BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION
INVESTIGATION NOS. 701-TA-601 AND 731-TA-1411

TEXTILE BAG AND PACKAGING ASSOCIATION STATMENT IN REGARD TO THE IMPOSITION OF ANTI-DUMPING AND COUNTERVAILING DUTIES ON IMPORTS OF LAMINATED WOVEN SACKS FROM VIETNAM

I. INTRODUCTION

A. Description of the Textile Bag and Packaging Association

This statement is made by The Textile Bag and Packaging Association ("TBPA") a non-profit trade organization comprised of approximately 104 member companies. There is no other trade organization that has the range of knowledge that our membership possesses with respect to laminated woven sacks ("LWS") and other bags for packaged goods in the United States.

Our members include: domestic and foreign manufacturers of LWS; companies who import LWS; companies who make the equipment needed to manufacture LWS; companies who make non laminated woven polypropylene ("Wpp"), extrusion coated woven polypropylene ("Exctd Wpp") and multiwall paper bags; companies who make the equipment for the end user needed to close LWS, Wpp, Exctd Wpp and multiwall paper bags; and companies who sell LWS, Wpp, Exctd Wpp, multiwall paper bags and plastic film bags, whether laminated or not (together all of these package types may be referred to generically as "Bags"). A breakdown of the categories that our member companies fall into is contained in **Exhibit I-1**. The TBPA therefore qualifies as an interested party pursuant to 19 U.S.C. §§ 1677(9)(A),(E).

One of the Petitioners, Polytex Fibers, has been a longstanding member of the TBPA. Three of our members (not including Polytex Fibers) are U.S. manufacturers of LWS but two of them were not listed as U.S. manufacturers in the Petition. Polytex Fibers knows the member companies who were omitted and that they manufacture LWS.

B. Purpose of the Statement of the TBPA

The TBPA is making this statement before the U.S. International Trade Commission (the "ITC") because we feel that we are in a unique position to inform the ITC about the subject of the Petition. Our By-Laws[1] mandate that we be neutral and they specifically state that one of our objects is to assist federal agencies on matters of common interest to the industry. The Executive Board of the TBPA voted to appear and to provide this submission in as fair, balanced and neutral manner as possible. Some of our members are in opposition to the Petition, some are in favor of the Petition, and some simply have no stake in the outcome. Our goal in appearing before the ITC is to be an impartial resource, providing all of the information that we as an organization have or know about LWS and the market conditions for the industry in the US. Our approach is factual and we will refrain from suggesting or drawing conclusions as a proponent or opponent would.

II. GENERAL INFORMATION

A. Understanding LWS and its Physical Characteristics and Uses

[1] By-Law of the TBPA.

> **ARTICLE II - OBJECTS**
> **Section 1.**
> With full recognition of the right of each member individually to determine its own policies, the objects of this Association shall be:
>
> (a) to promote the progress and development of the industry, including the conducting of studies, programs and projects to identify use of and markets for the products of the industry.
>
> (b) to collect, assemble, and disseminate statistical and management information;
>
> (c) to cooperate with Federal and State Governments and Agencies on matters of common interest to the industry and in the furtherance of the national welfare:
>
> (d) to distribute information among users regarding the character of the industry, the products processed and distributed by it, the services performed by it, and the uses for its products;
>
> (e) to undertake such other programs and activities as may be proper to enhance or promote the welfare of the industry.

In 2013, the TBPA put together an educational program that was presented to our members at our annual meeting of that year. The program lasted two hours and it was a comprehensive description of the components of LWS, how they are made and their general characteristics. The presentation is attached as **Exhibit II-1** (referred to as the "TBPA LWS Presentation").

Most LWS bags share a common structure and many common production processes. However, not all LWS are the same. There are important differences in printing, converting and end uses that make one LWS bag very different from another LWS bag. Whether it is bag style, closure method, or market segment, the variations are important.

B. Common Processes to Make LWS

To make LWS you need the following in sequence: extrusion of resin (typically polypropylene) into a sheet; slitting the sheet into yarns; weaving the yarns into fabric; printing a clear film or high quality paper; laminating (either by extrusion coating or adhesive) the printed material to the fabric; if film, laminating the print surface to the inside and if paper, laminating the print surface on the outer side; tubing and then closing one end of the bag by the manufacturer (the "Manufactured End") as opposed to the end closed by the user.

There are material differences between foreign and domestic manufacturers of LWS as it relates to these processes. There is virtually no domestic production of WPP (extrusion, slitting into yarns and weaving). Polytex Fibers is the only US manufacturer of LWS who makes their own fabric. All of the other US manufacturers import their WPP fabric. In contrast, many Vietnamese producers of LWS are vertically integrated. They make their own yarns and weave

their own fabric. The more common processes that are shared by LWS producers (both domestic and foreign) are the printing, laminating and converting of the finished product.

While all LWS need to be printed, laminated and converted, there are differences among manufacturers. The equipment used for these processes (which make different styles of LWS) is not all the same. The tubing equipment and the converting equipment (closing the Manufactured End or Ends in the case of valve bags) will vary. The uses and purposes of the bags can also vary depending on style.

To make a sewn bag, you need a tuber that can flush cut the material and sewing machines. To make a pinch bottom bag, you need a tuber that can do a stepped end cut so that the top has a stepped end. A variation of this would be a tuber that does a stepped end, or similar cut, so that the Manufactured End can be folded and heat sealed or glued while the Customer End is flush cut.

C. Different LWS Bag Styles

LWS can be made into different bag styles. The styles are all described (with pictures) in the TBPA LWS presentation attached as **Exhibit II-1**. A summary of these different styles with a brief description of the different equipment to make and close them can be seen in the following table:

LWS Style	Tubing Equipment	Converting Equipment	Closing Equipment
Sewn Open Mouth	Flush Cut Tuber	Sewing Equipment	Sewing Equipment
Pinch Stepped End*	Pinch Bottom Tuber	Heat Seal or Glue	Heat Seal or Glue
Pinch/Roll Flush Cut**	Flush Cut Tuber	Heat Seal or Glue	Sewing Equipment
Valve	Flush Cut Tuber	Valve Bottomer***	None
Pasted Bottom Open	Flush Cut Tuber	Valve Bottomer***	Sewing Equipment

* This is a pinch bottom stepped end style. The material is cut with a stepped end that is folded over and glued or heat seal to form the bottom of the bag.

** This is a pinch style that does not have a stepped end. The Manufactured End is either either a flush cut that is slit, rolled and glued or a stepped end that is folded over and glued but the open end is a flush cut.

*** A valve bag is made on totally different equipment and is closed on both ends and has a small opening for filling the bag. The Pasted Bottom open mouth bag is made on valve bag equipment but only one end is closed.

The scope of the Petition would include all of these different styles of LWS. They not only are made on different equipment but require different closing equipment for the end user.

Pinch Bottom Stepped End LWS are different from Sewn LWS. They use different equipment to make the bag as well as to close it. Sewn LWS or Pinch/Roll bottom LWS are made with flush cut tubers and require sewing for the end user. Pinch Bottom Stepped End LWS are made with stepped end tubers and must be closed (both ends) by heat seal or gluing equipment. Valve LWS or Pasted Bottom LWS are made with a bottom that is very different from a sewn LWS or a pinch LWS. A valve bag is also typically closed on both ends with a small opening for the bag to be put onto a filling spout. There is no need for a separate closing operation. The product is put into a valve bag using either air, an auger or an impeller filler. Open mouth bags use gravity for the product to be dumped into the bag. Valve bags, like pinch

bottom bag or sewn bags, can be made of multiwall paper, extrusion coated woven polypropylene or with LWS material.

D. Changes in LWS since the Anti-Dumping Regarding Chinese LWS

Anti Dumping and Countervailing Duty orders were imposed against China in 2008 for LWS and those orders were continued in 2014. The investigation by the ITC, including the Sunset Review, did not discuss any different styles of LWS. The investigation concluded that "The sacks are finished by sewing the bottom and applying closure tape."[2] The Petition does not describe any different styles of LWS.

New Style of LWS – Pinch Bottom Stepped End

Since the initiation of the anti-dumping from China, the main innovation in the LWS market has been the development of the pinch bottom stepped end style. This style results in a bag that does not have any sew holes, either on the Manufactured End or the end the Customer closes. The advantage of this is that the bag has a hermetic or positive closure that can prevent moisture penetration, insect infestation and leakage of an oily product through the sew holes. It is an innovation that has long been sought by many of the major pet food companies. The majority of the pet food bags made of multiwall paper are in the pinch bottom style that offers the same hermetic closure as a pinch bottom stepped end LWS bag. Pet food companies wanted the same type of closure for LWS.

Several equipment companies have developed machines to manufacture the pinch bottom stepped end bags. Two of these companies are members of the TBPA, Starlinger and B&B.

[2] 21 CR at 1-13, PR at 1-11, taken from Publication 4457 of the U.S. International Trade Commission, March 2014.

The two Petitioners, Polytex Fibers and ProAmpac, in addition to machinery to make sewn LWS, have acquired pinch bottom stepped end machines. Despite this there is no mention of the important development of the pinch bottom stepped end style of LWS. In its description of LWS, the Petition, at page 4, states that "The bottom of the finished sack is either folded and stitched or a separate polypropylene strip is folded over one end of the fabric and sewn to create a closure at the bottom." Both Petitioners can make an LWS bag that is folded over and glued or heat seal to provide a more hermetic seal without sew holes.

E. Printing

The language of the original petition of LWS from China, as opposed to LWS from Vietnam, is different with respect to the description of printing. The definition of the number of colors in the Chinese anti-dumping described the printing as follows: "printed with three colors or more in register"; After the initial investigation and decision, there were several clarifications requested regarding the scope. Three colors was interpreted as having three separate colors being used on a printing press.

The Petitioners have changed the language regarding printing in their scope definition. It reads, in part, "printed; displaying, containing, or comprising three or more colors, regardless of the type of printing process used.".

In order to understand the different effect the change in language can have, it is necessary to understand the different printing processes that are used for LWS and exactly what the word process refers to. LWS can be printed using either flexographic or rotogravure processes. They are different. Flexographic printing uses printing plates typically made of a polymer material. The plates are mounted on cylinders and the cylinders transfer the ink through a positive

impression on the print substrate. Roto gravure printing takes a metal cylinder and the image to be printed is etched into the metal. The cylinder takes up ink into the etched areas and transfers this to the print substrate. Regardless of the process, each color equates to a plate or cylinder (called a station). Both roto gravure printing and flexographic printing can use utilize process print or what is termed "spot color" or line work.

