Short description	Col. 1 rate of duty as of 1/1/10 percent ad valorem	Like or directly competitive article produced in the United States on Jan. 1, 1995?
9404.30.80 <sup>a</sup>	Sleeping bags, other than those with 20 percent or more of feathers and/or down	9.0	Yes

<sup>a</sup> HTS subheading 9404.30.80 was added to the GSP program on July 1, 1992, in response to a request from the Government of Czechoslovakia, as part of a special GSP review of products requested by producers in Central and Eastern Europe. This HTS subheading is not (and has never been) subject to a 3-digit textile category number, which would indicate its coverage by the U.S. Multifiber Arrangement.

The subject sleeping bags are bedding articles used for indoor and outdoor recreational purposes, such as camping and children’s sleepovers. Such sleeping bags are made from an outer textile shell, insulating fill, liner, and usually some type of closure, such as a zipper. Sleeping bags generally use man-made fiber fabrics for the shell and the lining. Sleeping bags may vary greatly with respect to shape, size, weight, and type of shell, liner, or filling used, depending on the intended use. The subject sleeping bags range in functionality and price from basic, inexpensive children’s bags intended for indoor use, to high-tech, high-cost sleeping bags intended for camping in subzero temperatures. The subject sleeping bags contain less than 20 percent by weight of down and/or feathers (and are hereafter referred to as “non-down sleeping bags”). Sleeping bags containing 20 percent or more by weight of feathers and/or down are not covered by the petition and are not addressed in this report.

### Probable Economic Effect Advice

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\* \* \* \* \*

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<sup>1</sup> The petitioner is Exxel Outdoors, Inc., of Haleyville, AL.

## Profile of U.S. Industry and Market, 2005–09

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The U.S. non-down sleeping bag industry consists of two producers, the petitioner Exxel Outdoors, Inc. (“Exxel”) and Wiggy’s.<sup>2</sup> \*\*\*.<sup>3</sup> Exxel indicated that it is the only domestic producer of sleeping bags manufactured “primarily for private label brands for mass market retailers,”<sup>4</sup> \*\*\*.<sup>5</sup>

\*\*\*.<sup>6</sup> It purchases the sleeping bag fill and thread from domestic firms, as well as the cartons for packaging.<sup>7</sup> \*\*\*.<sup>8</sup> Exxel indicated it has implemented a system of continuous improvement in its production techniques and that the company has machinery and operating systems that it has customized itself domestically.<sup>9</sup>

Exxel indicated it also imports sleeping bags from China, but that since 2007, it has been shifting its production of sleeping bags from China to the United States.<sup>10</sup> It also stated that it has spare capacity to further expand domestic production \*\*\*.<sup>11</sup> \*\*\*.<sup>12</sup> \*\*\*.<sup>13</sup> \*\*\*.<sup>14</sup> \*\*\*.<sup>15</sup> \*\*\*.<sup>16</sup> \*\*\*.<sup>17</sup>

The other domestic producer, Wiggy’s, Inc., sells bags for which the retail price ranges from \$152 to \$420 for adult bags and \$53 for a “bunting” bag intended for babies.<sup>18</sup> \*\*\*.<sup>19</sup>

Domestic producers supplied an estimated \*\*\* percent of the U.S. market for non-down sleeping bags in 2009, up from an estimated \*\*\* percent in 2005 (table 2.1). U.S. imports of sleeping bags under HTS subheading 9404.30.80 declined by 35 percent during 2005–09. \*\*\*.<sup>20</sup> \*\*\*.<sup>21</sup>

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<sup>2</sup> In addition, there are an estimated five producers of down sleeping bags, and one producer of “sleeping bags” that do not contain insulation, none of which are covered by this petition. Down sleeping bags are classified in HTS subheading 9404.30.40. The non-insulated bags are classified in chapter 63 of the HTS.

<sup>3</sup> \*\*\*

<sup>4</sup> Sorini, Samet and Associates, on behalf of Exxel, petition submitted to USTR, January 15, 2010, 3.

<sup>5</sup> \*\*\*

<sup>6</sup> \*\*\*

<sup>7</sup> Sorini, Samet and Associates, on behalf of Exxel, petition submitted to USTR, January 15, 2010, 21; Consolidated Fibers, Martex Fiber Southern Corporation, Stein Fibers, Ltd., Dunlap Industries, Inc., Rusken Packaging, Inc., and Smurfit-Stone Container Corporation, written submissions to the USITC, February 24, 2010.

