

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 2, 2010]²

Bill No. and sponsor: S. 2532 (Mr. Arlen Specter of Pennsylvania).

Proponent name,³ location: Gitman and Company, Ashland, PA.

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

Nature of bill: Extension of temporary duty suspension through December 31, 2013.⁴

Retroactive effect: None.

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

- 9902.52.08 Woven fabrics of cotton, of a type described in a subheading 5208.21, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.09 Woven fabrics of cotton, of a type described in a subheading 5208.22, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.10 Woven fabrics of cotton, of a type described in a subheading 5208.29, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.11 Woven fabrics of cotton, of a type described in a subheading 5208.31, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.

¹ Industry analyst preparing report: Kimberlie Freund (202-708-5402); 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 eight additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received responses from five. Four of these five submitted a written representation that they would benefit from this bill.

⁴ Each of the HTS headings covered by this bill expired on December 31, 2009.

- 9902.52.12 Woven fabrics of cotton, of a type described in a subheading 5208.32, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.13 Woven fabrics of cotton, of a type described in a subheading 5208.39, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.14 Woven fabrics of cotton, of a type described in a subheading 5208.41, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.15 Woven fabrics of cotton, of a type described in a subheading 5208.42, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.16 Woven fabrics of cotton, of a type described in a subheading 5208.49, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.17 Woven fabrics of cotton, of a type described in a subheading 5208.51, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.18 Woven fabrics of cotton, of a type described in a subheading 5208.52, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.
- 9902.52.19 Woven fabrics of cotton, of a type described in a subheading 5208.59, of average yarn number exceeding 135 metric, other than fabrics provided for in headings 9902.52.20 through 9902.52.31, certified by the importer to be suitable for use in men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.

shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Notes 18 and 19 of this subchapter.

- 9902.52.20 Woven fabrics of cotton, of a type described in a subheading 5208.21, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.21 Woven fabrics of cotton, of a type described in a subheading 5208.22, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.22 Woven fabrics of cotton, of a type described in a subheading 5208.29, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.23 Woven fabrics of cotton, of a type described in a subheading 5208.31, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.24 Woven fabrics of cotton, of a type described in a subheading 5208.32, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.25 Woven fabrics of cotton, of a type described in a subheading 5208.39, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.26 Woven fabrics of cotton, of a type described in a subheading 5208.41, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.
- 9902.52.27 Woven fabrics of cotton, of a type described in a subheading 5208.42, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton

grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.

9902.52.28 Woven fabrics of cotton, of a type described in a subheading 5208.49, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.

9902.52.29 Woven fabrics of cotton, of a type described in a subheading 5208.51, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.

9902.52.30 Woven fabrics of cotton, of a type described in a subheading 5208.52, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.

9902.52.31 Woven fabrics of cotton, of a type described in a subheading 5208.59, of average yarn number exceeding 135 metric, certified by the importer to be wholly of pima cotton grown in the United States and to be suitable for use in men's and boys' shirts, the foregoing imported by or for the benefit of a manufacturer of men's and boys' shirts under the terms of U.S. Note 18 of this subchapter.

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 certain woven cotton fabrics suitable for use in men's and boys' shirts and imported by or for U.S. shirt makers. The subject fabrics are generally intended for use in shirts that sell at the upper tier of the retail market. The general rate of duty on such fabrics was suspended through the end of 2009 under these HTS headings. For purposes of these provisions, U.S. note 18 to subchapter II of chapter 99 of the HTS, which would again apply to all fabrics covered under the legislation, defines the term "manufacturer" as a person or entity that cuts and sews men's and boys' shirts in the United States. U.S. note 19 to that subchapter provides for an aggregate quantitative limit on fabrics imported under HTS headings 9902.52.08–9902.52.19, comprising the fabrics that are woven from cotton grown elsewhere than the United States. Fabrics certified by the importer as wholly made from U.S.-grown pima cotton, imported under the terms of HTS headings 9902.52.20–9902.52.31, would not be subject to any quantitative limits with respect to the duty suspension.

U.S. imports under all the provisions that were covered by the previous duty suspension (HTS headings 9902.52.08–9902.52.31) totaled \$3.4 million in 2008, and \$1.3 million for January–September 2009.

HTS headings 9902.52.15 and 9902.52.16 (yarn-dyed fabrics of HTS subheadings 5208.42 and 5208.49, respectively, not of U.S.-grown cotton) accounted for the largest share of imports in 2008 and 2009.⁵ Italy is the leading supplier of the subject shirting fabrics.

Estimated effect on customs revenue for the subject product classifiable in HTS subheadings 5208.21.60, 5208.22.80, 5208.29.80, 5208.31.80, 5208.32.50, 5208.39.80, 5208.41.80, 5208.42.50, 5208.49.80, 5208.51.80, 5208.52.50, 5208.59.80 (HTS headings 9902.52.08–9902.52.31):^a

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	11.4–14.7%	11.4–14.7%	11.4–14.7%	11.4–14.7%	11.4–14.7%
Estimated value <i>dutiable</i> imports ^b	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Customs revenue loss ^c	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

a/ Dutiable imports and customs revenue loss were aggregated to prevent disclosing confidential business information because of the small number of firms importing under some of these provisions. Note that the revenue loss was calculated at the HTS subheading level.

b/ Dutiable import estimates were based on official U.S. Government statistics.

