



## 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)):**

Warp knit fabrics (including those made on galloon knitting machines) of synthetic fibers, printed, other than those of headings 6001 to 6004 (provided for in subheading 6005.34.00)

(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 products are printed, knitted fabrics of synthetic fibers (e.g., polyester) in which the yarn is knit along the length, or warp, of the fabrics. These fabrics can be used in a wide variety of end uses, including in the manufacture of apparel 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)	6005.34.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	10	10	10	10	10
Estimated value of <i>dutiable</i> imports (\$)	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Customs revenue loss (\$)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000

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	David Rothschild Co., Inc. Walter Rothschild	336-342-0035	Yes	Yes	Yes
4	Milliken & Company Kathi Dutilh	202-775-0084	Yes	Yes	Yes
5	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
6	National Textile Association David Trumbull	617-542-8220	Yes	Yes	Yes

**From:** Sara Beatty [<mailto:sbeatty@amtacdc.org>]  
**Sent:** Friday, June 29, 2012 11:06 AM  
**To:** Colby, Heidi  
**Cc:** [atantillo@amtacdc.org](mailto:atantillo@amtacdc.org); [lwood@amtacdc.org](mailto:lwood@amtacdc.org); TX.CH.ID  
**Subject:** Re: Batch 9 of the textile and apparel MTBs

Heidi,

AMTAC is opposed to H.R. 5557, 5558, and 5563. There are major U.S manufacturers of the yarns and fabrics that are used in these types of garments. Specifically, Milliken manufactures synthetic/man-made fiber knit fabrics in the United States for knit garments that are assembled in the DR-CAFTA region. In addition, Unifi is a major producer of polyester and nylon yarns, and one of the primary end uses for their yarns is knit fabric that goes into knit garments. I've attached our letters to Ways and Means for additional information on these three.

We have no position on the footwear bills.

Thanks, and let us know if you need additional information.

Sara

**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](mailto: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](mailto:walter@davidrothschildco.com)

Corporate office:  
512 12<sup>th</sup> 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](mailto:kdutilh@millikendc.com)

[www.milliken.com](http://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:** 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**  
**469 Hospital Drive, Ste. C**  
**Gastonia, NC 28054**  
**Tel: +1-704-215-4540**  
**Fax: +1-704-671-2366**

112TH CONGRESS  
2D SESSION

# H. R. 5537

To suspend temporarily the duty on certain warp knit fabrics.

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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

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## A BILL

To suspend temporarily the duty on certain warp knit fabrics.

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 WARP KNIT FABRICS.**

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	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004: Of synthetic fibers: Printed (provided for in subheading 6005.34.00) .....	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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