

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress <sup>1</sup>**

[Date approved: April 23, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2642 (Mr. Jeff Sessions of Alabama).

**Proponent name,<sup>3</sup> location:** Outdoor Industry Association, Boulder, CO.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

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

Sleeping bag shells of man-made fibers, for use in the manufacture of sleeping bags (provided for in subheading 6307.90.98).

**Check one:**      Same as that in bill as introduced.  
                   Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

The bill concerns sleeping bag shells made from fabrics of man-made fibers, imported for use in the manufacture of sleeping bags. These shells are classified in HTS subheading 6307.90.98 and are reported by importers under statistical reporting number 6307.90.9889, a residual or “basket” category for made-up textile articles not separately provided for elsewhere.<sup>4</sup> The subject shells do not contain filling. China is the leading supplier of the subject sleeping bag shells.

<sup>1</sup> Industry analyst preparing report: Kimberlie Freund (202-708-5402); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> 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/).

<sup>3</sup> The sponsor/proponent identified seven additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received responses from four firms, one of which submitted a written representation that it would benefit from this bill.

<sup>4</sup> Commission staff were informed by the proponent that the bill would be amended to correct the HTS subheading and to narrow the scope of the product covered by the bill to the following: “Man-made shells used in the manufacture of sleeping bags, the foregoing shells of rectangular shape, valued not over \$5/shell (provided for in subheading 6307.90.98).” Commission staff contacted domestic firms regarding the proposed changes (see table and technical comments below).

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6307.90.98:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	7%	7%	7%	7%	7%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Customs revenue loss <sup>b</sup>	\$280,000	\$280,000	\$280,000	\$280,000	\$280,000

a/ Dutiable import estimates were based on official U.S. Government statistics and industry information.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Outdoor Industry Association (Proponent) Alex Boian, aboian@outdoorindustry.org	01/06/2010	No	No	No
American Recreation Products Geoff O'Keefe, okeefewoodworks@gmail.com	01/06/2010	No	No	No
Big Agnes Len Zanni, len@bigagnes.com	01/06/2010	No	No	No
Cascade Designs Pete Haggerty, pete.haggerty@cascadedesigns.com	01/06/2010	No	No	No
Down Works Nick Gravem, 831-423-9078	01/28/2010	Yes	Yes	Yes
Equinox Robert Cross, rcross@equinoxltd.com	01/06/2010	No	No	No
Exxel Outdoors Armen Kouleyan, armen@exxel.com	01/06/2010	No	No	No
Feathered Friends Peter Hickner, peter@featheredfriends.com	01/06/2010	Yes	Yes	Yes
Nunatak Gear, LLC Tom Halpin, tom@nunatakusa.com	01/28/2010	Yes	Yes	Yes
Stephenson's Warmlite Jane Fortin, 603-293-8526	01/28/2010	No	No	No
Western Mountaineering Gary Schaezlein, garys@westernmountaineering.com	01/06/2010	Yes	Yes	Yes
Wiggy's Jerry Wigutow, wiggys@wiggys.com	01/06/2010	Yes	Yes	Yes

**Technical comments:<sup>5</sup>**

According to the proponent, the bill is intended to cover sleeping bag shells of man-made fibers. The bill as introduced refers to the HTS subheading for sleeping bag shells of cotton, which are classified in HTS subheading 6307.90.89. The correct HTS subheading for the subject man-made fiber shells is 6307.90.98, according to Customs officials. In addition, the description of the provision should be amended to add “fibers” to clarify that the provision covers sleeping bag shells of man-made fibers. The suggested language shown on page 1 does not include any unit value limit on the subject goods, because it was unclear whether it was really desired by the proponent and because the industry representatives we contacted expressed objections to the bill whether or not that value limit was present. Last, we note that the proposed heading is drafted as an “actual use” provision, which would require Customs verification of the use of any imports under the provision within three years of the date of entry. Such provisions present administrative and compliance costs, but the use requirement would likely help restrict the scope of the heading.

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<sup>5</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

### 1. E-mail Submission from Nick Gravem (Down Works)

**From:** Down Works [mailto:thedownworks@gmail.com]  
**Sent:** Thursday, January 28, 2010 11:17 PM  
**To:** Freund, Kimberlie  
**Subject:** Re: duty suspension bill on sleeping bag shells

Kim,

Thank you for informing us of the proposed bill that provides temporary duty free treatment for imports of sleeping bag shells. We make sleeping bags here in Santa Cruz, Ca. Our label is Down Works. We are against this proposal. Domestic manufacturing, including the labor of sewing the shells, deserves at the least, the slight protection that a duty provides. As a new policy, the temporary nature of this proposal suggests some sort of sweetheart deal. Let us instead advocate for Made In America.

Regards,  
Nick Gravem

### 2. E-mail Submission from Peter Hickner (Feathered Friends)

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**From:** Peter [mailto:peter@featheredfriends.com]  
**Sent:** Thursday, January 07, 2010 8:36 PM  
**To:** Freund, Kimberlie  
**Subject:** RE: Request for comments on S. 2642 to suspend the duty on sleeping bag shells

Kimberly,

As I understand it, the bill will extend the suspension of duties that is set to expire. We manufacture all of our sleeping bags entirely in the USA, thus a suspension of duties helps our competition, but does not help us at all.

I've read that the justification for the suspension of the duties is that there are no manufacturers of sleeping bag shells in the US anymore (and the same applies to technical outdoor clothing). There are a few of us left, and due to the migration of most of the sewing industry to low wage- low benefits countries, most of the fabric manufacturing has also relocated in Asia. The result is that we end up paying duties on fabric that we now must import.