Printing presses have stations and each station adds a color to the print. An eight color press can print eight colors. However, these eight colors can be combined to make many more colors. The difference is between what is called "process print" and "spot colors".

Process print is taking four colors, Cyan, Magenta, Yellow and Black ("CMYK") and, through many dots of color, combine there four colors to create an infinite number of colors. It is how a photograph (e.g., a fancy picture of a dog) is created on a bag. You can take the four process colors and create almost any bag design. Oftentimes process colors are combined with spot colors when printing a bag. The spot colors are usually for large areas of solid color or text. A print with three spot colors and four process colors (CMYK) would require seven stations on a press and seven separate colors.

A bag with only spot colors is different and usually far less complex than one using just spot colors. It is easier to print a bag with just spot colors than one that also has process print. While it is hard to define exactly what constitutes high quality graphics, spot color printing is not as high a quality print as a process print. Spot colors are solid colors and printers usually denote them with reference to the Pantone Color system.

A bag with two spot colors may or may not fall within the definition of LWS from Vietnam. For example, you can have a bag with two spot colors, e.g., solid blue and yellow and that would not be within the definition of LWS. However, if you take one of those colors and

screen it (many dots instead of a solid laydown of color), you would get a light blue where the screen is and a darker blue where it is not screened. You are using only one color (blue) but are there two different blues displayed or is it merely two different shades of the same blue? Depending on the interpretation the LWS bag would either be two colors, yellow and blue or three colors, yellow and two blues, even though you are only using two print stations. If instead of screening the blue, you overlaid the blue over the yellow you would get the appearance of a third color (green), even though you are only using two colors and two stations of the press.

The Petition's expanded definition of printing by adding the words displayed or comprising three or more colors (as contrasted with the definition for the China Anti Dumping) puts a burden on manufacturers and importers to know what is or is not a LWS. It also makes the job of U.S. Customs more difficult if they have to interpret what three or more colors means when looking at 6305.33.0040 of the harmonized tariff code.

The expanded definition also changes the scope of LWS to include bags that were not necessarily printed with high quality graphics. A simple LWS with two colors, one of which is screened is simply not in the same pet food and consumer markets that are described in the Petition. This is important when considering what is the domestic like product.

F. U.S. Tariff Classification Numbers

Most LWS are classifiable under subheading 6305.33.0040 of the Harmonized Tariff Schedule of the United States ("HTSUS"). However, LWS can properly come in under different categories. Regardless of the category, it is the description of the subject merchandise that determines any anti-dumping duties and not the HTSUS category. The TBPA has provided its

members with a primer on the correct HTSUS codes for common types of bags that are imported. Attached is a copy as **Exhibit II-2**.

G. Proposed Products for Collection of Pricing Information

The Petitioners have proposed that the Commission collect product-specific pricing information on five products. With regard to the specifications that were proposed we wish to point out several factors for the Commission to consider when collecting pricing information through the Questionnaires to importers.

1. Variations in Specifications.

Pricing can be greatly affected by what appear to be small variations in specifications. The specifications are plus/minus for all of the items. However, as a percentage of the cost of a bag, these variations can have a great impact on the price of a bag. The best way to illustrate this is by an example using the first described product specifications in the Petition. The bag is described as follows:

> Product 1. - Woven polypropylene fabric laminated to biaxially-oriented polypropylene ("BOPP") reverse printed film, ink coverage 200%, measuring 15" x 3.5" x 27" (plus or minus 1 inch in any or all directions), fabric 70 g/m2 (plus or minus 6 g/m^2), coating 20 g/m^2, (plus or minus 5 g/m^2), film 22 g/m^2 (plus or minus 6 g/m^2)

The size of 15 x 3.5 x 27 inches is plus or minus 1 inch in any or all directions. Taking this to an extreme, that variation would allow for a bag that is 16 x 4.5 x 28 inches. In square inches of fabric (not counting overlap for a seam) this would be 999 square inches for the 15 x 3.5 x 27 inch bag. (18.5 inches lay flat x 27 x 2 to account for both sides of the bag). A bag that is 16 x 4.5 x 28 inches would have 1148 square inches. As a percentage this is a 14.9 percent

increase in the size of the bag. This increase would apply not only to the fabric, but also to the amount of coating and of BOPP film needed.

A fabric weight of 70 grams per square meter is described as having a plus or minus 6 grams per square meter. This variation would allow up to an 8.5% increase. While the percentage weight of the fabric is by far the largest component by weight of the bag, it is not the most expensive component by weight. There is a great variety of fabric weights that are used in LWS. It would not be unusual when making the comparison that the percentage deviation would be on the higher side.

The coating weight of 20 gsm allows for a plus or minus 5 grams per square meter. As a percentage, this would allow for up to a 25% increase in the weight of the coating. Since 20 gsm is a relatively standard coating weight, most deviations would not be as high as 25%.

The BOPP film weight is described as 22 grams per square meter and the plus or minus is 6 grams per square meter. Common film weights used overseas tend to be much lighter than that. BOPP film typically is in the range of 16-18 grams per square meter. A film that is 16 gsm is 0.27% lighter than film that is 22 gsm. Another way to express this is that the 22 gsm film is 37.5% heavier than a 16 gsm film. When trying to compare costs the variance from 22 grams per square meter would mostly be at the margins of the tolerance and this will greatly skew the result. Film is an expensive component of the bag, so the effect on cost of that great a statistical variation is important.

The cumulative effect of the percentage difference based on the tolerances is significant. Going up would result in a cumulative difference of 14.9 % / 8.5 % / 25 % and 27%. This would be a huge difference. We recognize that this would represent the extreme limit of the tolerances. Our caution is that in trying to compare specifications the difference between what may seem

minor may be really significant. If a cost of a bag is $0.40, a 25% increase (which is less than half the cumulative increase in tolerances) would result in a bag that costs $0.50.

2. The proposed bag specifications do not describe the color of the fabric. Most fabric is a white opaque. However, the bird seed industry tends to have clear fabric (a window is created so the customer can see the product). Clear fabric is typically 5% more than white fabric. To make sure that specifications are accurately compared, the color of the fabric should be noted.

3. The proposed bag specifications do not describe if the bag is a sewn bag or a pinch bottom bag in terms of style. There is a premium for the pinch bottom style of bag. Market demand and manufacturers trying to recoup the significant capital cost of the equipment are pricing factors that are taken into account. This is particularly important because as described later in the section on domestic like product, based on available information pinch bottom stepped end bags are not made in Vietnam.

4. The proposed specifications do not take into account a manufacturing quantity. This is an important element in the pricing of a bag. The cost per unit of making 10,000 bags is much greater than the cost per unit of making 100,000 bags. Machine set up time, whether printing or converting is a significant cost. Modern printing presses are extremely fast, running at speeds of 900 feet per minute. It might take several hours or more to set up a complex high quality process print job but only 12 minutes to run 10,000 impressions. The same set up time is needed to run 100,000 impressions. As a percentage there is also far less scrap when running 100,000 print impressions than 10,000 impressions. The same concept applies to the converting of the bag. The more bags that are made at one time, the more efficient and cost effective the manufacturer can be.

5. The proposed bag specifications do not describe if there are any value added features to the bags. It should be noted if there are such features and if so, what they are.

6. The proposed bag specifications describe the printing as 200% coverage. This term is vague and can be interpreted several ways. It might mean full coverage on both sides or it might mean that a flood coat of white is put down on the substrate with the colors on top of that. If it means a flood coat of white ink is printed, it is still only 100% coverage. The purpose of the flood coat of white is to provide a whiter substrate and improve the look of the print. This result can be achieved by tinting the extrusion coating white rather than using white ink. Regardless, using a flood coat of white is not the norm when looking at bag specifications.

7. The proposed bag specifications do not describe the number of colors to be printed. The more colors the greater number of printing plates or cylinders that are required. The printing plates are an expense that manufacturers need to consider. Typically end users pay for printing plates for new designs but if the quantity is large enough, manufacturers may absorb the cost. If one manufacturer is taking business from another manufacturer they typically absorb the cost of the plates as the customer would not want to pay twice for the same plate. Replacement of printing plates (they can break or wear out) is usually done at the manufacturer's cost. Printing plates are a negotiated item. Printing plates are expensive. A 7 color print job can easily run between $2,500 and $7,500 depending on the type of plate or cylinder and if done overseas or domestically.

What is also very important to know about printing plates is that they are an "assist" for imported bags. Regardless of who is paying for the printing plates, importers of LWS must include the cost of the printing plates in addition to the cost of the bag. The assist is dutiable at the same rate as the LWS.

The cost of printing plates and why it is important to have specifications that describe the number of colors, is significant, particularly for smaller print runs. For a 40,000 bag order with a $.40 cost per bag the total value would be $16,000. If there were 3 printing plates that cost $1,200 versus 8 printing plates the cost $3,200 the difference would be $2,000. This would be a significant percentage difference. Specifications should have the number of colors in order to be fairly compared to each other.

III. THE DOMESTIC LIKE PRODUCT

A. Physical Characteristics and End Uses

1. Physical Characteristics

The Petition defines LWS to have the following three minimum requirements: a woven fabric layer; a print layer, whether of plastic or paper suitable for high quality graphics, either of which would be on the outside and laminated to the fabric; and printing of three or more colors. The definition further allows for LWS to have or not have handles or special closing features. The Petition states that LWS are typically used for retail packaging of consumer goods such as pet foods and bird seed.

Physical characteristics of LWS encompass more than the simple materials it is made of. The properties of the materials are just as important. The properties must allow the bag to be strong enough to protect the integrity of the package; provide protection to the product inside from elements such as water, oil and grease; and have point of sale appeal, whether through printing or other features.

The strength of LWS comes primarily from the fabric layer. While the lamination (if an extrusion coated laminate) and the outer ply of film add strength, they are not significant compared to the Wpp.

The barrier protection of the product depends greatly on the needs of the product. Wpp, by itself, while generally impervious to moisture, grease or oil, does not protect the product inside from those elements because it is a fabric with gaps between the yarns. For a LWS bags, the barrier protection of the product is provided by the plastic film (usually BOPP) that is the print layer. If the LWS is laminated by the extrusion coating method, the coating will add additional barrier protection. However, LWS can be laminated by adhesives which provide no barrier protection.

The second element of LWS is the print layer. It can be either plastic film or high quality paper (described hereafter as "clay coated paper"). The purpose of this layer is to be a suitable substrate for the printing. The final required element of a LWS is printing in 3 or more colors. The purpose is to for point of sale appeal.