<sup>8</sup> \*\*\*

<sup>9</sup> Sorini, Samet and Associates, on behalf of Exxel, petition submitted to USTR, January 15, 2010, 3.

<sup>10</sup> Sorini, Samet and Associates, on behalf of Exxel, petition submitted to USTR, January 15, 2010, 3, and \*\*\*.

<sup>11</sup> \*\*\*

<sup>12</sup> \*\*\*

<sup>13</sup> \*\*\*

<sup>14</sup> \*\*\*

<sup>15</sup> \*\*\*

<sup>16</sup> \*\*\*

<sup>17</sup> \*\*\*

<sup>18</sup> Wiggy’s Inc. Web site. <http://wiggys.com/category.cfm?category=6> (accessed February 24, 2010).

<sup>19</sup> \*\*\*

<sup>20</sup> \*\*\*

<sup>21</sup> \*\*\*

**Table 2.1** Certain sleeping bags: U.S. producers, employment, shipments, exports, imports, consumption, import-to-consumption ratio, and capacity utilization, 2005–09

Item	2005	2006	2007	2008	2009
Producers ( <i>number</i> )	2	2	2	2	2
Employment ( <i>employees</i> )	***	***	***	***	***
Shipments ( <i>1,000 dollars</i> )	***	***	***	***	***
Exports ( <i>1,000 dollars</i> )	1,442	1,738	2,779	3,042	4,322
Imports ( <i>1,000 dollars</i> )	101,850	101,502	95,820	83,673	65,711
Consumption ( <i>1,000 dollars</i> )	***	***	***	***	***
Import-to-consumption ratio ( <i>percent</i> )	***	***	***	***	***
Capacity utilization ( <i>percent</i> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	***

Source: Producers, employment, shipments, and capacity utilization estimated by Commission staff based on industry information; exports and imports compiled from official statistics of the U.S. Department of Commerce.

<sup>a</sup> Not available.

The domestic market for sleeping bags is segmented into different categories and price points. As described by Cellcorp Global Limited (“Cellcorp”), a camping goods designer, supplier, and importer of the subject sleeping bags, the retail sleeping bag market encompasses three categories: bags intended for children’s play for indoor use (and often included as part of a set); children’s bags suitable for indoor or outdoor use; and adult sleeping bags.<sup>22</sup> Cellcorp further divides the children’s and adult sleeping bag market into three primary segments: recreation (accounting for 50 percent of the market), moderate (40 percent), and extreme (10 percent). According to Cellcorp, customers who purchase sleeping bags for the recreational market are inexperienced campers, who generally purchase sleeping bags for use in the summer. Bags for this market segment are sold at retail at the opening (lowest) price point offered by a retailer. Customers buying sleeping bags for the moderate market are casual campers, looking for sleeping bags with more advanced features that can be used in spring, summer, and fall. Customers who purchase “extreme” bags are looking for a sleeping bag suitable for year-round camping and are willing to pay premium prices for their preferred products.

According to Cellcorp, the sleeping bags it imports from Bangladesh<sup>23</sup> are different from those produced by Exxel in the United States in that they have different features and price points and serve different market segments.<sup>24</sup> Cellcorp stated that almost 90 percent of the sleeping bags it imported from Bangladesh in 2009 consisted of children’s sleeping bags sold as part of a play set (including a back-pack, water bottle, and flashlight), which

<sup>22</sup> Unless otherwise noted, the information on market segmentation in this paragraph is based on Sidley Austin LLP, on behalf of Cellcorp Global Limited (Cellcorp) and OFMA Camp (OFMA Camp) Ltd., written submission to the USITC, March 3, 2010, 13–15, exhibit 3.

<sup>23</sup> \*\*\*. Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 2.

