

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 23, 2010]²

Bill No. and sponsor: S. 2358 (Mr. George Voinovich of Ohio).

Proponent name,³ location: Proctor & Gamble Company, 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)):

Warp knit open-work fabrics, of synthetic fibers, unbleached or bleached, suitable for use in the production of fasteners for disposable diapers (provided for in subheading 6005.31.00).

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 bill covers warp knit open-work fabrics of synthetic fibers which are used in the manufacture of disposable diaper products for infants. These fabrics are used in fasteners for the diapers and replace the traditional "hook-and-loop" diaper fasteners. It is believed that the subject fabrics used by the proponent are not coated with any material, although other fabrics used for this purpose may have chemical coatings to improve adhesion and would likely be classifiable in HTS chapter 59. The fabrics of interest to the proponent are imported from the Republic of Malta.

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 did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6005.31.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	10%	10%	10%	10%	10%
Estimated value <i>dutiable</i> imports ^a	\$4,500,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Customs revenue loss ^b	\$450,000	\$400,000	\$400,000	\$400,000	\$400,000

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)	
Proctor & Gamble Company (Proponent) Matt Mattingley, 202-841-5601	01/22/2010	No	No	No
McMurray Fabrics Doug Knowlton, 910-944-2128	01/26/2010	Yes	Yes	Yes
National Textile Association David Trumbull, 617-542-8220	01/26/2010	Yes	Yes	Yes
National Council of Textile Organizations Sarah Pierce, 202-822-8026	01/22/2010	Yes	Yes ⁴	Yes

Technical comments:⁵

It is suggested that the proposed article description be worded as shown on page 1, to provide greater clarity and to match normal tariff usage more closely.

⁴ Staff contacts were with Ms. Pierce, though the submission came from Mr. Cass Johnson, President of this Council.

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. 2358

Dear Chairman Baucus:

The National Council of Textile Organizations (NCTO), a trade association representing the U.S. textile industry is strongly opposed to S. 2358. Most importantly, S. 2358 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.

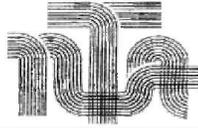
Thank you for the opportunity to submit comments on the bills included as part of the Senate Miscellaneous Tariff Bill.

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



NATIONAL TEXTILE ASSOCIATION

6 Beacon St., Ste. 1125
Boston, MA 02108

(617) 542-8220 • www.nationaltextile.org • (617) 542-2199 fax

Via email mtb2009@finance-dem.senate.gov and fax (202) 228-0567

December 4, 2009

Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC, 20510

Attention MTB S. 2358

To Whom It May Concern:

I write on behalf of the National Textile Association (“NTA”), the oldest and largest association of companies who form, dye, print, or finish woven, knitted, and non-woven textiles in the U.S.

NTA opposes S.2358 relating to certain warp knit open-work fabric.

This product is manufactured in the United States by member companies of the National Textile Association who would be harmed by this duty suspension.

Yours,

David Trumbull
Vice President, International Trade
(617) 542-8220 x2
dtrumbull@nationaltextile.org

From: Doug_Knowlton@mcmurrayfabrics.com [mailto:Doug_Knowlton@mcmurrayfabrics.com]
Sent: Friday, January 29, 2010 2:09 PM
To: Sussman, Donald
Subject: RE: S2358

Hi Don - With respect to my original email below, the notice is confidentiality notice is automatic. Since you were the intended recipient, you are permitted to include it in your report to Congress. However, if you wish for a direct affirmation, we are agreeable to including the email in your report. Regards, Doug.

From: Donald Sussman <Donald.Sussman@usitc.gov>
Sent: 01/29/2010 06:43 AM
To: <Doug_Knowlton@mcmurrayfabrics.com>
Subject: RE: S2358

Hi Doug:

Because of the confidentiality notice at the end of the email you sent me, the ITC cannot include your email in our report to Congress unless you resend it and either remove the confidentiality notice at the end or specifically state in the body of your email that the email does not contain confidential information and you would like it included in the ITC's public report that will be submitted to Congress. Thanks again for your help on this. – Don

Don Sussman
U.S. International Trade Commission
500 E St., SW
Washington, DC 20436
Tel: (202) 205-3331

From: Doug_Knowlton@mcmurrayfabrics.com [mailto:Doug_Knowlton@mcmurrayfabrics.com]
Sent: Tuesday, January 26, 2010 9:02 AM
To: Sussman, Donald
Subject: S2358

Hello Don:

As we discussed, we are warp knit manufacturer. We have an wide range of functionality in both warp and circular knitting. We currently make velcro type loop fabric as one of our product lines.

To date, we have not been asked to manufacture the nature of goods referred to in general terms in S2358. If it is a warp knit fabric, there is a reasonable chance that we could make the product. To evaluate this, we would need to have the specifications and a sample of the product. If we could make the fabric, we would use our manufacturing capacity and employees in the United States to do so.

Best regards, Doug

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111TH CONGRESS
1ST SESSION

S. 2358

To suspend temporarily the duty on certain warp knit open-work fabric.

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 certain warp knit open-work fabric.

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 OPEN-WORK FABRIC.**

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	Certain warp knit open-work fabric (provided for in sub-heading 6005.31.00)	Free	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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