2. Different Characteristics among LWS Bags and End Uses

There are definite differences between LWS pinch bottom stepped end bags and LWS sewn open mouth bags or LWS pinch bottom flush cut bags. The Petition makes no mention of these differences but they are significant. Furthermore, the Petition makes no mention of the valve style of LWS.

a) LWS Pinch Bottom with stepped end versus LWS (sewn or pinch bottom) with a flush cut end.

The difference between these styles is a sewn closure as opposed to a sealed closure. Pinch Bottom with a stepped end are either closed by gluing or heat sealing. They have no holes to allow for insect infestation or moisture.

For end users switching from a sewn bag closure to a Pinch Bottom Stepped end closure they need to invest in new closing equipment. This is slowly happening in the industry and will lead to more and more LWS being of the Pinch Bottom Stepped End variety.

Both of the Petitioners have Pinch Bottom Stepped End manufacturing capabilities. The equipment to make the Pinch Bottom Stepped End is different from that used to make a sewn bag. It is more capital intensive. Two of our members manufacture the equipment used to make Pinch Bottom Stepped End bags. Based on their knowledge and a survey of our members, we do not know of any Pinch Bottom Stepped End bags being manufactured in Vietnam.

There are significant differences between a valve bag style of LWS and a derivative of that style, the Pasted Bottom Open Mouth bag. These LWS are different from LWS that is either of the sewn or pinch bottom variety. A valve bag or pasted bottom open mouth bag is made on different converting equipment than a sewn LWS or a Pinch Bottom LWS. A valve bag is also filled on different equipment by the end user. Sewn LWS and Pinch Bottom LWS all have an open mouth that is filled on Open Mouth Filling Equipment. Valve bags are filled on valve bag equipment and they do not need a separate closing operation. Based on the knowledge of our members, there are only insignificant quantities of LWS valve bags or LWS pasted bottom open mouth bags currently being used in the United States. These valve bag and pasted bottom open mouth styles of LWS are also not being manufactured by the domestic industry.

The Petition states that LWS are not like paper sacks with respect to physical characteristics and use. That is far too simplistic and inaccurate. It is important to understand

what a multiwall paper sack is. Multiwall paper sacks come in sewn, pinch bottom and valve styles, just like LWS. Most multiwall paper bags are made with two or three plies of paper. To these plies of paper multiwall bags more often than not, have additional plies to provide barrier protection.

Paper sacks, particularly in the pet food and animal feed industries, often have a barrier ply of plastic to provide protection against oil, water and grease. A typical paper sack for pet food would have an inner ply of polypropylene film. The LWS has a polypropylene film (BOPP) on the outside that acts as both a barrier and a print substrate. Both LWS and multiwall paper sacks often have a barrier ply of similar material. The only difference is where it is positioned in the bag.

LWS most often uses the BOPP as a print substrate as well. However, LWS is defined as also having the print surface be paper of a high quality. Multiwall paper sacks use such a paper (clay coated sheet) for high quality graphics. It is the same print substrate that is used in the definition of LWS.

LWS must be printed with three or more colors. Multiwall paper sacks are often printed in three or more colors. Based on the scope of the definition of printing however, an LWS with fewer than three colors might be included by either screening spot color or overlaying spot colors. Multiwall paper bags are often printed with spot colors and use screening or overlaying. LWS printing, as defined in the scope, now can have lesser quality graphics and use fewer than three spot colors to display the appearance of three colors. This makes the print characteristics of LWS even more similar to multiwall paper sacks.

The difference in the physical structure between multiwall paper bags and LWS is really that LWS use wpp for the strength and multiwall paper uses multiple plies of paper.

The Petition states that LWS typically have a sewn end closure whereas paper sacks typically have an adhesive pinch end closure for packaged consumer goods such as pet food and some feed products. LWS can have a pinch closure (not sewn) and the Petitioners both manufacture such a product. Pinch closures are a developing trend in the marketplace. Closures for LWS are thus both possible by sewing or heat sealing/gluing. Multiwall paper bags can be done with either a sewn closure or a pinch bottom closure. According to the Paper Shipping Sack Manufacturers Association ("PSSMA") the number of pinch bottom multiwall paper bags and sewn bottom multiwall paper bags produced in the U.S. in 2016 and 2017 was approximately as follows:

2016 Sewn Bags	260,000,000
2017 Sewn Bags	246,000,000
2016 Pinch Bottom Bags	598,000,000
2017 Pinch Bottom Bags	550,000,000

The Petition further states that paper sacks are never laminated to reverse printed plastic film. Remember that as defined, LWS can be made with high quality graphics on an outer ply of paper with no lamination. Laminating a plastic film to the outside of a clay coated paper printed with high quality graphics is in fact occasionally done for multiwall paper sacks. The lamination provides a shiny exterior (or matte finish just as it can be done with LWS) that protects the print (just as with LWS). Adding this outer ply of laminated film provides additional strength and puncture resistance to the multiwall paper sack.

Strength comparisons between LWS and multiwall paper bags also depends on how many plies of paper are used. That strength differential is a function of not just how many plies of paper are used, but what types of paper. Different papers have very different strength characteristics. The Petition states that paper sacks meeting certain standards have been approved to carry hazardous materials. LWS have not. In order to carry hazardous materials,

paper sacks must be made stronger due to the risk of breakage and spilling of a hazardous material. It is incongruous to state that paper sacks are not strong enough when compared to LWS if they can be approved for the transport of hazardous materials.

The petition goes to great lengths to try and distinguish non laminated woven sacks with respect to physical characteristics and uses. Non laminated woven sacks are similar only in that the woven fabric (by weight the majority of the structure) is the same for both LWS and non woven laminated sacks. However, there is very little domestic production of non laminated woven sacks.

B. Interchangeability

Different styles of LWS are not interchangeable with one another. A LWS Pinch Bottom Stepped End bag is not interchangeable with a sewn LWS with a flush cut top. The end user needs to acquire different closing equipment to switch from a sewn style of bag to a Stepped End Style of Pinch Bottom bag. Likewise LWS valve bags are not interchangeable with LWS pinch bottom or sewn styles. Different filling equipment is needed for the end user.

The Petition states that LWS is not interchangeable with paper bags and that customers have closing equipment at the filling stations that are specific either to paper sacks (for example, mainly using paste lines to close) or to LWS (for example, using sewing lines to close) and are, therefore, not interchangeable to specific customer sites.

This is incorrect. PSSMA statistics indicate that in 2017 approximately 246 million sewn paper sacks were produced in the U.S. (there are also imports of this product in decent numbers, but there is no way to identify the volume). Sewn multiwall bags are made in Mexico and Canada, and this is likely where the majority are imported from.) Those bags must be closed by

sewing. The same sewing equipment that can be used for LWS can be used for sewn multiwall paper sacks. Sewn multiwall sacks can therefore be interchangeable with sewn LWS. In addition, sewn multiwall sacks are a very large part of the animal feed market in the U.S., as are LWS.

The Petition further states that LWS and paper sacks are not interchangeable where breakage or tearing is a concern. That is overly simplistic. No customer wants bags to break or tear. While LWS may be stronger, the fact that sewn LWS and sewn multiwall paper are both used in the animal feed industry in significant numbers would indicate that while breakage matters, the bags are interchangeable. The same rationale is true when comparing multiwall pinch bottom bags to LWS in terms of breakage or tearing. Based on the PSSMA statistics, 550 million pinch bottom bags were produced in the United States in 2017. The pet food market is a very significant market for the multiwall paper bag makers. The fact that both products are in the marketplace together suggest that they are interchangeable. We also want to note that the three largest producers of multiwall paper sacks in the United States also make LWS. They are Coveris, Hood and Mondi.

The Petition further states that paper sacks without barrier plies cannot be used where moisture resistance is desired. While that is true, the decision to use a barrier ply is one based on the product to be put into the bag. Just about every multiwall paper bag for pet food, and many multiwall paper bags for animal feed, have a moisture barrier. This moisture barrier (the polypropylene film in a pet food bag is the same barrier as the BOPP film in an LWS) makes the multiwall paper bag interchangeable with the LWS bag.

Multiwall paper sacks can be used on automated filling equipment. LWS can also be used on automated filling equipment. They are interchangeable in that regard.

Multiwall paper sacks can have high quality graphics, as can LWS sacks. They are interchangeable in terms of print quality.

C. Channels of Distribution

LWS are sold through the same channels of distribution. In comparing LWS and Multiwall paper with regard to who they are sold to, it is too simplistic to merely assert that LWS are sold to manufacturers of consumer goods products and that paper sacks are primarily sold to a wide variety of non-consumer industrial and agricultural goods that are not sold at retail, such as building materials, chemicals and minerals.

Remember that the Petition defines LWS as being printed in three or more colors and with high quality graphics. That dictates that the end user is more consumer oriented. In trying to compare them to paper sacks, one would need to only compare them to paper sacks with high quality graphics. Paper sacks with high quality graphics are sold in the same markets as LWS, where high quality graphics are required. The majority of paper sacks used for building materials, chemicals and minerals are valve bags and not pinch bottom or sewn multiwall paper bags. Therefore, a distinction in channels of distribution simply does not apply. The channels for distribution that need to be considered are those where high quality graphics are required.

D. Common Manufacturing Facilities, Production Process

The manufacturing facilities for the production of LWS are not always the same. Only one US producer can extrude, slit and weave fabric. The rest do not. Almost all foreign producers of LWS produce their own fabric. The Petition states that "All styles of LWS can be and often are produced in the same manufacturing facilities, on the same equipment (with minor

adjustments), and by the same employees". This is simply not true. The only US producers of LWS pinch bottom are the Petitioners. All of the other US producers do not make the LWS pinch bottom style. The equipment to make the pinch bottom style and the sewn style are different.

E. Customer and Producer Perceptions

Customer perceptions of the different styles of LWS are different. Users of LWS, particularly in the Pet Food and consumer oriented markets wanted an LWS bag that was more like the multiwall pinch bottom paper sack. The reasons were the desire for graphics to be printed on the bottom, which is the end the consumer sees on a shelf as well as the desire for a bag with a hermetic closure. The hermetic closure protects against insect infestation and keeps the integrity of the barrier plies intact.

F. Price

Price is not the determining factor for the end user to choose between an LWS and a multiwall paper sack. The Petition states that LWS costs more than a multiwall paper sack. This is too simplistic. The price of LWS depends on the style of bag, how heavy the fabric is as well as the other components. The same is true of a multiwall paper sack. The number and quality of the paper plies, barrier requirements and style all impact the cost.

As a general rule, a pinch bottom multiwall paper sack for the pet food industry, with a barrier ply, a clay coated sheet and high quality graphics costs more than an LWS. A multiwall

paper sack that is simpler, without the high quality graphics and a barrier ply of polyethylene is closer in cost to an LWS.