<sup>24</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 3.

retails for \$12.99.<sup>25</sup> Cellcorp also indicated that its opening retail price point for its rectangular 3-pound adult sleeping bag is \$14.99.<sup>26</sup>

The NorthPole Group of Companies (NorthPole Ltd.), a global producer of outdoor recreational items, manufactures and exports non-down sleeping bags from Bangladesh.<sup>27</sup> NorthPole Ltd. indicated that it has a manufacturing facility in Bangladesh, \*\*\* and that it is in the process of completing a second facility \*\*\*.<sup>28</sup> \*\*\*.<sup>29</sup> \*\*\*.<sup>30</sup>

## **GSP Import Situation, 2009**

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Bangladesh was the primary GSP supplier of non-down sleeping bags in 2009, accounting for 97 percent of the value of U.S. imports of non-down sleeping bags from GSP countries. U.S. imports of the subject sleeping bags from Bangladesh increased in value from \$17,287 in 2008 to \$611,927 in 2009; nonetheless, they accounted for less than 1 percent of the total U.S. imports of such sleeping bags in 2009 (table 2.2). Such imports currently fall well below the GSP's competitive need limits of a 50 percent share of U.S. imports of the subject product or imports exceeding \$140 million for 2009. In 2009, 27 percent of imports of non-down sleeping bags from Bangladesh (\$162,817) entered duty free under the GSP, with the remainder (63 percent) dutiable at 9 percent ad valorem (table 2.3). \*\*\*.<sup>31</sup> Cellcorp stated that its sleeping bags made in Bangladesh do qualify for duty-free treatment under the provisions of the GSP because they are a product of Bangladesh, having been substantially transformed into a new and different product in that country. Also, Cellcorp stated that the cost or value of the material produced in Bangladesh, plus the direct costs associated with the processing operations in that country, are at least 35 percent of the value of the sleeping bags upon entry into the United States.<sup>32</sup>

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<sup>25</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 17.

<sup>26</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 18.

<sup>27</sup> NorthPole Ltd., written submission to USTR, February 8, 2010.

<sup>28</sup> \*\*\*

<sup>29</sup> \*\*\*

<sup>30</sup> \*\*\*

<sup>31</sup> \*\*\*

<sup>32</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 23 n. 28.



**Table 2.2** Certain sleeping bags: U.S. imports and share of U.S. consumption, 2009

Item	Imports (\$)	% of total imports	% of imports from GSP-eligible countries	% of U.S. consumption
Imports from all countries:				
Grand total	65,711,118	100	( <sup>a</sup> )	***
Imports from GSP-eligible countries:				
Total	630,787	1.0	100	***
Bangladesh	611,927	0.9	97.0	***
India	16,800	( <sup>b</sup> )	2.7	( <sup>b</sup> )
Pakistan	2,060	( <sup>b</sup> )	0.3	( <sup>b</sup> )

Note: Figures may not add to total because of rounding.

<sup>a</sup> Not applicable.

<sup>b</sup> \*\*\*

The value of U.S. imports from Bangladesh fluctuated during 2005–08, primarily reflecting differences in the unit values of imports, while imports by quantity held steady at about 2,000 units annually. According to industry sources, until recently, Bangladesh was making sleeping bags that sold at higher price points, which was reflected in the unit value import data. The unit value of U.S. imports of sleeping bags from Bangladesh averaged \$29.25 per bag in 2005, \$43.00 per bag in 2007, and \$7.35 per bag in 2008. In 2009, U.S. imports of the subject sleeping bags from Bangladesh increased in terms of both quantity and value, and the unit value declined further (to \$5.14). \*\*\*.<sup>33</sup>

## U.S. Imports and Exports

China, a non-GSP supplier, was the major source of U.S. imports of non-down sleeping bags in 2009, accounting for 98 percent of the value and quantity of such imports (table 2.3 and 2.4). U.S. imports of these products from China declined steadily during 2005–09, reportedly, in part, because of the state of the U.S. economy and shrinking demand for sleeping bags.<sup>34</sup>

<sup>33</sup> \*\*\*

<sup>34</sup> \*\*\*

**TABLE 2.3** Certain sleeping bags (HTS subheading 9404.30.80): U.S. imports (customs value) for consumption by principal sources, 2005–09, in dollars

