



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)):

Narrow woven fabrics (other than ribbons), of man-made fibers (provided for in subheading 5806.32.20)

(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 man-made fiber narrow woven fabric for use in a wide range of applications. The referenced subheading includes webbing for chairs, backpacks, computer cases, luggage, and anything else that has a strap; fabric for lanyards; fabric tape used for reinforcing a garment; and strap-like materials for fashion and industrial belting. Reportedly, there are additional medical and military applications for the subject fabric. China and Korea are the major suppliers of these narrow woven fabrics to the United States. Opposition to this bill, noted below in the Contacts table, comes from entities that produce the subject narrow woven fabrics as well as domestic producers of the yarns used in production of these fabrics.

IV. Estimated effect on customs revenue

| Subject product HTS subheading(s) | 5806.32.20 | | | | |
|--|------------|------------|------------|------------|------------|
| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
| Col.1-general rate of duty or percentage point reduction (%) | 6.2 | 6.2 | 6.2 | 6.2 | 6.2 |
| Estimated value of <i>dutiable</i> imports (\$) | 37,000,000 | 37,000,000 | 37,000,000 | 37,000,000 | 37,000,000 |
| Customs revenue loss (\$) | 2,294,000 | 2,294,000 | 2,294,000 | 2,294,000 | 2,294,000 |

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 in order to simplify it and match the language of the permanent provision. The interested entity did not provide information that would suggest a narrower scope for the proposed heading to cover only particular goods falling in the referenced chapter 58 subheading.

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 | Vere Sandal Company (Interested entity) Michael Ferreri | 315-787-0400 | No | No | No |
| 2 | American Manufacturing Trade Action Coalition (AMTAC) Sara Beatty | 202-452-0866 | Yes | Yes | Yes |
| 3 | AEC Narrow Fabrics Gifford Del Grande | 336-629-2626 | Yes | Yes | Yes |
| 4 | Continental Ticking Corporation Carl Carpenter | 336-570-0091, x210 | Yes | Yes | Yes |
| 5 | Narricot Industries Ken Cropper | 215-322-3918 | Yes | Yes | Yes |
| 6 | National Textile Association David Trumbull | 617-542-8220 | Yes | Yes | Yes |
| 7 | National Council of Textile Organizations Mike Hubbard | 704-215-4540 | No | Yes | Yes |
| 8 | Southern Weaving Co. Richard T. Guarnaccia | 864-240-9376 | Yes | Yes | Yes |
| 9 | Stretchline USA Richard Sarmiento | 252-442-9518 | Yes | Yes | Yes |
| 10 | Unifi Jane Johnson | 336-316-5278 | Yes | Yes | Yes |



Narrow Fabrics. Infinite Possibilities.

July 16, 2012

Pamela Kirkland Solomon
International Trade Specialist
U.S. Department of Commerce
Office of Textiles and Apparel

RE: Opposition to H.R. 5485

Dear Pamela Kirkland Solomon,

On behalf of AEC Narrow Fabrics, I am writing to strongly oppose H.R. 5485. This legislation would temporarily reduce U.S. duties on certain narrow textile fabrics.

We are opposed to this bill because it grants duty relief to products that are made here in the United States by our company. The products covered by this legislation directly compete with AEC's knitted and woven narrow fabrics made by AEC Narrow Fabrics of Asheboro, NC. As a result, we oppose the inclusion of H.R. 5485 in any Miscellaneous Tariff Bill compiled by Congress.

Again, thank you for the opportunity to comment on this matter. We greatly appreciate your noting our opposition to this bill and urge the Ways and Means Committee to exclude H.R. 5485 from any further consideration under the MTB process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gifford Del Grande', written in a cursive style.