G. Key Conditions of Competition

It is important to note that while price is always an important component in selecting between a domestic and a foreign supplier, it is not always the prime factor. This is especially true for the pet food market. The pinch bottom stepped end LWS is different from a sewn LWS. Pet food companies will pay more for the pinch bottom stepped end LWS.

H. Capital Intensive Nature for the Production of LWS

The Petition states that the production of LWS is capital intensive. However, the domestic US Producers (other than one Petitioner) do not make or weave their own fabric. The capital required for domestic production is generally in the printing, coating and laminating machinery and converting equipment, whether sewing or gluing/heat sealing the pinch bottom stepped end style. The domestic industry simply does not invest in the production of the fabric.

SUMMARY

LWS are complex products, both to manufacture and as they are perceived in the consumer marketplace. The major points we wish to draw to the attention of the USITC are:

1. The different styles of LWS, particularly pinch bottom stepped end versus sewn.
2. The different equipment required to make and close pinch bottom LWS.
3. The commonalities and interchangeability between sewn multiwall paper and LWS.
4. The need for complete specifications with less variance for accurate cost comparisons.
5. How three or more color printing is defined in the scope language.
6. The difference between process print and spot colors and the effect on the graphics.

We hope that the TBPA statement is helpful to the USITC. We are more than happy to provide you with more information and to try and answer any questions you may have.

Respectfully Submitted by the Textile Bag and Packaging Association.



Barry L. Corman, President
Textile Bag and Packaging Association
22 Wendell Park
Milton, MA 02186

March 28, 2018

Exhibit I-1

Below is a table that categorizes the different areas of business that our membership represents. The totals are approximate as we do not always know every industry and business area of our membership but we do have the members' own description in our register as well as our general knowledge.

Description of Activity	Number of TBPA Companies
US Manufacturers of LWS[1]	5
Foreign Manufacturers of LWS (not Vietnam)	7
Foreign Manufacturers of LWS (Vietnam)[2]	1
US Importers of LWS	15
Equipment Manufacturers for making and/or Closing LWS	3
US Paper Bag Manufacturers	4
US Companies who sell LWS and other types of bags[4]	30+

1. Our membership includes 2 US Manufacturers of LWS who were listed as a manufacturer in the Petition and 2 US Manufacturers of LWS that were not listed in the Petition. The Petitioner Polytex Fibers is also a member of the TBPA bringing the total to 5.
2. Our membership includes 1 Vietnamese Manufacturer of LWS who is listed in the Petition
3. Our membership includes who sell LWS, non laminated woven polypropylene,extrusion coated woven polypropylene (which are different from LWS), paper bags and plastic film laminated bags that are used in the pet food, bird seed and consumer oriented markets as well as horse feed, animal feed and other markets that use all of these types of packages

Exhibit II-1

LAMINATED WOVEN SACKS "BOPP BAGS"

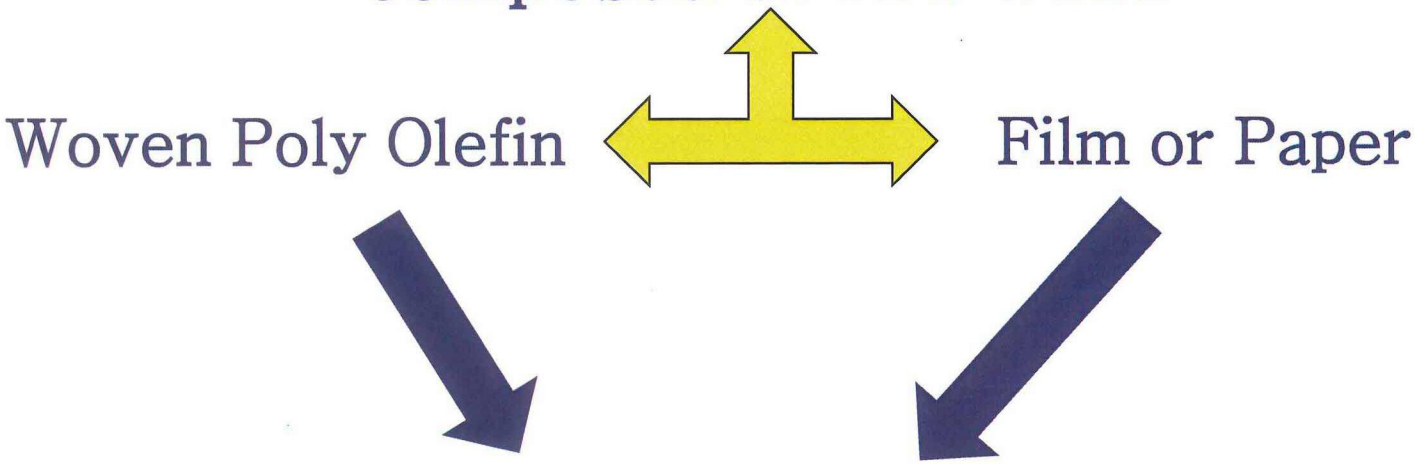
Presentation Spring Convention

March 17 - 19, 2013

Textile Bag and Packaging Association
Web www.textilepackaging.org email textilebag@aol.com

What is a Laminated Woven Sack (LWS)

A Laminated Woven Sack is composed of two webs



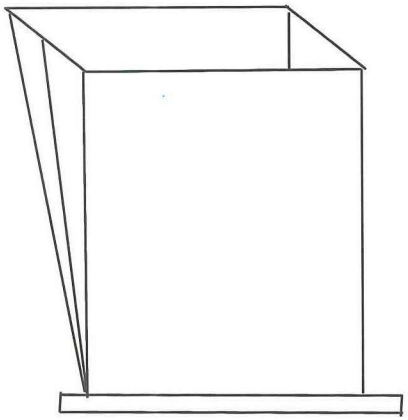
Married Together by a Lamination Process

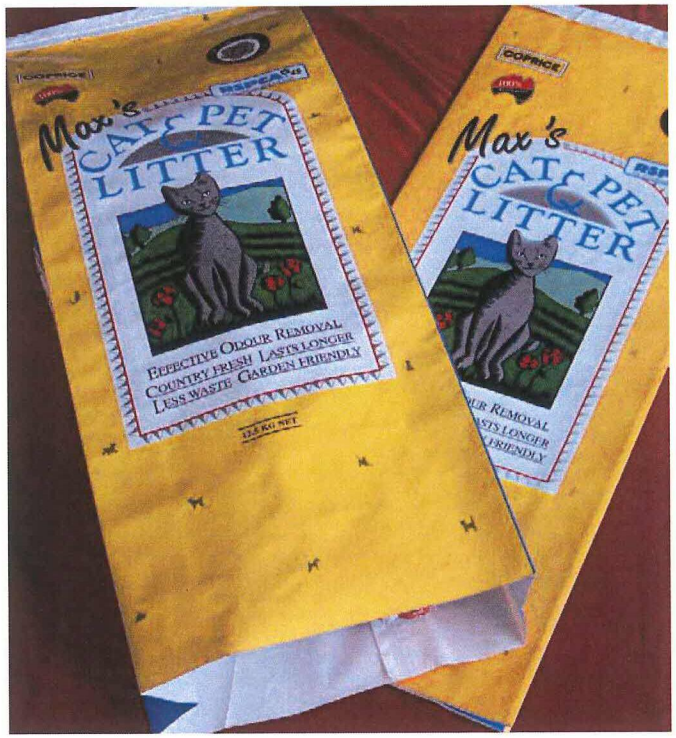
LWS Styles

- Sewn Open Mouth
- Pinch Bottom
- Pasted Valve
- Pasted Open Mouth (POM)
- Self Opening Sack (SOS)
- Sewn Valve
- Back Seam or Circular Woven