Country	2005	2006	2007	2008	2009
<b>Imports from all suppliers:</b>					
China	100,462,210	99,836,462	93,968,357	82,913,212	64,425,954
Bangladesh	5,850	49,427	70,563	17,287	611,927
United Kingdom	121,594	329,915	396,792	369,282	451,270
Taiwan	39,246	44,776	0	52,088	94,098
Mexico	11,891	79,499	98,497	57,870	36,774
Hong Kong	413,091	350,553	517,053	20,963	26,278
India	171,025	97,370	226,525	84,998	16,800
Canada	143,214	56,951	27,741	55,757	13,132
Germany	41,679	31,179	52,322	13,206	10,575
Vietnam	0	80,255	4,813	0	6,848
All other	440,277	545,303	457,488	88,678	17,462
<b>Total</b>	<b>101,850,077</b>	<b>101,501,690</b>	<b>95,820,151</b>	<b>83,673,341</b>	<b>65,711,118</b>
<b>Imports from GSP-eligible countries:</b>					
Bangladesh	5,850	49,427	70,563	17,287	611,927
India	171,025	97,370	226,525	84,998	16,800
Pakistan	3,978	0	0	0	2,060
Thailand	46,962	0	0	0	0
Philippines	0	53,581	0	0	0
Virgin Islands, British	0	0	92,986	0	0
South Africa	2,875	2,964	0	0	0
Indonesia	0	10,700	0	0	0
Turkey	0	7,170	0	0	0
<b>Total</b>	<b>230,690</b>	<b>221,212</b>	<b>390,074</b>	<b>102,285</b>	<b>630,787</b>
<b>Imports from GSP-eligible countries where GSP provisions were claimed:</b>					
Bangladesh	0	49,427	0	0	162,817
India	171,025	97,370	224,405	84,998	16,800
Pakistan	3,978	0	0	0	2,060
Thailand	46,962	0	0	0	0
Philippines	0	53,581	0	0	0
Virgin Islands, British	0	0	0	0	0
South Africa	2,875	2,964	0	0	0
Indonesia	0	10,700	0	0	0
Turkey	0	7,170	0	0	0
<b>Total</b>	<b>224,840</b>	<b>221,212</b>	<b>224,405</b>	<b>84,998</b>	<b>181,677</b>

Source: Official statistics of the U.S. Department of Commerce.

**TABLE 2.4** Certain sleeping bags (HTS subheading 9404.30.80): U.S. imports for consumption by principal sources, 2005–09, in 1,000 units

Country	2005	2006	2007	2008	2009
Imports from all suppliers:					
China	11,217	11,836	11,308	9,779	6,772
Bangladesh	( <sup>a</sup> )	2	2	2	119
Mexico	3	20	25	8	10
United Kingdom	4	5	6	5	7
Germany	1	1	3	1	6
Taiwan	3	2	0	2	5
Czech Republic	0	0	0	0	2
India	11	7	16	6	1
Hong Kong	29	8	57	3	1
Canada	3	2	1	3	1
All other	26	40	54	7	1
Total	11,297	11,923	11,472	9,816	6,925
GSP-eligible countries:					
Bangladesh	( <sup>a</sup> )	2	2	2	119
India	11	7	16	6	1
Virgin Islands, British	0	0	11	0	0
Indonesia	0	1	0	0	0
Pakistan	( <sup>a</sup> )	0	0	0	( <sup>a</sup> )
Philippines	0	( <sup>a</sup> )	0	0	0
Russia	0	0	0	0	0
South Africa	( <sup>a</sup> )	( <sup>a</sup> )	0	0	0
Thailand	4	0	0	0	0
Total	15	10	29	8	120

Source: U.S. Department of Commerce. Data presented are imports for consumption.

<sup>a</sup> Less than 500 units.

Data for total U.S. exports of sleeping bags reflect exports of non-down sleeping bags, as well as sleeping bags made with down or feathers; the latter are not covered by the petition (table 2.5). Afghanistan was the largest U.S. market in 2009, and likely reflects exports for the U.S. military.

**TABLE 2.5** Sleeping bags (all types): U.S. exports (f.a.s. value) of domestic merchandise, by market, 2005–09, in dollars

Country	2005	2006	2007	2008	2009
Afghanistan	0	2,700	4,400	21,584	1,107,709
Canada	361,053	509,867	428,688	482,215	575,571
Australia	106,073	32,067	124,700	118,362	376,188
Japan	170,507	151,317	298,336	73,145	365,211
Germany	124,349	178,834	222,885	338,660	246,779
Korea	38,034	29,960	28,288	47,794	182,899
China	17,410	21,371	84,927	294,340	173,042
United Kingdom	15,516	12,683	54,178	126,954	142,801
Switzerland	54,240	73,754	102,786	118,725	124,078
Netherlands	45,385	72,729	79,412	119,844	124,017
All other	509,066	653,142	1,350,621	1,300,705	903,733
Total	1,441,633	1,738,424	2,779,221	3,042,328	4,322,028

Source: Official statistics of the U.S. Department of Commerce.

