



## 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)):

Yarn of carded wool, not put up for retail sale, containing 85 percent or more by weight of wool, in which the average fiber diameter is less than 20 microns (provided for in subheading 5106.10.90)

(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 a fine, carded wool yarn with an average fiber diameter less than 20 microns. It is used in the production of apparel, including men's knitwear such as fine wool sweater vests. Imports are primarily from Italy. Opposition to this bill is noted below in the Contacts table.

## IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	5106.10.90				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6	6	6	6	6
Estimated value of <i>dutiable</i> imports (\$)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Customs revenue loss (\$)	120,000	120,000	120,000	120,000	120,000

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 was modified only by changing "of which" to read "in which" for consistency with normal HTS usage.

## VI. Continuation

VII. Contacts with domestic firms/organizations... -- continued:

Commission staff contacted Jagger Brothers, but had not heard from the firm by the time the report was completed. The attached letter of opposition for Jagger Brothers was posted on the Web site for the House Committee on Ways and Means.

## 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	Knitcraft Corporation (Interested entity) Mary Bergin	507-454-1163	No	No	No
	2	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	No	No	No
	3	Jagger Brothers Scott Grey	207-324-5622	No	Yes	Yes
	4	KENTWOOL Mark Kent	864-878-6367	Yes	Yes	Yes
	5	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
	6	National Textile Association David Trumbell	617-542-8220	Yes	Yes	Yes

June 22,2012

Dear Ways and Means

Jagger Brothers makes yarn from combed wool BUT any suspension of Duty on Wool yarns entering the country hurts the overall Wool Industry. I suggest this could be aimed at Faribault Mills in Minnesota or maybe some of the hat and glove knitters. All this suspension will do is reduce the chance to make the yarn in USA.

Jagger Brothers would like to have a chance to make this yarn on the worsted system and the Duty Suspension will only make the Woolen yarn less expensive and less likely to entertain worsted yarn as a possible alternative. We are against the suspension of Duty in HB 5699.

Respectfully, Scott @ Jagger Brothers Inc

**From:** Mark Kent [mailto:mkent@kentwool.com]  
**Sent:** Monday, July 09, 2012 4:19 PM  
**To:** Freund, Kimberlie  
**Cc:** Keith Horn  
**Subject:** HR 5699

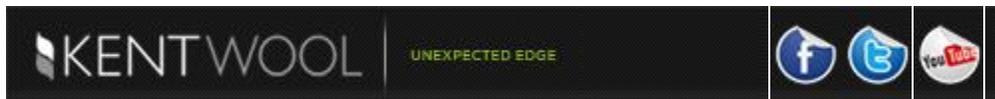
Dear Ms. Freund,

I want to thank you for your email to Mr. Horn at KENTWOOL. We would be opposed to HR 5699 as would others in our industry. KENTWOOL is a significant manufacturer of these products and would be damaged by the loss of US jobs if this duty was suspended at this time through 2015. KENTWOOL ranks as one of the top 50 quality manufacturing companies in the world, but fights illegal and government backed subsidies by many countries. I will be more than happy to "publicly oppose" this bill and gladly speak out in front of Congress is so needed to stop this damaging piece of legislation. Our company can more than handle any supply needs in this particular category of yarns of 20 micron and finer.

Please let me know if I can help in any way further.

All the best,

Mark



**TOLL FREE: 1-877-5-PROSOX**  
**1-877-5-776769**

**Mark Kent**  
*President/CEO*  
**O: 864-878-6367**

[www.KENTWOOLSOCKS.com](http://www.KENTWOOLSOCKS.com)

**From:** Mike Hubbard [<mailto:MHubbard@ncto.org>]

**Sent:** Wednesday, June 20, 2012 3:40 PM

**To:** Jones, Jackie

**Cc:** Sarah Pierce

**Subject:** NCTO opposition to HR 5699

Jackie,

NCTO opposes HR 5699 by Rep. Paulsen for Yarn of carded wool, not put up for retail sale, containing 85 percent or more by weight of wool, of which the average fiber diameter is less than 20 microns. We have several member companies that make this yarn in the United States.

Companies that make this yarn are:

National Spinning

KentWool

Meridian Specialty Yarns

Patrick Yarn Mills

Pharr Yarns

Richmond Specialty Yarns

Thank you for providing us the opportunity to comment.

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**

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

From: David Trumbull, NTA [mailto:dtrumbull@nationaltextile.org]

Sent: Tuesday, June 26, 2012 11:02 AM

To: Freund, Kimberlie

Subject: MTB Comment Submission - Oppose H.R. 5699

June 22, 2012

Subj.: MTB Comment Submission - Oppose H.R. 5699

To whom it may concern:

The National Textile Association opposes H.R.5699 which provides for a suspension of duty on yarn of carded wool, not put up for retail sale, containing 85 percent or more by weight of wool, of which the average fiber diameter is less than 20 microns. The domestic U.S. wool spinning industry produces a like or competitive product.

Yours,

David Trumbull

Vice President, International Trade

National Textile Association

6 Beacon St., #1125

Boston, MA 02108

617-542-8220

dtrumbull@nationaltextile.org

112TH CONGRESS  
2D SESSION

# H. R. 5699

To suspend temporarily the duty on certain yarn of carded wool.

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IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2012

Mr. PAULSEN 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 yarn of carded  
wool.

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 YARN OF CARDED WOOL.**

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	Yarn of carded wool, not put up for retail sale, containing 85 percent or more by weight of wool, of which the average fiber diameter is less than 20 microns (provided for in sub-heading 5106.10.90) .....	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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