LWS Styles: Sewn

Sewn Open Mouth



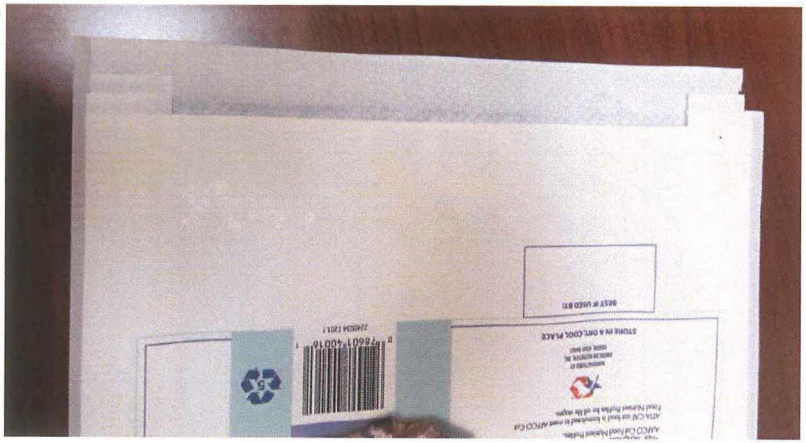


Factory End Sewn

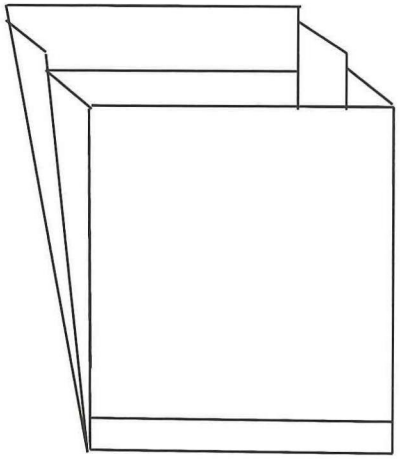
Flush Cut Top

Gusseted or Non Gusseted

LWS Styles: Pinch Bottom



Pinch Bottom



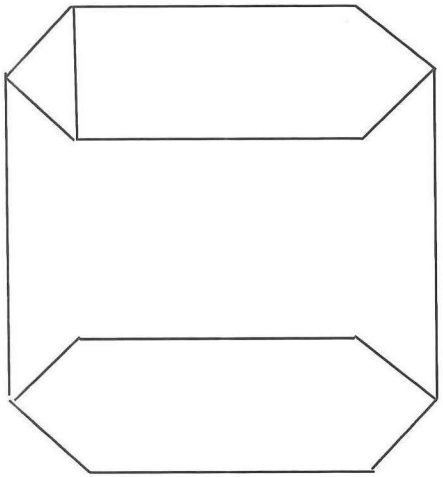
Factory End Folded and Closed

Stepped End Top

Gusseted or Non Gusseted

LWS Styles: Pasted Valve

Pasted Valve



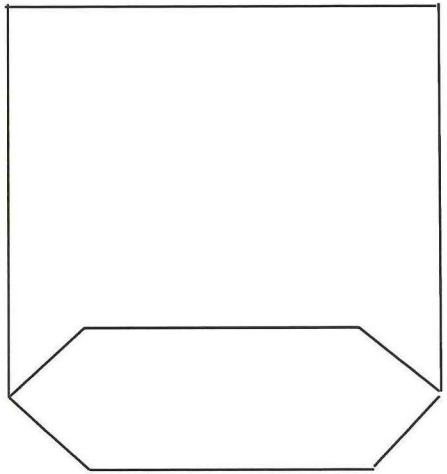


Pasted Valve
Valve on one end
No Gusset

LWS Styles: PBOM



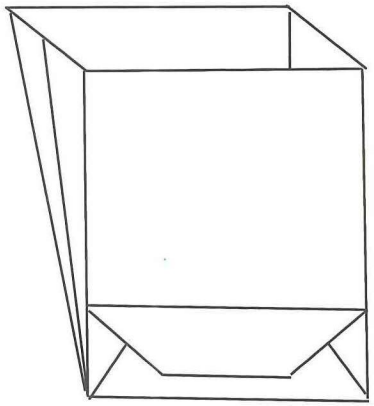
PBOM



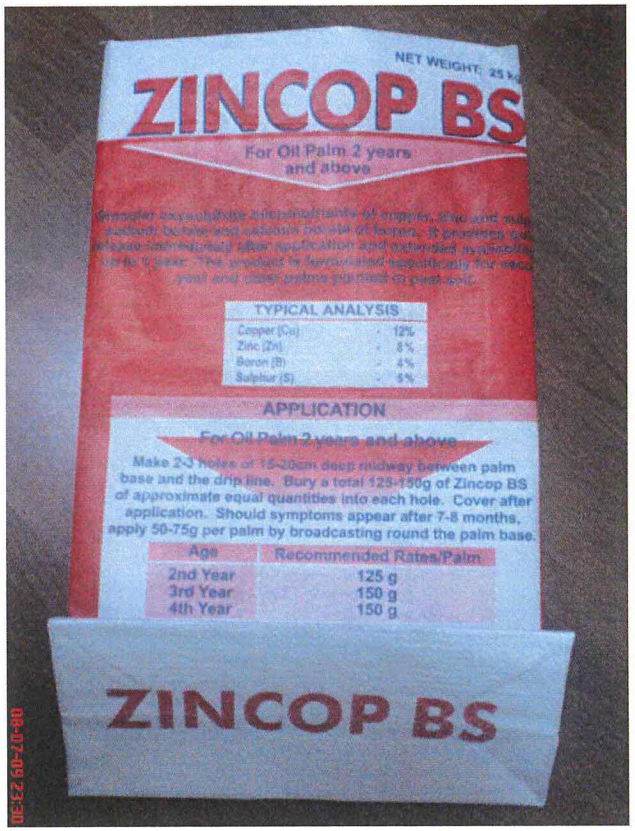
Pasted Bottom Open Mouth
Flush Cut
No Gusset

LWS Styles: SOS

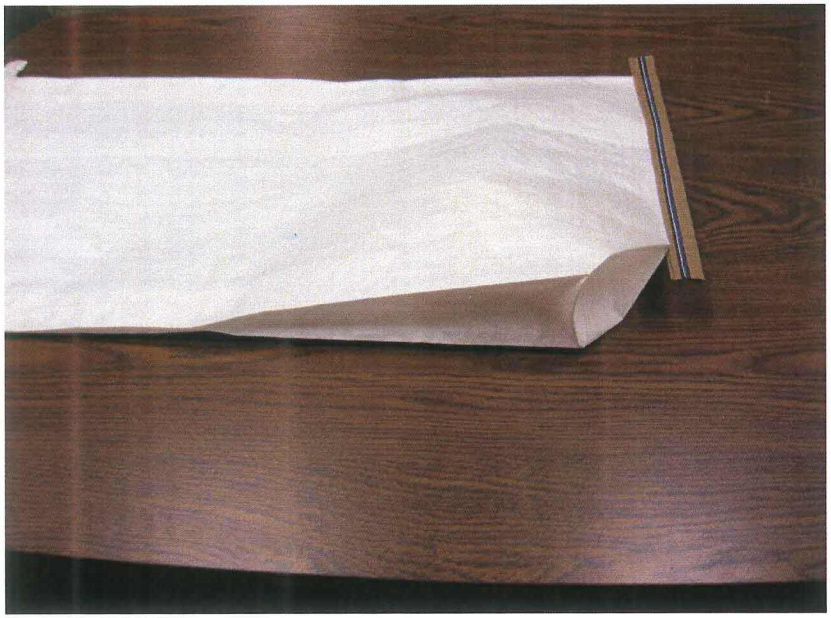
SOS



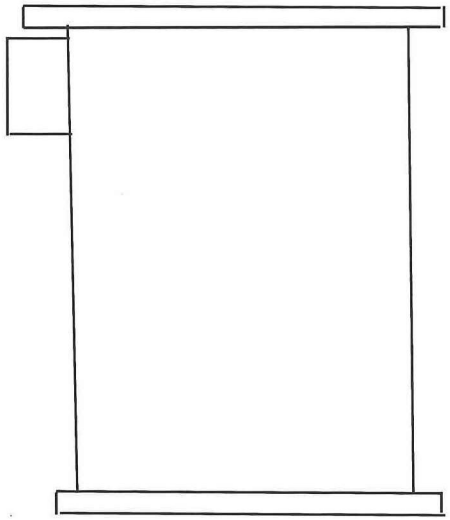
Pasted Bottom
Open End Flush Cut
Gusseted



LWS Styles: Sewn Valve



Sewn Valve



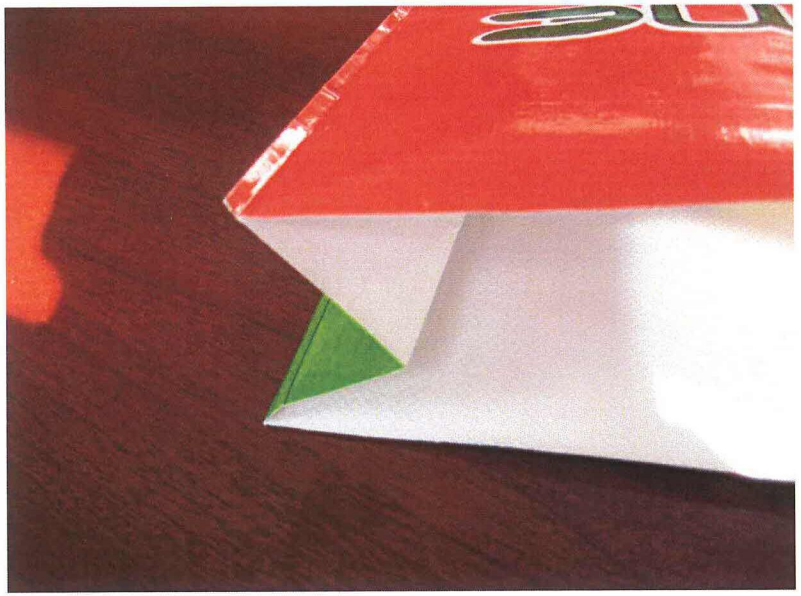
Both Ends Sewn
Shows External Valve
Gusseted

LWS Styles: Back Seam/Circular

Back Seam



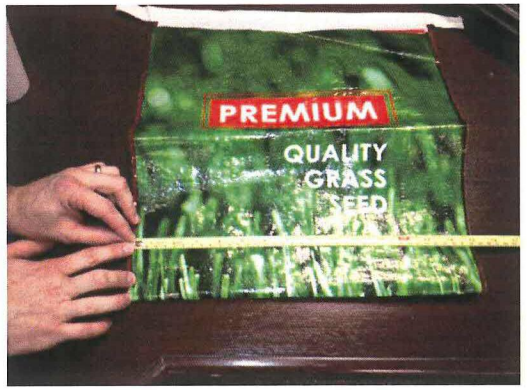
Circular Style



LWS Sizing

How to Measure

- Face Width
- Gussets if applicable
- Length

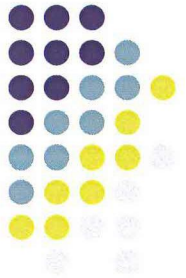


- European differences – gusset is 2 x fold



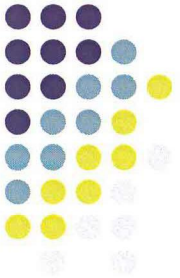
- Tolerances – ¼ inch or 1 cm

LWS Closures



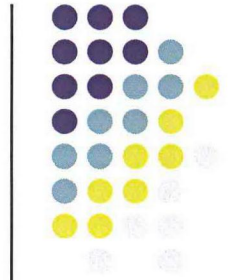
- Sewn Style
  - EZ Open – Single Thread – Most Common
  - Fold Over and Sew
  - Straight through ... Straight sew
  - Cover Tape and Sew

LWS Closures



- Pinch Style
  - Heat Activated Glue
  - Ultrasonic Welding
- Valve Style
  - Polylock/Tuck in Sleeve/Ultrasonic Welding
- Other Closing Options
  - Roll Down Tape/Zipper/ Slider

LWS Fabric



- Tapes – Made of Polyolefin Material
- Weave – Measured by number of tapes per inch or 10 cm from left to right (Weft) and in machine direction (Warp)
- Denier – Weight in grams per 9000 meters of tape
- Trend is towards lighter weights of fabric due to upgrades in filling equipment. 70–80 gsm is what is most common in marketplace

LWS Fabric Formulas

DENIER	$\dfrac{\text{Fabric weight (g/m}^2\text{) x 9000}}{\{\text{warp density (tapes/10 cm)} + \text{weft density (tapes/10 cm)}\}\ 10}$
FABRIC WEIGHT (g/m²) [warp & weft same denier]	$\dfrac{\text{Denier }\{\text{warp density (tapes/10cm)} + \text{weft density (tapes/10cm)}\}\ 10}{9000}$
FABRIC WEIGHT (g/m²) [warp & weft different denier]	$\left[\left[\dfrac{\text{warp den x tape density per 10 cm)}}{900}\right] + \left[\dfrac{\text{weft den x tape density per 10cm}}{900}\right]\right] 1.02$