## Positions of Interested Parties

**Petitioner:** Exxel Outdoors, Inc., requested that sleeping bags classified under HTS subheading 9904.30.80 be withdrawn from GSP eligibility.<sup>35</sup> Exxel stated that it produces family-style sleeping bags largely for mass market retailers and that these products are price sensitive. It stated that duty-free imports from Bangladesh at current prices pose a threat to the future of Exxel’s U.S. manufacturing. Exxel stated that imports from Bangladesh increased rapidly in 2009, rising by nearly 5,000 percent (January–November 2009 over January–November 2008 levels). It stated that if such trends continue, sleeping bag imports from Bangladesh could threaten Exxel’s current market share.

In a written submission to the Commission, Exxel predicted that U.S. imports from Bangladesh imported under the GSP will grow exponentially.<sup>36</sup> Exxel stated that it expects that U.S. imports of sleeping bags from Bangladesh by Cellcorp alone “will triple or quadruple Bangladesh’s entire 2009 output under GSP”<sup>37</sup> and that other firms, including \*\*\* will also import from Bangladesh under the GSP in 2010. Exxel stated that NorthPole’s several-million-dollar investment in a sleeping bag factory in Bangladesh also supports Exxel’s view that imports of non-down sleeping bags will increase exponentially from Bangladesh.

\*\*\*.<sup>38</sup>

Exxel stated that it produces high-quality sleeping bags for sale at multiple price points and that all its domestically produced sleeping bags are suitable for outdoor use and compete directly with imports from Bangladesh. Exxel also stated that Bangladesh’s labor rates are a fraction of those in China, and thus Bangladesh does not need duty-free GSP treatment in order to compete against China.

<sup>35</sup> Sorini, Samet and Associates, on behalf of Exxel, petition submitted to USTR, January 15, 2010.

<sup>36</sup> Sorini, Samet and Associates, on behalf of Exxel, written submission to the USITC, March 1, 2010.

<sup>37</sup> Sorini, Samet and Associates, on behalf of Exxel, written submission to the USITC, March 1, 2010, attachment, 3.

<sup>38</sup> \*\*\*

**Support:** The following members of U.S. House of Representatives sent a joint letter to the Commission in support of the proposed petition to remove sleeping bags from GSP eligibility: Robert Aderholt, Jo Bonner, Parker Griffith, Mike Rogers, Spencer Bachus, Bobby Bright, and Artur Davis (all from Alabama); Christopher Carney (Pennsylvania); Walter Jones (North Carolina); and Zach Wamp (Tennessee).<sup>39</sup> The letter stated that Exxel’s plant in Haleyville, AL, and Equinox’s plant<sup>40</sup> in Williamsport, PA, provide essential jobs to communities experiencing hard economic times. It stated that the firms provide economic support to communities in North Carolina, South Carolina, Tennessee, Mississippi, and New Jersey, where U.S.-produced sleeping bag inputs are made.

The Commission received letters in support of the petition from the following U.S. suppliers of sleeping bag inputs and packaging to Exxel: Consolidated Fibers of North Carolina (fiberfill); Martex Fiber Southern Corporation of South Carolina (fiberfill); Stein Fibers, Ltd., of North Carolina (fiberfill); Royal Slide Sales Co., Inc., of New Jersey (sleeping bag carrying cases); Dunlap Industries, Inc., of Tennessee (thread); Rusken Packaging, Inc., of Alabama (shipping cartons); and Smurfit-Stone Container Corporation of Mississippi (shipping cartons).<sup>41</sup> Haleyville Area Chamber of Commerce and the City of Haleyville also sent letters in support of the petition, indicating that Exxel has been an important contributor to the local economy in an area that has an unemployment level of about 18 percent.<sup>42</sup>

The American Manufacturing Trade Action Coalition (AMTAC), a trade association representing a significant segment of the textile industry, indicated in written submissions to the Commission that it supports the petition to remove non-down sleeping bags from duty-free treatment under GSP and that the continuation of duty-free treatment to GSP-eligible countries is a threat to U.S. sleeping bag manufacturers.<sup>43</sup> Further, it stated that while U.S. imports of sleeping bags from Bangladesh will continue to increase after the reinstatement of the 9 percent duty for non-down sleeping bags, the 9 percent duty will allow Exxel’s domestic manufacturing plant to compete with imports. AMTAC pointed to the example of U.S. imports of tents under HTS subheading 6306.22.90, which have an NTR duty rate of 8.8 percent and are not eligible for GSP treatment. AMTAC emphasized that U.S. imports of these tents from Bangladesh grew during 2008–09, while U.S. imports from China and the world declined.

