

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: June 4, 2010]²

Bill No. and sponsor: S. 2348 (Mr. George Voinovich of Ohio).

Proponent name,³ location: Standard Textile Co., Inc., Cincinnati, OH.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Reusable surgical drapes, woven, wholly of polyester (provided for in subheading 6307.90.72).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject products are reusable, finished textile products that are sold to healthcare facilities, primarily hospitals and outpatient surgical centers. A reusable surgical drape is a textile product that is used to “drape” over the patient during a surgical procedure, largely to absorb fluids, protect surrounding areas of the patient’s body, and assist surgeons in various ways. They may be rectangular or shaped according to the part of the body on which a particular procedure will be performed and are designed to be sterilized for repeated use. Some are designed to hold pouches of fluids of particular types, to assist in counting surgical instruments, or to provide protection against bacteria. According to the proponent, the subject drapes are made of 100 percent polyester woven fabric. The subject product is primarily imported from Mexico.⁴

¹ Industry analyst preparing report: Don Sussman (202-205-3331); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent identified two additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received a response from one, indicating that it would not benefit from the bill.

⁴ Goods of Mexico are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA). Under tariff classification rule 4 for chapter 63, the subject products must be made of yarns and fabrics made in North America and must be cut and sewn or otherwise assembled in a NAFTA party in order to receive NAFTA benefits. See general note 12(t) to the HTS.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6307.90.72:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4.5%	4.5%	4.5%	4.5%	4.5%
Estimated value <i>dutiable</i> imports ^a	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
Customs revenue loss ^b	\$101,250	\$101,250	\$101,250	\$101,250	\$101,250

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Standard Textile Co., Inc. (Proponent) Walter Spiegle, 513-761-9256	03/10/2010	No	No	No
Copeland Industries, Inc. Jason Copeland, 336-226-0272	03/26/2010	Yes	Yes	Yes
Encompass Group Jea Jakowski, 800-284-4540	03/26/2010	No	No	No
Medline Industries Alex Leiberman, 847-949-5500	03/26/2010	No	No	No
National Council of Textile Organizations Sarah Faye Pierce, 202-822-8026	03/22/2010	Yes	Yes	Yes

Technical comments:⁵

It is suggested that the proposed article description be amended to read as shown on page 1, in order to cover more precisely the product of interest to the proponent.

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.



December 2, 2009

The Honorable Max Baucus
United States Senate
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

RE: NCTO Opposition to S. 2348

Dear Chairman Baucus:

The National Council of Textile Organizations (NCTO), a trade association representing the U.S. textile industry is strongly opposed to S. 2348. Most importantly, S. 2348 covers an apparel product already made in the United States or which is assembled using yarn made in the United States.

The U.S. textile industry is already facing tremendous market pressures due to the lifting of quotas on textile and apparel imports from China in January 2009. Since the global economic crisis began, China has increased its textile and apparel export subsidies by \$40 billion. Such duty reduction will exert downward price pressure on competing products made in the United States which will harm an already weakened domestic textile and apparel industries.

The Miscellaneous Tariff Bill is intended to promote manufacturing in the United States by providing limited tariff relief (up to \$500,000 for any specific tariff line) to domestic manufacturers who use inputs that are not available from a domestic source, not as a vehicle to vastly increase the profit margins of importers and retailers of finished goods to the detriment of U.S. manufacturers.

Finally, the United States is currently participating in the Doha Round of World Trade Organization talks. In part the purpose of the Doha round is for the United States to negotiate reductions in textile and apparel duties in exchange for certain trade liberalizations with our trading partners. In the current context it makes little sense to unilaterally suspend tariffs without U.S. industry receiving benefits from our trading partners.

Thank you for the opportunity to submit comments on the bills included as part of the Senate Miscellaneous Tariff Bill.

Sincerely,

A handwritten signature in black ink that reads "Cass Johnson".

Cass Johnson
President

910 17th St., NW • Suite 1020 • Washington, DC 20006
202-822-8028 • fax: 202-822-8029 • www.ncto.org

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

From: Jason Copland [mailto:jason.copland@coplandfabrics.com]
Sent: Friday, March 26, 2010 11:49 AM
To: Sussman, Donald
Subject: Re: S. 2348

Don - we do and have woven fabric for drapes and surgical drapes. Without seeing a specific sample or description, it is hard to be specific in my response. However, to say that these types of fabrics are not made in the US is ridiculous. We are not the only weaver who could deliver these types of products.

Jason Copland
President and CEO
Copland Fabrics, Inc
1714 Carolina Mill Rd.
Burlington, NC 27215

111TH CONGRESS
1ST SESSION

S. 2348

To suspend temporarily the duty on reusable surgical drapes of textile materials.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. VOINOVICH (for himself and Mr. BROWN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on reusable surgical drapes
of textile materials.

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. REUSABLE SURGICAL DRAPES OF TEXTILE MA-**
4 **TERIALS.**

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	Reusable surgical drapes of textile materials (provided for in subheading 6307.90.72) ...	Free	No change	No change	On or before 12/31/2011	”.
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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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