c/ 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)		
Gitman and Company (Proponent) John Minahan, J.minahan@gitmanco.com	12/02/2009	No	Yes	No
American Manufacturing Trade Action Coalition Sara Ormond, sormand@amtacdc.org	12/02/2009	No	No	No
Buhler Yarns Werner Bieri, wbieri@buhleryarns.com	12/02/2009	No	No	No
Brooks Brothers (Retail Brand Alliance) Dan Teel, dteel@BrooksBrothers.com	12/02/2009	No	No	No
Gambert Custom Shirts Paul McClutchy, 973-376-1400	01/04/2010	No	No	No
IAG Apparel, Inc. Joe Blair, Joeblair@iagapparel.com	12/02/2009	No	No	No
Individualized Shirts Richard Gonzalez, r.gonzalez@individualizedshirts.com	12/02/2009	No	Yes	No

⁵ Yarn-dyed fabrics are fabrics woven with dyed yarns.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Maus & Hoffman Zelma Diaz, 888-628-6287	01/04/2010	No	No	No
Measure Up Melissa Wooten, mwooten@meausreupco.com	12/02/2009	No	Yes	No
Supima Jesse W. Curlee, 732-826-8400	12/02/2009	No	Yes	No

Technical comments:⁶

None.

⁶ 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.

111TH CONGRESS
1ST SESSION

S. 2532

To extend the temporary duty suspensions on certain cotton shirting fabrics,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

Mr. SPECTER (for himself, Mr. BURR, Mr. CASEY, and Mrs. HAGAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To extend the temporary duty suspensions on certain cotton
shirting fabrics, and for other purposes.

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. EXTENSIONS OF DUTY SUSPENSIONS ON COT-**
4 **TON SHIRTING FABRICS AND RELATED PRO-**
5 **VISIONS.**

6 (a) EXTENSIONS.—Each of the following headings of
7 the Harmonized Tariff Schedule of the United States is
8 amended by striking the date in the effective date column
9 and inserting “12/31/2013”:

1 (1) Heading 9902.52.08 (relating to woven fab-
2 rics of cotton).

3 (2) Heading 9902.52.09 (relating to woven fab-
4 rics of cotton).

5 (3) Heading 9902.52.10 (relating to woven fab-
6 rics of cotton).

7 (4) Heading 9902.52.11 (relating to woven fab-
8 rics of cotton).

9 (5) Heading 9902.52.12 (relating to woven fab-
10 rics of cotton).

11 (6) Heading 9902.52.13 (relating to woven fab-
12 rics of cotton).

13 (7) Heading 9902.52.14 (relating to woven fab-
14 rics of cotton).

15 (8) Heading 9902.52.15 (relating to woven fab-
16 rics of cotton).

17 (9) Heading 9902.52.16 (relating to woven fab-
18 rics of cotton).

19 (10) Heading 9902.52.17 (relating to woven
20 fabrics of cotton).

21 (11) Heading 9902.52.18 (relating to woven
22 fabrics of cotton).

23 (12) Heading 9902.52.19 (relating to woven
24 fabrics of cotton).

- 1 (13) Heading 9902.52.20 (relating to woven
2 fabrics of cotton).
- 3 (14) Heading 9902.52.21 (relating to woven
4 fabrics of cotton).
- 5 (15) Heading 9902.52.22 (relating to woven
6 fabrics of cotton).
- 7 (16) Heading 9902.52.23 (relating to woven
8 fabrics of cotton).
- 9 (17) Heading 9902.52.24 (relating to woven
10 fabrics of cotton).
- 11 (18) Heading 9902.52.25 (relating to woven
12 fabrics of cotton).
- 13 (19) Heading 9902.52.26 (relating to woven
14 fabrics of cotton).
- 15 (20) Heading 9902.52.27 (relating to woven
16 fabrics of cotton).
- 17 (21) Heading 9902.52.28 (relating to woven
18 fabrics of cotton).
- 19 (22) Heading 9902.52.29 (relating to woven
20 fabrics of cotton).
- 21 (23) Heading 9902.52.30 (relating to woven
22 fabrics of cotton).
- 23 (24) Heading 9902.52.31 (relating to woven
24 fabrics of cotton).

1 (b) EXTENSION OF DUTY REFUNDS AND PIMA COT-
2 TON TRUST FUND; MODIFICATION OF AFFIDAVIT RE-
3 QUIREMENTS.—Section 407 of title IV of division C of the
4 Tax Relief and Health Care Act of 2006 (Public Law 109–
5 432; 120 Stat. 3060) is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (1), by striking
8 “amounts determined by the Secretary” and all
9 that follows through “5208.59.80” and insert-
10 ing “amounts received in the general fund that
11 are attributable to duties received since Janu-
12 ary 1, 2004, on articles classified under heading
13 5208”; and

14 (B) in paragraph (2), by striking “October
15 1, 2008” and inserting “December 31, 2013”;

16 (2) in subsection (d)—

17 (A) in the matter preceding paragraph (1),
18 by inserting “annually” after “provided”; and

19 (B) in paragraph (1), by inserting “during
20 the year in which the affidavit is filed and”
21 after “imported cotton fabric”; and

22 (3) in subsection (f)—

23 (A) in the matter preceding paragraph (1),
24 by inserting “annually” after “provided”; and

1 (B) in paragraph (1), by inserting “during
2 the year in which the affidavit is filed and”
3 after “United States”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall take effect on the date of the enactment
6 of this Act and apply with respect to affidavits filed on
7 or after such date of enactment.

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