The National Association of Manufacturers (NAM), which represents U.S. manufacturing industries, stated that it supports the petition to remove certain sleeping bags from the

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<sup>39</sup> U.S. House of Representatives (Robert Aderholt, Jo Bonner, Christopher Carney, Parker Griffith, Mike Rogers, Spencer Bachus, Bobby Bright, Artur Davis, Walter Jones, and Zach Wamp), written submission to the USITC, March 1, 2010.

<sup>40</sup> The product produced by Equinox is a fleece bag that is made without insulation, and hence is not covered under HTS 9404.30.80. Equinox Web site. <http://www.equinoxltd.com/the-gear/sleeping-bags-and-liners/> (accessed March 3, 2010).

<sup>41</sup> Consolidated Fibers, Martex Fiber Southern Corporation, Stein Fibers, Ltd., Royal Slide Sales Co., Inc., Dunlap Industries, Inc., Rusken Packaging, Inc., and Smurfit-Stone Container Corporation, written submissions to the USITC, February 24, 2010.

<sup>42</sup> Haleyville Area Chamber of Commerce and City of Haleyville, written submission to the USITC, February 24, 2010.

<sup>43</sup> American Manufacturing Trade Action Coalition, written submissions to the USITC, February 24, 2010, and March 1, 2010.

GSP.<sup>44</sup> NAM indicated that it supports the GSP program in general, but that the importation of textile products under GSP was never intended nor allowed.

**Opposition:** In a written submission to the Commission, Cellcorp Global Limited, located in Kentucky, said that it is a designer and manufacturer of camping equipment, including sleeping bags. Cellcorp expressed opposition to the removal of sleeping bags from the GSP.<sup>45</sup> It stated that U.S.-produced sleeping bags are not like or directly competitive with the sleeping bags produced in Bangladesh. Cellcorp stated that it produces both adult and children's sized sleeping bags in rectangular, hybrid oval, and mummy shapes in Bangladesh and China. It indicated that these bags have numerous added features \*\*\*.<sup>46</sup> Cellcorp stated that it is also producing sleeping bags in Bangladesh for children's play sets.

Cellcorp stated that Exxel is assembling basic, opening-price-point sleeping bags in the United States for the recreational customer and that these sleeping bags are serving a different segment of the consumer market than the bags produced in Bangladesh for Cellcorp. Further, it stated that continued GSP benefits for the subject sleeping bags will bring new jobs to Bowling Green, KY, without any harm to the operation and employment of Exxel in Haleyville, AL. Cellcorp stated that "signs point to Exxel using the GSP review process as a means to make Bangladesh-manufactured sleeping bags more expensive, through the imposition of the 9 percent duty, so that Exxel can more competitively rely upon China as its source for supplying the moderate feature-rich market in the United States."<sup>47</sup>

Werkshop Marketing ("Werkshop") stated that it is opposes the petition to withdraw duty-free treatment for sleeping bags.<sup>48</sup> Werkshop stated that it has recently been hired by Cellcorp Global Limited to help create new merchandise designs and help grow Cellcorp's Sleepcell brand.

The Embassy of the People's Republic of Bangladesh stated that there is no justified reason for considering the withdrawal of sleeping bags from GSP treatment.<sup>49</sup> The embassy stated that the list of textile articles maintained by the Committee for the Implementation of Textile Agreements (CITA) did not include sleeping bags as a textile article and that the WTO Agreement on Textiles and Clothing also does not include sleeping bags. The Embassy further stated that U.S. imports of sleeping bags under various free trade agreements accounted for a larger share of total U.S. imports than did imports under the GSP.

The National Retail Federation (NRF), on behalf of its member companies in the U.S. retail industry, submitted a statement objecting to the removal of sleeping bags from the

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<sup>44</sup> National Association of Manufacturers, written submission to the USITC, March 1, 2010.

<sup>45</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010.

<sup>46</sup> Such features include a pillow, a baffle at the zipper to prevent cold air from entering, a design/quilting to prevent cold spots, or vents that can be opened in warm weather. Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 15 and 17.