LWS Fabric Formulas

DENIER – Based on 78 gsm fabric, 10 x 10 weave

$$\text{Denier} = \frac{78 \times 9000}{(39 + 39)10}$$

$$= \frac{702{,}000}{780}$$

$$= 900 \text{ Denier}$$

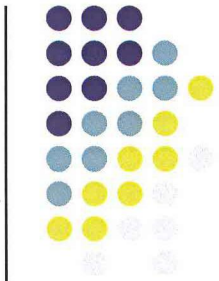
FABRIC WEIGHT – Based on 900 denier, 10 x 10 weave

$$\text{Fabric weight} = \frac{900(39 + 39)10}{9000}$$

$$= \frac{702{,}000}{9000}$$

$$= 78 \text{ GSM}$$

LWS Lamination



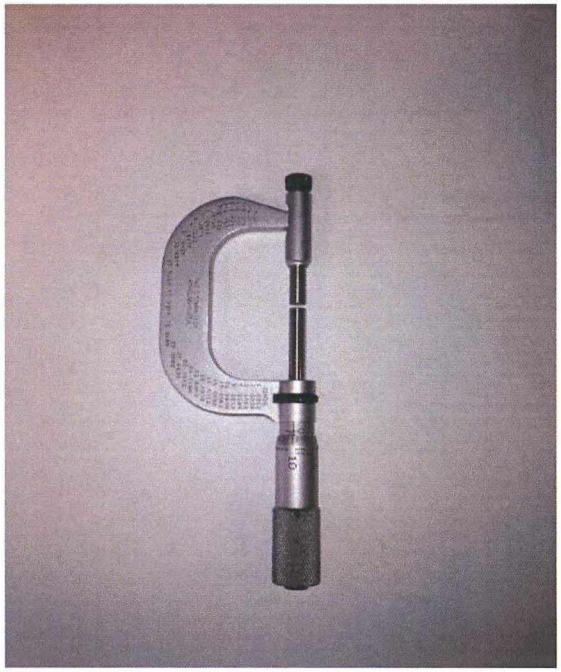
- Lamination is an extrudate of polypropylene resin with additives to allow adhesion of the structures
- Typical range of extrudate weight is between 18-24 grams per square meter

LWS Film Types

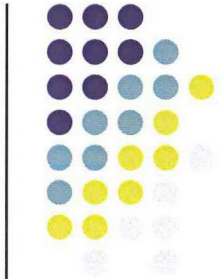
- BOPP Biaxially oriented polypropylene
  - Biaxially means stretched equally in both directions
- Common Types of BOPP
  - Regular
  - Low Slip (Coefficient of friction)
  - Matte Finish
- Polypropylene
- PET (polyester)
- Polyethylene

LWS Film Measurement

- Film is measured both by:
  - Gauge – thickness, or
  - Grams per square meter – weight
- Typical film gauges are 18-19
  - 18-19 Gauge = approximately .72 ml
  - Expressed as weight equals 15-16 grams per square meter



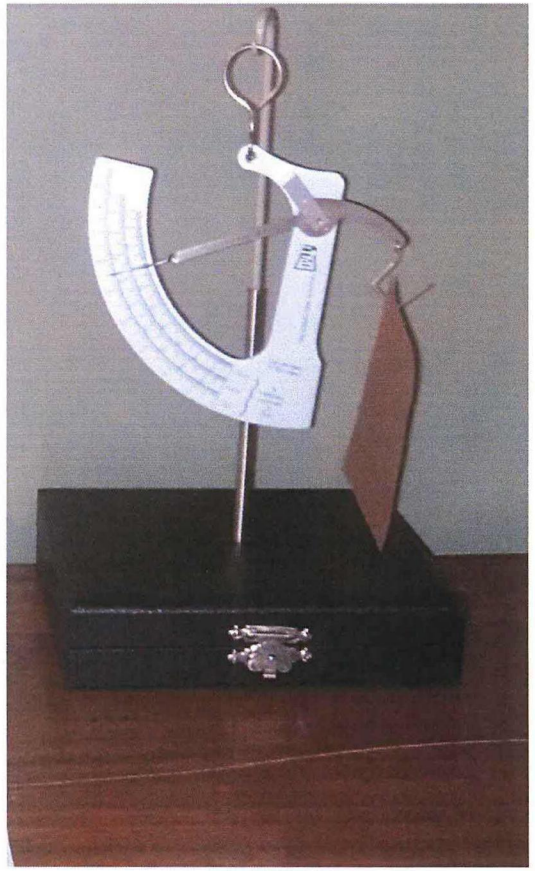
LWS Paper Grades



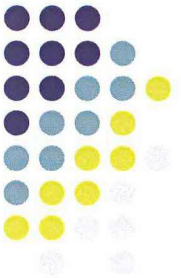
- Multiwall Paper Grades
  - Natural Kraft
  - Bleached Kraft
  - Clay Coated Bleached
- Lesser Grades
  - Grocery kraft
  - Recycled

LWS Paper Weights

- Paper Weight – Basis
  - Paper weight is described by basis weight; determined by the weight of 500 sheets of the same weight measuring 24 x 36 inches
  - Typical Basis weights of paper in LWS are 40# and 50# sheets. The metric conversion is 70 gsm and 80 gsm



LWS Paper vs. Film Outer

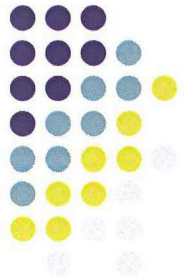


- Typical Reasons to use Film
  - Better Graphics
  - Clear Window to see Product
  - Outer ply more weather resistant
  - Trap Print to protect it
  - Better Grease/Oil Barrier
  - More per skid

LWS Paper vs. Film Outer

- Typical Reasons to use Paper
  - Mimic look and performance of traditional multiwall bag
  - Better stiffness for use on automated equipment
  - Lower slip than LWS bags with film outer

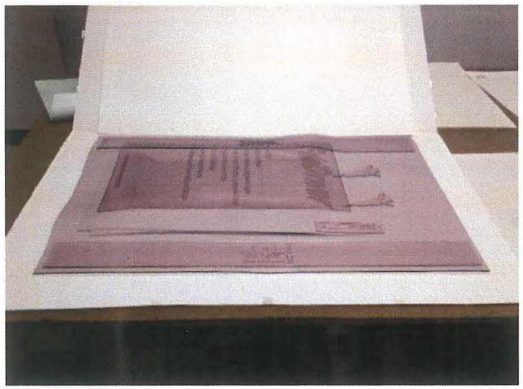
LWS – Film Outer Challenge

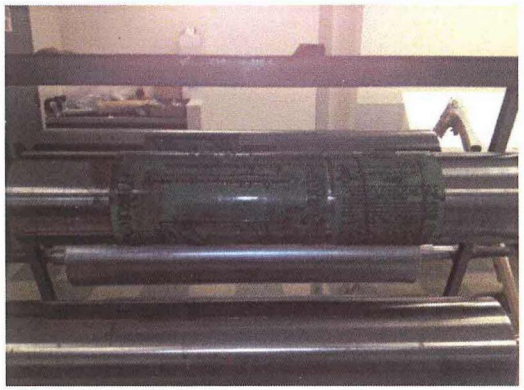


- How to Make LWS less slippery
  - Additives to film to increase COF
  - Printing low slip on outside of film
- What is COF = Coefficient of Friction
  - Testing for COF – Static or Kinetic
    - Static: the point at which an object begins to move
    - Kinetic: the point at which an object continues to move

LWS Printing Film or Paper

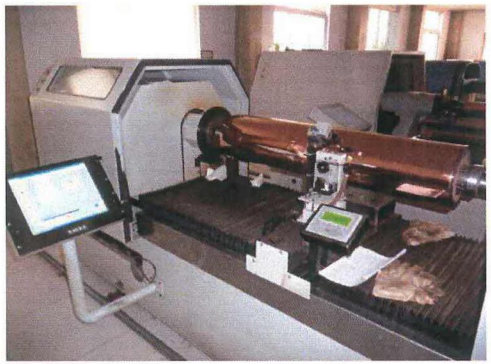
- Flexographic – A form of printing process using a flexible relief plate
  - Plates are photopolymer materials the size of the print area
  - Plates are mounted on cylinders
  - Ink is applied to the printing plates and transferred to the substrate





LWS Printing Film or Paper

- Roto Gravure – A form of printing process where an image is engraved or etched onto an image carrier (typically a metal cylinder)
  - Ink is applied to the cylinder and from the cylinder is transferred to the substrate
  - Cylinders are the size of the bag





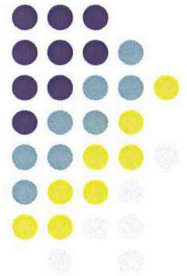
LWS Film Printing Options

- Reverse Printing – Print side faces web
- Surface Printing – Print side faces away from web
  Lacquer is often printed over image
- Trapped ink – Print side faces away from web
  Second ply of film is laminated over image
- Why one method versus another
  - Choice of inks/printing method of flexo or gravure
  - Protection of image and cost considerations

LWS Lamination/Tubing

- The print substrate and fabric are married (laminated) together
- After laminating the structure is in either tubular or lay flat form
  - Tubular rolls can go directly to bag conversion
  - If structure is in lay flat form it will be tubed (back seamed) before going to bag conversion
  - An extrudate or adhesive is used to bond the back seam

LWS Bag Closing



- Tubes are either flush cut or cut with a stepped end
- Common Closures of Tubes
  - Sewing if flush cut
  - Gluing or welding if stepped end

LWS Sewing Closure Caveat

- Customers want to close LWS with the same cover tape as the manufactured end
  - typically extrusion coated wpp or wpp/bopp
- Different Folding Attachments
  - Consult the sewing head manufacturer
  - Different design to folding attachment than for a paper cover tape – prevent wandering
  - Prefeed may be needed for the cover tape

LWS Bag Options

- Perforations
- Rigid Plastic Handles
- Die Cut Handles
- Roll Down Tape
- Zipper
- Slider





LWS Harmonized Tariff Code

- Harmonized Tariff Code Amended as a result of Anti Dumping/Countervailing Duty Investigation
  - Section 6305.33.0050 added
  - Applies to Sacks and Bags of polyethylene and polypropylene weighing less than 1 kg, with an outer laminated ply of plastics sheeting
- TBPA does not endorse a particular HTC classification for LWS sacks

LWS AD/CVD

- Anti Dumping/Countervailing Duty (AD/CVD) investigations have a mandated review 5 years after the final determination.
- For LWS mandated review is August, 2013.
- Commerce Department does not have to do a review but historically they always have.
- Review determines if the conditions still exist to keep the AD/CVD order in effect or if cicumstances have changed to modify or remove it.