Gifford Del Grande
Director
AEC Narrow Fabrics
150 N. Park St.
Asheboro, NC 27203
336-629-2626

cc: Bob Lawson

Gaffney, Shannon

From: Gaffney, Shannon
Sent: Friday, July 20, 2012 10:56 AM
To: Gaffney, Shannon
Subject: FW: Batch 6 Responses - Public

From: Sara Beatty [<mailto:sbeatty@amtacdc.org>]
Sent: Friday, June 29, 2012 10:48 AM
To: Colby, Heidi; TX.CH.ID; atantillo@amtacdc.org; Lloyd Wood
Subject: Batch 6 Responses - Public

Heidi,

Our positions on Batch 6 are as follows;

- H.R. 5300-5302 (These are not on the Ways and Means list and appear to be duplicates for 5491-5493.) No position.
- H.R. 5379 (Reusable grocery bags) AMTAC objects. Unifi produces recycled yarns for this end use.
- H.R. 5459 (Non-woven fiberglass sheets) AMTAC has no position. Note - there is no HTS code given in the bill making it difficult to fully vet.
- H.R. 5485 (Narrow woven fabrics) AMTAC objects. Unifi makes yarn for this product. It is also our understanding that there are numerous U.S. narrow fabric producers including: Aplix Inc, Asheboro Elastic Corp, Bo Buck Mills Inc, DMI Industries, Franklin Braid Mfg Co, Interstate Narrow Fabrics Inc, Joe-Anne Narrow Fabrics, Julius Koch Usa Inc, Leedon Webbing Co Inc, North East Knitting Inc., Southern Weaving Company, and Stretch Products Corp.
- H.R. 5489 (Cases for toys/electronic games) AMTAC has no position.
- H.R. 5490 (Cases for toys/electronic games) AMTAC has no position.
- H.R. 5491-5493 (Viscose rayon yarn) AMTAC has no position.
- H.R. 5496 (Sanitary items/ diapers) AMTAC has no position.
- H.R. 5497 (Warp knit open-work fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5510 (Fiberglass sheets for acoustical ceiling use) AMTAC has no position.
- H.R. 5529 (Woven fabric of syn filament yarn) AMTAC opposes. Milliken and Copland make this product.
- H.R. 5530 (Woven fabric of syn staple fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5531 (Woven fabric of poly staple fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5532 (Woven fabric of syn filament fibers) AMTAC opposes. Milliken and Copland make this product
- H.R. 5533 (Pile fabrics) AMTAC has no position.
- H.R. 5534 (Woven fabrics of art. staple fibers) AMTAC opposes. Copland makes this product.
- H.R. 5535 (Warp knit fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5536 (MMF fabric coated with polyurethane). AMTAC opposes. Copland and Milliken make this product. In addition, the U.S. Industrial Fabrics Institute (USIFI), which is an associate member of AMTAC, includes U.S. producers of many types of coated fabrics. Two such companies are Trelleborg Engineered Solutions in Spartanburg, SC, and Twitchell Corporation, in Dothan, AL, which both produce this particular fabric. Performance Fibers, headquartered in Huntersville, NC, produces man-made polyester fibers in the United States which are used to produce the subject fabrics and are consumed by textile weaving and coating mills in the United States.
- H.R. 5537 (Warp knit fabrics) AMTAC opposes. Milliken makes this product.
- H.R. 5538 (Long-pile fabrics of mmf) AMTAC has no position.
- H.R. 5539 (Knit fabric) AMTAC opposes. Milliken makes this product.
- H.R. 5540 (Pile fabric) AMTAC opposes. Member production.
- H.R. 5541 (Rubberized textile fabrics of cotton). AMTAC opposes - Trelleborg (USIFI) makes this product.

Please let us know if you have any questions. Thanks! Sara

Sara Ormand Beatty
Vice President of International Trade
American Manufacturing Trade Action Coalition (AMTAC)
910 16th Street, NW, Suite 402
Washington, DC 20007
[\(202\) 452-0866](tel:(202)452-0866)

Gaffney, Shannon

From: Carl Carpenter <carl@CTNassau.com>
Sent: Monday, July 16, 2012 2:40 PM
To: Pamela.Kirkland@trade.gov; Gaffney, Shannon
Subject: Bill Number HR 5485

To Whom it May Concern,

I am writing on behalf of Continental Ticking Corporation of America to express our concerns over bill HR 5485.

We are a textile company with two factories in Alamance County, North Carolina and over 100 employees. Our main production is of narrow woven fabrics and this is why we have taken such an interest in this bill. We feel that allowing the duty free importation of narrow woven fabrics would greatly reduce our ability to compete in this market and would threaten our existence. Please do whatever you can to not allow this to happen.

If you have any questions about our concerns please let me know.