<sup>47</sup> Sidley Austin LLP, on behalf of Cellcorp and OFMA Camp, written submission to the USITC, March 3, 2010, 27.

<sup>48</sup> Werkshop Marketing, written submission to the USITC, March 1, 2010.

<sup>49</sup> Embassy of the People's Republic of Bangladesh, written submission to the USITC, February 26, 2010.

GSP program.<sup>50</sup> NRF stated that there is no basis for concluding that sleeping bags imported under the GSP from Bangladesh are import sensitive. In part, this is because Bangladesh is a small producer of sleeping bags compared with China, the largest exporter of sleeping bags to the United States, and will remain so into the foreseeable future, according to NRF. NRF also stated that removing sleeping bags from GSP eligibility would result in those goods being subject to a 9 percent ad valorem duty, which would impose economic harm on domestic consumers.

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<sup>50</sup> National Retail Federation, written submission to the USITC, February 19, 2010.





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Rusken Packaging, Inc. Written submissions to the USITC, February 24, 2010.

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———, on behalf of Exxel Outdoors, Inc. Written submissions to the USITC, March 1, 2010.

Stein Fibers, Ltd. Written submissions to the USITC, February 24, 2010.

U.S. House of Representatives (Robert Aderholt, Jo Bonner, Christopher Carney, Parker Griffith, Mike Rogers, Spencer Bachus, Bobby Bright, Artur Davis, Walter Jones, and Zach Wamp). Written submission to the USITC, March 1, 2010.

Werkshop Marketing, on behalf of Cellcorp. Written submission to the USITC, March 1, 2010.



**APPENDIX A**  
**USTR Request Letter**

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EXECUTIVE OFFICE OF THE PRESIDENT  
THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

JAN 15 2010

DOCKET NUMBER
2709
Office of the Secretary Int'l Trade Commission

The Honorable Shara Aranoff  
Chairman  
United States International Trade Commission  
500 E Street, S.W.  
Washington, D.C. 20436

Dear Chairman Aranoff:

The Trade Policy Staff Committee (TPSC) has recently decided and will announce in the *Federal Register* its decision to accept a product petition for modification of the Generalized System of Preferences (GSP). In this connection, under authority delegated to me by the President, I request, pursuant to section 332(g) of the Tariff Act of 1930, that with respect to the article listed in the enclosed annex, the U.S. International Trade Commission (Commission) provide its advice as to the probable economic effect of the removal of this article from eligibility for duty-free treatment under the GSP program with respect to all beneficiary countries, on U.S. industries producing like or directly competitive articles, on U.S. imports, and on U.S. consumers.

The report should be classified and marked in accordance with Section 1.6 of Executive Order 13292, as amended. With respect to the article identified in the enclosed annex, the sections of the report that analyze the probable economic effect as well as other information that would reveal aspects of the probable economic effects advice should be classified as Confidential pursuant to Section 1.4(e) of Executive Order 13292, as amended. The declassification date should be ten years from the date of your report. Background, public data, and other portions of the report that do not provide or reveal aspects of the probable economic effects advice or conclusions should not be classified. The probable economic effects advice, the probable effect model results, the non-public data used in the model, and the model parameters as a whole would normally be classified Confidential. Chapters containing the positions of interested parties, previously released public documents (e.g., the request letter and *Federal Register* notice), and tables containing public data (unless the selection of data on the table would reveal the probable effects advice) should be unclassified. The overall classification marked on the front and back covers of the report should be "Confidential" to conform with the confidential sections contained therein. All business confidential information contained in the report should be clearly identified.

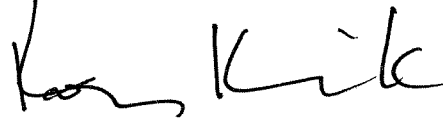
Once the Commission's confidential report is provided to my Office, the Commission should issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any business confidential information deleted.

The Honorable Shara Aranoff  
Page Two

I would greatly appreciate it if the Commission could provide the requested advice, including those portions indicated as "Confidential" to my Office by no later than April 12, 2010. Once the Commission's confidential report is provided to my Office, and we review and approve the classification marking, the Commission should issue, as soon as possible thereafter, a public version of the report containing only the unclassified information, with any confidential business information deleted.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Kirk". The signature is written in a cursive style with a large, sweeping initial "R" that loops back over the word "Kirk".