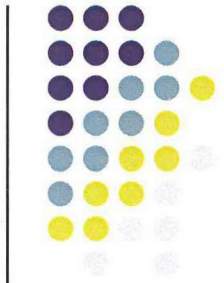
LWS Recyclability

Wpp/Bopp which is the most common LWS is recyclable because it is all one structure. The category for polypropylene is number 5.



Properties: toughness, strength, resistance to heat, grease, oil, and chemicals, barrier to moisture. Density: 0.90-0.92 g/cc

LWS TBPA PRESENTATION



- The TBPA has put this presentation together for the purpose of educating its members about Laminated Woven Sacks. We hope that it is a valuable resource for our members.
- The TBPA does not endorse and our members should make their own determination as to the following:
  - Any particular LWS bag style, composition or construction.
  - The applicable Harmonized Tariff Code for LWS or the application of any Anti Dumping/Countervailing Duties
  - Any characterization of LWS for the purpose of recycling

Exhibit II-2

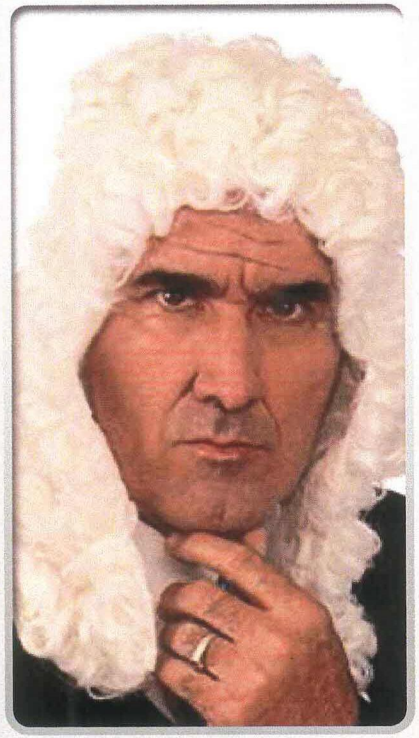
Harmonized Tariff Code Presentation

TBPA ~ Las Vegas, Nevada, September 2017

Conversation Topics:

- The Legal Disclaimer
- Common Tariff Codes
- Cross Data Base Search
- Discussion Various Codes

The Legal Mumbo Jumbo



- The information contained herein is not the official position of the TBPA nor should it be considered legal advice in any way, shape or form.
- You should consult your own attorney or customs broker as opinions as the to interpretation of the Harmonized Tariff Code will vary.

Common HTC Classifications

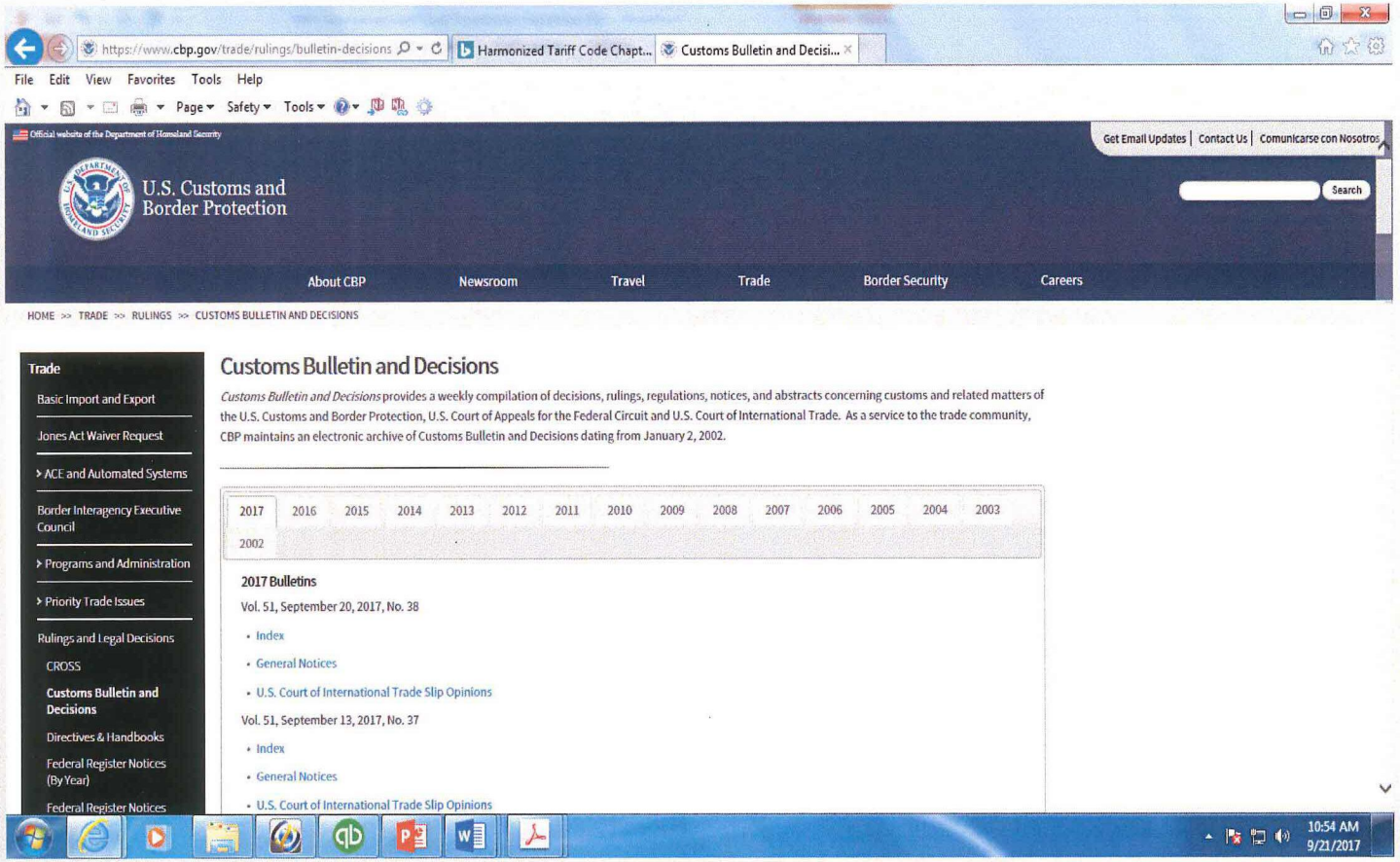
- **Woven Polypropylene**
  - **6305.33.0010**
  - **6305.33.0040 – Bopp 3+Colors**
  - **6305.33.0060 – Bopp 2- Colors**
  - **6305.33.0080**
  - **4602.90.0000 Wide Weave, Yarns >5 mm (5.1 or more)**
  - **6307.90.9889 - Sandbags**
- **FIBC**
  - **6305.32.0010 1KG or More**
  - **6305.32.0020 Less than 1KG**

Common HTC Classifications

- **Paper**
  - **4819.30.0020-Base Width of 40 cm or more**
  - **4819.40.0020-Other Sacks or Bags**
- **Polyethylene**
  - **3923.21.0095**

Customs Rulings Online Search System-CROSS

https://www.cbp.gov/trade/rulings/bulletin-decisions



Heading/ Subheading	Stat. Suf-fix	Article Description	Unit of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
6305		Sacks and bags, of a kind used for the packing of goods:				
6305.10.00	00	Of jute or of other textile bast fibers of heading 5303	kg	Free		2.2¢/kg + 10%
6305.20.00	00	Of cotton (369)	kg	6.2%	Free (AU, BH, CA, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	40%
		Of man-made textile materials:				
6305.32.00		Flexible intermediate bulk containers		8.4%	Free (AU, BH, CA, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	103%
	10	Weighing one kg or more (669)	kg			
	20	Other (669)	kg			
6305.33.00		Other, of polyethylene or polypropylene strip or the like		8.4%	Free (AU, BH, CA, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	103%
	10	Weighing one kg or more (669)	kg			
		Other:				
		Weighing less than 1 kg, with an outer laminated ply of plastics sheeting:				
	40	Printed with three or more colors (669)	kg			
	60	Other (669)	kg			
	80	Other (669)	kg			
6305.39.00	00	Other (669)	kg	8.4% 1/	Free (AU, BH, CA, CL, CO, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	103%
6305.90.00	00	Of other textile materials (899)	kg	6.2%	Free (AU, BH, CA, CL, CO, E*, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	40%

1/ See heading 9902.24.12.

Wide Weave

- Wide Weave are yarns that are 5.1 mm in width or greater.
- Classified as 4602.90.000 – Basketwork, wickerwork or other articles
- See N218365 in CROSS
- https://rulings.cbp.gov/index.asp?ru=n218365&qu=n218365&vw=detail
- Anti Dumping Duty from China applies to Wide Weave

Heading/ Subheading	Stat. Suf-fix	Article Description	Unit of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
4602 (con.)		Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from articles of heading 4601; articles of loofah (con.):				
		Of vegetable materials (con.):				
4602.19 (con.)		Other (con.):				
		Luggage, handbags and flatgoods, whether or not lined:				
4602.19.22	00	Of willow	No.	5.8%	Free (AU,BH,CA, CL,CO,D,IL, JO,KR,MA,MX, OM,P,PA,PE,R, SG) 4.6% (E)	50%
		Of palm leaf:				
4602.19.23	00	Articles of a kind normally carried in the pocket or in the handbag	No.	9%	Free (A,AU,BH,CA, CL,CO,E,IL,JO, KR,MA,MX,OM,P, PA,PE,SG)	50%
4602.19.25	00	Other	No.	18%	Free (AU,BH,CA, CL,CO,D,IL, JO,MA,MX,OM,P, PA,PE,R,SG) 10.8% (KR) 15.5% (E)	50%
4602.19.29		Other		5.3%	Free (AU,BH,CA, CL,CO,D,IL, JO,KR,MA,MX, OM,P,PA,PE,R, SG) 4.2% (E)	50%
	20	Handbags	No.			
	40	Other	No.			
		Other:				
		Of willow or wood:				
4602.19.35	00	Wickerwork	No.	Free		45%
4602.19.45	00	Other	No.	6.6%	Free (A,AU,BH,CA, CL,CO,E,IL,JO, KR,MA,MX,OM, P,PA,PE,SG)	45%
		Other:				
4602.19.60	00	Wickerwork	X.	Free		25%
4602.19.80	00	Other	X.	2.3%	Free (A,AU,BH,CA, CL,CO,E,IL,JO, KR,MA,MX,OM, P,PA,PE,SG)	25%
4602.90.00	00	Other	X.	3.5%	Free (A,AU,BH,CA, CL,CO,E,IL,JO, KR,MA,MX,OM,P, PA,PE,SG)	80%

N218365

June 20, 2012

CLA-2-46:OT:RR:NC:2:230

CATEGORY: Classification

TARIFF NO.: 4602.90.0000

Ms. Tasha Ekman
AlphaProTech, Inc.
301 South Blanchard Street
Valdosta, GA 31601

RE: The tariff classification of woven polypropylene sheeting from India

Dear Ms. Ekman:

In your letter dated May 16, 2012, you requested a tariff classification ruling.