Thank you,

Carl Carpenter
VP of Manufacturing
Continental Ticking Corporation of America
(336) 570-0091 Ext. 210

Gaffney, Shannon

From: Gaffney, Shannon
Sent: Friday, July 20, 2012 10:58 AM
To: Gaffney, Shannon
Subject: FW: tariff bill on imports of narrow woven fabrics

From: Ken.Cropper [<mailto:Ken.Cropper@itg-global.com>]
Sent: Wednesday, June 20, 2012 5:06 PM
To: Gaffney, Shannon
Subject: RE: tariff bill on imports of narrow woven fabrics

Shannon,

Based on it saying that it covers items made from man-made fibers I would think it covers everything we make in polyester, nylon and Kevlar which is 100% of what we currently make. The only protection we have is the Berry Amendment which protects us in our military division.

I will work on a contact list and send over to you in the morning.

Ken Cropper
Business Manager
Narricot Industries
Phone (215)534-7320
Fax(215)322-3918

From: Shannon.Gaffney@usitc.gov [<mailto:Shannon.Gaffney@usitc.gov>]
Sent: Wednesday, June 20, 2012 5:03 PM
To: Ken.Cropper
Subject: RE: tariff bill on imports of narrow woven fabrics

Thanks, Ken.

I understand your concerns.

Could you comment on whether or not Narricot produces the very specific fabric indicated in HR 5485?

I will be happy to contact the other firms you listed as well. Do you have a contact person or phone number for any of them? Sorry to impose on you; we have many bills this summer and are operating under tight deadlines.

Thanks again for your prompt response to my inquiry.

Regards,
Shannon

From: Ken.Cropper [<mailto:Ken.Cropper@itg-global.com>]
Sent: Wednesday, June 20, 2012 5:00 PM
To: Gaffney, Shannon
Subject: RE: tariff bill on imports of narrow woven fabrics

Shannon,

Thank you for including me in this inquiry. I will answer your questions as follows:

- 1) We produce all of our fabrics in the United States for automotive, commercial and military applications.
- 2) Currently we have several competitors that would probably not want to support this bill-Tapecraft Corporation, Southern Weaving, Bally Ribbon, Ribbons Webbing, Texcel Inc. and Rhode Island Textile.
- 3) We are definitely opposed to taking any tariff or duty that would allow dumping of products into the US. In most cases we are at an unfair advantage already due to overseas competitors receiving support from their governments in increasing exports. Narricot has already been driven out of several commercial and automotive markets due to foreign price dropping. The main markets that have been effected to date are pet collars, sling and tie-down and automotive webbing. A suspension of the tariff would only enhance the foreign advantage and put further pressure on an already strained US narrow fabrics industry. This is a poor idea which will create job loss here in the US as ourselves as well as our competition find it increasingly difficult to compete in certain markets. In my opinion the exact opposite should occur and the US should raise freight and duty to strengthen this industry against foreign intervention.

Ken Cropper
Business Manager
Narricot Industries
Phone (215)534-7320
Fax(215)322-3918

Gaffney, Shannon

From: Gaffney, Shannon
Sent: Friday, July 20, 2012 10:59 AM
To: Gaffney, Shannon
Subject: FW: tariff bill on imports of narrow woven fabrics

From: David Trumbull, NTA [<mailto:dtrumbull@nationaltextile.org>]
Sent: Tuesday, June 26, 2012 9:40 AM
To: Gaffney, Shannon
Subject: Re: tariff bill on imports of narrow woven fabrics

After more study I concluded we must oppose. Here's the comment I made to the House Ways and Means Committee

* * *

June 22, 2012

Subj.: MTB Comment Submission - Oppose H.R. 5485

To whom it may concern:

The National Textile Association opposes H.R.5485 providing for a suspension of the duty on certain narrow woven fabric. As written the bill would cover a wide range of narrow woven fabrics made in the United States for a variety of uses including apparel, medical, industrial, and home textiles.

