



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)):

Warp knit or circular knit fabrics (other than open-work figured fabrics) of nylon or of polyester, of a width exceeding 139 cm, containing by weight 5 percent or more but not over 24 percent elastomeric yarn but not containing rubber thread, weighing not more than 230 g/m², printed, having one-way or two-way stretch (provided for in subheading 6004.10.00)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject product is a knitted fabric of nylon or polyester and is used by the interested entity to make swimwear. Such fabrics may also be used to make knit tops and other knit garments, particularly sports apparel and "stretchy" fashion apparel. The major foreign suppliers are Korea, China, and Italy. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6004.10.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	12.3	12.3	12.3	12.3	12.3
Estimated value of <i>dutiable</i> imports (\$)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Customs revenue loss (\$)	615,000	615,000	615,000	615,000	615,000

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 shown above has been modified for clarity and scope. Discussions with the interested entity revealed that the original description in the bill is much broader than that entity intended. The amended description significantly narrows the scope of fabrics affected by the bill, but it is believed that opposition to an amended provision would exist.

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	A & H Sportswear Co. Inc. (Interested entity) Keith Brobst	610-759-9550	No	No	No
2	Alexander Fabrics Inc., McComb Industries LLP Todd Whitley	601-810-1881	No	No	No
3	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	Yes	Yes	Yes
4	Green Textile Associates, Inc. Phillip Glover	864-595-9900	No	No	No
5	Guilford Shane Moran	910-794-5875	Yes	Yes	Yes
6	McMurray Fabrics, Inc. William Patz	704-732-9815 ext. 244	No	No	No
7	Milco Industries Bob Calabrese	704-732-9613 ext. 244	No	No	No
8	Milliken & Company Kathi Dutilh	202-775-0084	Yes	Yes	Yes
9	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
10	National Textile Association David Trumbull	617-542-8220	Yes	Yes	Yes

From: Sara Beatty [mailto:sbeatty@amtacdc.org]
Sent: Monday, June 25, 2012 4:30 PM
To: Colby, Heidi
Cc: TX.CH.ID; atantillo@amtacdc.org; lwood@amtacdc.org
Subject: Re: Current MTBs on textiles and apparel

Heidi,

Out of batch 5, AMTAC opposes HR 5199 and HR 5201 on window shade fabric. Copland Industries makes these fabrics. I think you've heard from Jason Copland confirming this - let me know if not. Also, I have heard that Phifer (not an AMTAC member) makes all of the window shade fabrics in question - (H.R. 5199, 5201, 5203, 5206, 5209) . Contact there is Charles Morgan - Charles.Morgan@phifer.com.

AMTAC also opposes H.R. 5036 - knit fabric containing elastomeric. Milliken makes this fabric.

We have no position on the remainder in batch 5.

Thanks! Sara

From: Shane Moran [mailto:SMoran@gfd.com]
Sent: Friday, June 22, 2012 4:07 PM
To: Jones, Jackie
Cc: Chad Brooks
Subject: RE: temporary duty suspension on warp knit printed fabrics

Jackie,

Thank you for the note. Guilford is capable of making this fabric and currently do make this fabric that is sold to the performance sportswear market for compression products. A market in which we face stiff competition from Asia and the middle east.

Guilford would oppose this action, Reasons:

1. As a US producer in the Nafta region a US textile company is compelled to use N.A. produced raw materials, those materials are sold at a premium due to the limited number of suppliers, putting our product at a disadvantage. In this case the Nafta protection may be more of a problem than a cure, but if we must play by those rules it would be injurious to open up the import side of the finished product.
2. Guilford has the capacity to produce several million yards of material in the description below, should A&H Sportswear have a need, we are available.

If you have further questions on this topic, do not hesitate to contact me directly.

Shane Moran
VP SPG
Guilford

From: Kathi Dutilh [mailto:kdutilh@millikendc.com]
Sent: Tuesday, June 26, 2012 11:43 AM
To: Jones, Jackie
Subject: Re: FW: Request for comment on selected MTBs

Jackie,

Milliken & Company opposes HR 5036 sponsored by Congressman Dent of Pennsylvania, because it would grant duty relief to products made in the United States.

Milliken's Specialty Fabrics Division employs more than one hundred associates in North Carolina, who knit cotton and man-made fabric for the performance knit and sports markets.

We supply US and Caribbean apparel manufacturers with specified product. Duty-free imports of competing fabrics, such as those described in HR 5036, would undermine our industrial business and cause job losses in North Carolina.

[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.

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 Contempora, 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
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Gastonia, NC 28054
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Fax: +1-704-671-2366

From: David Trumbull, NTA [mailto:dtrumbull@nationaltextile.org]
Sent: Monday, June 25, 2012 11:30 AM
To: Jones, Jackie
Subject: Subj.: MTB Comment Submission - Oppose H.R. 5036

June 21, 2012

Subj.: MTB Comment Submission - Oppose H.R. 5036

To whom it may concern:

The National Textile Association opposes H.R. 5036, which would suspend temporarily the duty on certain knit fabrics like or competitive with those made in the United States by members who produce knitted fabric for use in the production of swimwear and other apparel.

Yours,



David Trumbull
Vice President, International Trade
National Textile Association
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Boston, MA 02108
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dtrumbull@nationaltextile.org

112TH CONGRESS
2D SESSION

H. R. 5036

To suspend temporarily the duty on certain knitted or crocheted fabrics containing elastomeric yarn.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

A BILL

To suspend temporarily the duty on certain knitted or crocheted fabrics containing elastomeric yarn.

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 KNITTED OR CROCHETED FABRICS**

4 **CONTAINING ELASTOMERIC YARN.**

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

“	9902.01.00	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5 percent or more of elastomeric yarn but not containing rubber thread (provided for in sub-heading 6004.10.00)	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 goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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