In short, we are put at a disadvantage by the situation that rewards companies for overseas production. I admit that consumers may benefit slightly from lower prices in the absence of duties, but for the most part we do not see the potential savings realized by the time the products reach the retail stage.

Regards,

Peter Hickner  
President, Pangaea Ltd. DBA Feathered Friends

### 3. E-mail Submission from Tom Halpin (Nunatak)

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

From: Tom Halpin @ NUNATAK [mailto:tom@nunatakusa.com]  
Sent: Thursday, January 28, 2010 5:08 PM  
To: Freund, Kimberlie  
Subject: Comment on Sleeping bag tariff S 2642

Kimberlie, A colleague passed your email to me, thank you for your phone call.

Rescinding the Tariff would be a real disaster for American companies that manufacture sleeping bags here in the USA.

The real cost of globalization is taken by small time outfits such as mine, in that we cannot compete with the multi-national globalized sleeping bags produced for pennies outside the homeland. This is a short sighted way to operate, as evidenced in domestic manufacturing declining steadily over the years.

The Outdoor Industry Association does NOT speak for us Americans, rather they speak for International Corporations not manufacturing here in the US. We are strongly opposed to rescinding this tariff. The bill is reverse of what is needed, which is domestic encouragement, not punishment.

Thank you for your time,

Tom @ Nunatak

Nunatak Gear LLC  
160 T/W Eastside Rd  
Twisp Washington 98856

Tom Halpin : tom@nunatakusa.com

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Visit our site @ <http://www.nunatakusa.com>

#### **4. E-mail Submission from Gary Schaezlein (Western Mountaineering)**

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

From: Gary Schaezlein [mailto:Garys@westernmountaineering.com]  
Sent: Tuesday, January 26, 2010 5:44 PM  
To: Freund, Kimberlie  
Subject: duty on sleeping bags

USITC

Jan. 26, 2010

Dear Kimberlie Fruend,

I was just made aware of a bill #S.2642 that either reduces or exempts duty on sleeping bag shells, parts, or ready made sleeping bags. I think this is a bill being introduced by a Alabama Congressman Jeff Jessions for one of his constituents named Excel Manufacturing.

We are a company that manufacturers down sleeping bags in San Jose, California and have been since 1970. We employ 40 craftspeople in this semi-skilled trade. We feel that any duty exemption would be UNFAIR competition against us and therefore we would be against any duty reductions or exemptions. At present, we have to import some of our fabrics because of the loss of many mills to overseas competition. We pay between 8% to 15% duty on our imported fabrics.

Since not all companies that manufacture sleeping bags in my industry are aware of this bill, such as I, you should be aware that there are other companies that do exist and that may not contact you. Here is a list of other companies that proudly can say "Made in the USA". If you want their opinions, you should contact them directly.

Cascade Designs -Seattle, Wa

Feathered Friends - Seattle, Wa

Nunatak - Seattle, Wa

Stevenson's Warmlite - New Hampshire

The Down Works - Santa Cruz, Ca

Wiggy's - Grand Junction, Co

There are more companies that manufacture in the USA, this is just the short list that I can think of without doing alot of research.

Please visit our website at [westernmountaineering.com](http://westernmountaineering.com)

Please confirm with me that you received this email. Thanks.

Very Sincerely,

Gary Schaezlein  
Owner  
Western Mountaineering

#### **5. E-Mail Submission from Jerry Wigutow (Wiggys)**

**From:** Jerry Wigutow [mailto:wiggys@wiggys.com]

**Sent:** Wednesday, January 06, 2010 2:11 PM

**To:** Freund, Kimberlie

**Subject:** RE: Request for comments on S. 2642 to suspend the duty on sleeping bag shells

Kimberlie,

Thanks for the updated information on this subject.

At this time and I am sure in the future, foreseeable and beyond Wiggy's Inc. will continue to do as we have for 20 years produce one hundred percent of our sleeping bags in the USA only.

If Wiggy's is able to produce sleeping bags as well as other textile items in the USA and make a profit there is no reason why other companies can't do the same.

We need to generate more production of all types of products in the USA.

SINCERELY,

Jerry Wigutow

**From:** Jerry Wigutow [mailto:wiggys@wiggys.com]

**Sent:** Wednesday, January 06, 2010 2:34 PM

**To:** Freund, Kimberlie

**Subject:** RE: Request for comments on S. 2642 to suspend the duty on sleeping bag shells

KIMBERLIE,

Raise the duty, DO NOT SUSPEND it.

To see what I make go to my web site [www.wiggys.com](http://www.wiggys.com)

Sincerely,

Jerry Wigutow

111TH CONGRESS  
1ST SESSION

# S. 2642

To suspend temporarily the duty on man-made shells used in the manufacture of sleeping bags.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2009

Mr. SESSIONS introduced the following bill; which was read twice and referred to the Committee on Finance

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# A BILL

To suspend temporarily the duty on man-made shells used in the manufacture of sleeping bags.

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. MAN-MADE SHELLS USED IN THE MANUFAC-**  
4 **TURE OF SLEEPING BAGS.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of  
6 the Harmonized Tariff Schedule of the United States is  
7 amended by inserting in numerical sequence the following  
8 new heading:

“	9902.63.07	Man-made shells used in the manufacture of sleeping bags (provided for in subheading 6307.90.89) .....	Free	No change	No change	On or before 12/31/2011	”.
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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 enactment of this Act.

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