Yours,



David Trumbull
Vice President, International Trade
National Textile Association
6 Beacon St., #1125
Boston, MA 02108
617-542-8220
dtrumbull@nationaltextile.org

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Gaffney, Shannon

From: Gaffney, Shannon
Sent: Friday, July 20, 2012 10:58 AM
To: Gaffney, Shannon
Subject: FW: request for comment - tariff bill on narrow woven fabric

From: Richard Guarnaccia [<mailto:Richard.Guarnaccia@southernweaving.com>]
Sent: Tuesday, July 03, 2012 8:20 AM
To: Gaffney, Shannon
Cc: Jack Miller
Subject: RE: request for comment - tariff bill on narrow woven fabric

July 3, 2012

Subj.: MTB Comment Submission - Oppose H.R. 5485

To whom it may concern:

Southern Weaving Company opposes H.R.5485 providing for a suspension of the duty on certain narrow woven fabric. As written the bill would cover a wide range of narrow woven fabrics made in the United States for a variety of uses including, medical, industrial, apparel and home textiles.

The US textile industry has been all but decimated by low cost imports causing the closing of hundreds of plants and the loss of tens of thousands of jobs. Let's prevent more of this from occurring so American companies can compete on a level playing field.

Other companies that would undoubtedly oppose the bill as well are:

Murdock Webbing Company, Inc. - Central Falls, RI
American Webbing & Fittings, Inc. - Winston Salem, NC
Tape Craft Corp. - Oxford, AL
Bally Ribbon Mills, Inc. - Bally, PA
Ribbon Webbing Corp. Chicago, IL
Narricott Industries, LLC - Boykins, VA
Sturgess Manufacturing Company, Inc. - Utica, NY

Sincerely,

Richard T. Guarnaccia
Vice President of Sales and Marketing
Direct Line: 1-864-240-9376
Cell: 1-864-918-7358
Fax: 1-864-770-6496
E-Mail: richard.guarnaccia@southernweaving.com



Gaffney, Shannon

From: Richard Sarmiento <richard.sarmiento@stretchline.us>
Sent: Tuesday, July 10, 2012 3:57 PM
To: Pamela.Kirkland@trade.gov
Cc: Gaffney, Shannon
Subject: HR 5485 bill

Ladies,

Please note that we are opposed to passage of HR 5485 as this would further hurt our domestic narrow fabric business. We are a manufacturer that has already been greatly affected by our sourcing and other bills that have passed. This bill should not be allowed to pass. Thank you for your time.

Stretchline USA
Richard Sarmiento, VP
PO Box 1412
200 Goldleaf St
Rocky Mount NC 28701
252-442-9518

Gaffney, Shannon

From: Johnson, Jane - GSO <JJohnson@UNIFI.COM>
Sent: Thursday, June 21, 2012 5:04 PM
To: Gaffney, Shannon; Maria.D'Andrea@trade.gov
Cc: spierce@ncto.org; Sara Beatty; mhubbard@ncto.org
Subject: Narrow Fabric MTB - HR 5485

Unifi objects to the MTB for narrow woven fabric, HR 5485.

Unifi, a US producer of polyester and nylon, supplies yarns to many narrow woven fabric producers in the US who compete in this market. These include, but are not limited to, Aplix Inc, Asheboro Elastic Corp, Bo Buck Mills Inc, DMI Industries, Franklin Braid Mfg Co, Interstate Narrow Fabrics Inc, Joe-Anne Narrow Fabrics, Julius Koch Usa Inc, Leedon Webbing Co Inc, North East Knitting Inc,, Southern Weaving Company, and Stretch Products Corp.

Thank you for the opportunity to comment on this initiative.

Email Disclaimer: www.unifi.com/disclaimer.htm

Gaffney, Shannon

From: Mike Hubbard <MHubbard@ncto.org>
Sent: Monday, July 02, 2012 4:19 PM
To: Gaffney, Shannon
Subject: HR 5485

Shannon,

NCTO opposes HR 5485 for certain narrow woven fabrics. We have member companies that produce the yarns for this type of fabric.

If you have any questions or need more information from us, please let me know.

Mike

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. 5485

To suspend temporarily the rate of duty on certain narrow woven fabrics.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the rate of duty on certain narrow woven 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 NARROW WOVEN 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 | Narrow woven fabrics (other than ribbons), not pile, of man-made fibers, not containing by weight 5% or more of elastomeric yarn or rubber (provided for in subheading 5806.32.20) | Free | No change | No change | On or before 12/31/2015 | ”. |
|---|------------|---|------|-----------|-----------|----------------------------|----|

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

○