The ruling was requested coated polypropylene woven fabric marketed by your firm under the name "House Wrap". A sample cut section was submitted for our review.

The sheets consist of flat, closely woven clear polypropylene strips which measure 5 mm or greater in width. The sheets are coated on one side. The coating can not be seen. You state that the product will be imported in roll form in varying widths and lengths. The products primary use is for attaching to the side of a house upon which siding is placed over.

The plastic strips from which the sheets are constructed constitute "plaiting materials" as set forth in Chapter Note 1 of Chapter 46, Harmonized Tariff Schedule of the United States (HTSUS), which states as follows:

> *In this chapter the expression "plaiting materials" means materials in a state or form suitable for plaiting, interlacing or similar processes; it includes straw, osier or willow, bamboos, rattans, rushes, reeds, strips of wood, strips of other vegetable material (for example, strips of bark, narrow leaves and raffia or other strips obtained from broad leaves), unspun natural textile fibers, monofilament and strip and the like of plastics and strips of paper, but not strips of leather or composition leather or of felt or nonwovens, human hair, horsehair, textile rovings or yarns, or monofilament and strip and the like of chapter 54.*

General Explanatory Note 3 to Chapter 46 specifically includes plastic strip exceeding 5mm in width. Because the coating advances the sheeting beyond the range of 4601, the sheets are classifiable in heading 4602, HTSUS.

The applicable subheading for the woven polypropylene sheeting will be 4602.90.0000, HTSUS, which provides for Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from articles of heading 4601: Other (than of vegetable materials). The rate of duty will be 3.5 percent ad valorem.

Duty rates are provided for your convenience and are subject to change. The text of the most recent HTSUS and the accompanying duty rates are provided on World Wide Web at http://www.usitc.gov/tata/hts/.

This ruling is being issued under the provisions of Part 177 of the Customs Regulations (19 C.F.R. 177).

A copy of the ruling or the control number indicated above should be provided with the entry documents filed at the time this merchandise is imported. If you have any questions regarding the ruling, contact National Import Specialist Laurel Duvall at (646) 733-3035.

Sincerely,

Thomas J. Russo
Director
National Commodity Specialist Division

Sandbags

- Sandbags can come under a different Category than 6305.33
- Classified as 6307.90.9889 –
- See i89540 in CROSS
- https://rulings.cbp.gov/index.asp?ru=i89540&qu=i89540&vw=detail
- Not sure that I agree but there is a ruling

Heading/ Subheading	Stat. Suf-fix	Article Description	Unit of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
6307 (con.)		Other made up articles, including dress patterns: (con.)				
6307.90 (con.)		Other: (con.)				
		Other:				
6307.90.89		Surgical towels; cotton towels of pile or tufted construction; pillow shells, of cotton; shells for quilts, eiderdowns, comforters and similar articles of cotton	.....	7%	Free (AU, B, BH, CA, CL, CO, E*, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	40%
	10	Surgical towels (369)	No. kg			
	40	Cotton towels of pile or tufted construction (363)	No. kg			
	45	Pillow shells, of cotton (369)	kg			
		Shells for quilts, eiderdowns, comforters and similar articles of cotton:				
	50	Sleeping bag shells	kg			
		Other:				
	85	Containing 85 percent or more by weight of cotton	No. kg			
	95	Other (362)	No. kg			
6307.90.98		Other	.....	7% 1/	Free (A, AU, B, BH, CA, CL, CO, D, E, IL, JO, KR, MA, MX, OM, P, PA, PE, SG)	40%
		National flags:				
	25	Of the United States	No. kg			
	35	Of other nations	No. kg			
		Other:				
	82	Other towels of cotton (369)	No. kg			
	84	Other towels of man-made fibers (666)	No. kg			
	85	Furniture movers' pads of cotton	No. kg			
	87	Furniture movers' pads of man-made fibers	No. kg			
	89	Other	No. kg			

1/ See headings 9817.57.01 and 9902.23.24.

NY I89540

December 24, 2002

CLA-2-63:RR:NC:N3:351 I89540

CATEGORY: Classification

TARIFF NO.: 6305.33.0020, 6307.90.9889

Mr. Michael Chao
MYKO Industries, Inc.
398 Amethyst Ct.
Lake Mary, FL 32746

RE: The tariff classification of rice bags, sandbags, and a silt fence from China.

Dear Mr. Chao:

In your letter dated Dec. 16, 2002, you requested a ruling on tariff classification.

The first item is a rice bag, style RB-3040, used for storing and/or transporting rice, sugar, salt, and minerals. The sample is approximately 64 cm x 36 cm and weighs 42.5 grams. The second item is a sandbag, SB-1218, used at construction barricades and for other construction-related tasks. It measures approximately 100cm x 60 cm. Both bags are made of woven polypropylene or polyethylene strips which are approximately 3 mm in width, thus meeting the dimensional requirements for man-made fiber strips contained in Section XI, Legal Note 1(g) of the Harmonized Tariff Schedules of the United States (HTS).

The applicable subheading for the rice bag, RB-3040, will be 6305.33.0020, HTS, which provides for sacks and bags, of a kind used for the packing of goods: Of man-made textile materials: Other, of polyethylene or polypropylene strip or the like, other. Items from China classified in this provision are not subject to quota restrictions or the requirement of a visa.

The applicable subheading for the sandbag, SB-1218, will be 6307.90.9889, HTS, which provides for other made up articles . . . Other. The rate of duty in 2003 will be 7 percent ad valorem. Items classified in this provision are not subject to quota restrictions or the requirement of a visa.

The third item is a silt fence, SF-4100, made of fabric woven from polypropylene or polyethylene strips. Each strip is approximately 3 mm in width, thus meeting the definition of textile in Note 1(g) to Section XI of the HTS. The item as described in your letter will be a 40-ft. x 100-ft. roll of this fabric, although it might come in different lengths as well; we believe you mean 4-foot, not 40. The ends will be hemmed. It will be stapled to 1" x 1" x 47" wooden stakes; another variation will be without the stakes.

The applicable subheading for this hemmed product, with or without the stakes, will be 6307.90.9889, HTS, which provides for other made up textile articles, other. The general rate of duty in 2003 will be seven percent ad valorem. There are no quota restrictions or visa requirements for merchandise classified in this subheading.

This ruling is being issued under the provisions of Part 177 of the Customs Regulations (19 C.F.R.177).

A copy of the ruling or the control number indicated above should be provided with the entry documents filed at the time this merchandise is imported. If you have any questions regarding the ruling, contact National Import Specialist Mitchel Bayer at 646-733-3102.

Sincerely,

Robert B. Swierupski
Director,
National Commodity
Specialist Division

Paper and Paper/WPP

- Classifying Multiwall paper and Paper/wpp together
- Why Paper/wpp – looks like a duck test.
- Base Width of 40 cm or more
  - Does a sewn bag have a base?
  - Does it really matter
- https://rulings.cbp.gov/index.asp?ru=k86349&qu=Paper+bags+laminated+to+woven+polypropylene&vw=detail

NY K86349

June 9, 2004
CLA-2-48:RR:NC:SP:234 K86349

CATEGORY: Classification

TARIFF NO.: 6305.33.0020; 4819.30.0020; 3923.21.0090

Mr. Kevin S. Long
Long Brothers
P.O. Box 16123
Ludlow, KY 41016-0123

RE: The tariff classification of packaging/shipping sacks and bags from China.

Dear Mr. Long:

In your letter dated May 18, 2004, you requested a tariff classification ruling. Samples representing five types of bags were submitted for our examination.

Item #1 is a 46 x 76 cm bag made of woven polypropylene strips having an individual width of approximately 2 millimeters. (Since these strips meet the dimensional requirements to be considered textile strips, the bag will be regarded as a textile article.) This bag will be principally used by feed and grain mills for the packaging, shipping and marketing of grass seed, animal feed, etc.

Item #2 is a brown kraft paper sack with a laminated reinforcing liner of made of woven plastic strips. It has a 41-cm-wide base featuring a sewn paper-tape closure, and is 86 cm long. It will be used for packing feed and seed.

Item #3 is a 42 x 113 cm bag made of two co-extruded layers of polyethylene plastic sheeting. The exterior layer is white, while the interior layer is black. A number of small holes have been punched through the wall of the bag at various locations. The bag will be principally used to package insulation.

Item #4 is a multi-wall bag having a 41-cm-wide base (with sewn paper-tape closure) and a length of 91 cm. The outer layer is of bleached white paper, followed, successively, by a layer of natural brown kraft paper, a thin layer of polyethylene film, and another layer of brown kraft paper. It will be used for packing seed and feed.

Item #5 is a multi-wall bag having a 41-cm-wide base (with sewn paper-tape closure) and a length of 91 cm. The outer layer is of bleached white paper, which is lined with two layers of natural brown kraft paper. The bag will be used for packing seed and feed.

The applicable subheading for item #1 will be 6305.33.0020, Harmonized Tariff Schedule of the United States (HTS), which provides for sacks and bags, of a kind used for the packing of goods: of man-made textile materials: other, of polyethylene or polypropylene strip or the like…other (than weighing one kg or more). The rate of duty will be 8.4%.

The applicable subheading for item numbers 2, 4 and 5 will be 4819.30.0020, HTS, which provides for shipping sacks and multiwall bags, other than grocers' bags, having a base of a width of 40 cm or more, of paper or paperboard. The rate of duty will be Free.

The applicable subheading for item #3 will be 3923.21.0090, HTS, which provides for articles for the conveyance or packing of goods, of plastics: sacks and bags (including cones): of polymers of ethylene … other. The rate of duty will be 3%.

This ruling is being issued under the provisions of Part 177 of the Customs Regulations (19 C.F.R. 177).

A copy of the ruling or the control number indicated above should be provided with the entry documents filed at the time this merchandise is imported. If you have any questions regarding the ruling, contact National Import Specialist Carl Abramowitz at 646-733-3037.

Sincerely,

Robert B. Swierupski
Director,
National Commodity
Specialist Division

Summary

- Be Careful in the HTC you use
- Ultimately you are the responsible party
- The penalties are stiff
- Rulings Protect You