Ambassador Ron Kirk

Annex

The Harmonized Tariff Schedule of the United States (HTS) subheading listed below is the subject of a review to determine whether to remove duty-free status from this article for imports from all beneficiary developing countries under the Generalized System of Preferences. The tariff nomenclature in the HTS for the subheading listed below is definitive; the product description is *for informational purposes only*. The description below is not intended to delimit in any way the scope of the subheading. The HTS may be viewed on <http://www.usitc.gov/tata/index.htm>.

<u>HTS Subheading</u>	<u>Brief Description</u>	<u>Petitioner</u>
9404.30.80	Sleeping bags, not containing 20 percent or more by weight of feathers and/or down	Exxel Outdoors, Inc.





## **APPENDIX B**

# **Commission's *Federal Register* Notice of Institution**

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2. Old Business
3. Superintendent's Report
4. Chairman's Report
5. Public Comments

**FOR FURTHER INFORMATION CONTACT:**

Further information concerning this meeting may be obtained from the Superintendent, Acadia National Park, P.O. Box 177, Bar Harbor, Maine 04609, telephone (207) 288-3338.

**SUPPLEMENTARY INFORMATION:** The meeting is open to the public. Interested persons may make oral/written presentations to the Commission or file written statements. Such requests should be made to the Superintendent at least seven days prior to the meeting. Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: January 7, 2010.

**Sheridan Steele,**

*Superintendent, Acadia National Park.*

[FR Doc. 2010-1922 Filed 1-28-10; 8:45 am]

**BILLING CODE 4310-2N-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-513]

### Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Special Review, Certain Sleeping Bags

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of investigation.

**SUMMARY:** Following receipt of a request on January 19, 2010 from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332 (g)), the U.S. International Trade Commission (Commission) instituted investigation No. 332-513, *Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2010 Special Review, Certain Sleeping Bags*.

**DATES:** March 1, 2010: Deadline for filing written submissions.

April 12, 2010: Transmittal of report to the United States Trade Representative.

**ADDRESSES:** All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street, SW., Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street, SW., Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

**FOR FURTHER INFORMATION CONTACT:**

Information specific to this investigation may be obtained from Philip Stone, Project Leader, Office of Industries (202-205-3424 or [philip.stone@usitc.gov](mailto:philip.stone@usitc.gov)). For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or [william.gearhart@usitc.gov](mailto:william.gearhart@usitc.gov)). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or [margaret.olaughlin@usitc.gov](mailto:margaret.olaughlin@usitc.gov)). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

*Background:* As requested by the USTR pursuant to section 332(g) of the Tariff Act of 1930, the Commission will provide advice as to the probable economic effect on U.S. industries producing like or directly competitive articles, on U.S. imports, and on U.S. consumers of the removal of sleeping bags provided for in HTS subheading 9404.30.80 (sleeping bags, not containing 20 percent or more by weight of feathers and/or down) from eligibility for duty-free treatment under the Generalized System of Preferences (GSP) program with respect to all beneficiary countries. As requested by the USTR, the Commission will provide its advice by April 12, 2010. The USTR indicated that those sections of the Commission's report and related working papers that contain the Commission's advice will be classified as "confidential."

*Written Submissions:* Interested parties are invited to file written submissions concerning this investigation. All such submissions should be addressed to the Secretary

and should be received not later than 5:15 p.m. on March 1, 2010. All written submissions must conform with the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 CFR 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, [http://www.usitc.gov/secretary/fed\\_reg\\_notices/rules/documents/handbook\\_on\\_electronic\\_filing.pdf](http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf)). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available in the Office of the Secretary to the Commission for inspection by interested parties. The Commission may include some or all of the confidential business information submitted in the course of the investigation in the report it sends to the USTR. As requested by the USTR, the Commission will publish a public version of the report, which will exclude portions of the report that the USTR has classified as well as any business confidential information.

By order of the Commission.

Issued: January 25, 2010.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 2010-1812 Filed 1-28-10; 8:45 am]

**BILLING CODE 7020-02-P**



## **APPENDIX C**

# **Model for Evaluating the Probable Economic Effect of Changes in the GSP**

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**MODEL FOR EVALUATING THE  
PROBABLE ECONOMIC EFFECT OF CHANGES IN GSP STATUS**

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