



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

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

(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 man-made fiber fabric shell used in the production of sleeping bags. Imports are primarily from China. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6307.90.98				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	7	7	7	7	7
Estimated value of <i>dutiable</i> imports (\$)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Customs revenue loss (\$)	420,000	420,000	420,000	420,000	420,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The article description set forth above was modified for greater clarity. We note that it is currently drafted as an "actual use" provision, which would require post-entry verification by Customs within three years of the date of each entry. This requirement is suggested as a means of narrowing the scope of the proposed heading.

VI. Continuation

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	Exxel Outdoors (Interested entity) Armen Kouleyan	626-962-4130	No	No	No
2	American Discovery Textile Manufacturing Tim Moritz	660-338-2273	Yes	Yes	Yes
3	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	No	No	No
4	Cascade Designs Pete Haggerty	206-505-9500	No	No	No
5	Down Works Nick Gravem	831-423-9078	No	No	No
6	Feathered Friends Peter Hickner	206-292-6292	No	No	No
7	National Council of Textile Organizations Mike Hubbard	704-215-4540	Yes	Yes	Yes
8	National Textile Association David Trumbell	617-542-8220	No	No	No
9	Nunatak Gear, LLC Tom Halpin	509-997-0348	No	No	No
10	Schneider Mills, Inc. Hank Byrd	828-632-8181	No	Yes	Yes
11	Western Mountaineering Gary Schaezlein	408-287-8944	No	Yes	Yes
12	Wiggy's Jerry Wigutow	866-411-6465	Yes	Yes	Yes

From: Tim Moritz [mailto:tim.moritz@adtmfg.com]
Sent: Friday, July 20, 2012 5:43 PM
To: Freund, Kimberlie
Cc: Jones, Jackie
Subject: RE: Request for comment on miscellaneous tariff bills

Kim,

I oppose hr 4973,4974, and 4975. We manufacture sleeping bags, carrying totes, sleep systems, and waterproof outer shells for sleeping bags. American Discovery Textiles was purchased three and one half years ago when the former owners planned to close the doors. There were thirteen employees left at that time. We have all worked very hard to compete with foreign manufactures and have been able to bring our employment to thirty eight full time employees. We struggle every day to keep our business competitive. We can use all the help available to even the playing field.

Thank you,

Tim Moritz
Facility Manager
American Discovery Textile Mfg
302 Hawthorn Drive
Glasgow, MO 65254

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

Sent: Thursday, July 12, 2012 2:54 PM

To: Freund, Kimberlie

Subject: RE: Request for comment on temporary import duty suspensions on sleeping bag shells and carrying cases

I oppose the import duty free all of the products shown.
We produce these items as do other companies.
Thank you for making me aware of this ridiculous legislation.
We do need to have USA RESIDENTS WORKING.

Jerry Wigutow
President
Wiggy's Inc.
Phone: 866-411-6465
Email: wiggys@wiggys.com

Bill No.	Sponsor	State	Current HTS No.	Product Description As Introduced
hr4973	Aderholt	AL	6307.90.98	Sleeping bag carry cases imported separately from sleeping bags, with a body of polyester or nylon, and with a drawstring closure, not under 77.5 cm in circumference and not exceeding 127.7 cm in circumference, valued not over \$2
hr4974	Aderholt	AL	3926.90.99	Sleeping bag carry cases imported separately from sleeping bags, with a body of nonwoven polypropylene and a top of nonwoven polyester, and with a zipper running completely around the perimeter sealing the top to the body, not under 77.5 cm in circumference and not exceeding 127.7 cm in circumference, valued not over \$2
hr4975	Aderholt	AL	6307.90.98	Man-made shells used in the manufacture of sleeping bags



June 15, 2012

The Honorable Dave Camp
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Sandy Levin
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

RE: NCTO Opposition to H.R. 4975

Dear Chairman Camp and Ranking Member Levin:

The National Council of Textile Organizations (NCTO), a trade association representing the U.S. textile industry is strongly opposed to H.R. 4975. Most importantly, H.R. 4975 covers manmade shells used in the manufacture of sleeping bags already made in the United States or which is assembled using U.S. yarn.

The U.S. textile industry is already facing tremendous market pressures due to unfair competition from low cost producing countries like China and Vietnam. Together these countries import more 50 percent of all textile and apparel into the United States. The textile industries in both China and Vietnam are heavily subsidized by the governments and are state owned which dramatically drives down costs and shifts market share away from the Western Hemisphere. The Western Hemisphere is the domestic industry's major trading platform, loss of market share shrinks profit margins and costs U.S. jobs.

The Miscellaneous Tariff Bill is intended to promote manufacturing and jobs in the United States by providing limited tariff relief (up to \$500,000 for any specific tariff line) to domestic manufacturers who use inputs that are not available from a domestic source, not as a vehicle to vastly increase the profit margins of importers and retailers of finished goods to the detriment of U.S. manufacturers.

If our industry is forced to absorb duties on certain inputs that are no longer commercially available in the U.S. and the above product is allowed to be imported duty free it will cause serious damage to the domestic industry and further hamper our competitiveness. If this happens, dozens of plants and thousands of workers across the country will be adversely affected.

Thank you for the opportunity to submit comments on the bills included as part of the Senate Miscellaneous Tariff Bill.

Sincerely,


Cass Johnson
President

From: Hank Byrd [mailto:hbyrd@schneidermills.com]
Sent: Thursday, July 26, 2012 9:44 AM
To: Freund, Kimberlie
Subject: RE: MTB HR 5973 and MTB HR 4975

Yes.

Hank

From: Kimberlie.Freund@usitc.gov [mailto:Kimberlie.Freund@usitc.gov]
Sent: Thursday, July 26, 2012 7:48 AM
To: hbyrd@schneidermills.com
Subject: RE: MTB HR 5973 and MTB HR 4975

Mr. Schneider,
Just to confirm, you meant HR 4973 (not HR 5973) for your opposition, correct?
Thanks.

Kim Freund

Kimberlie Freund
International Trade Analyst

U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436
Telephone: 202-708-5402
Email: kimberlie.freund@usitc.gov

From: Hank Byrd [mailto:hbyrd@schneidermills.com]
Sent: Thursday, July 19, 2012 3:01 PM
To: Freund, Kimberlie
Subject: FW: MTB HR 5973 and MTB HR 4975

Here is what we had previously submitted on these bills.

Hank Byrd

From: Hank Byrd [mailto:hbyrd@schneidermills.com]
Sent: Wednesday, July 18, 2012 12:53 PM
To: 'Pamela.kirkland@trade.gov'
Cc: 'Billgerrow@aol.com'; 'Roger Walker'; 'bill@perftex.com'
Subject: FW: MTB HR 5973 and MTB HR 4975

We have communicated with our customer and their customer. Schneider Mills weaves the fabric. Performance Textiles finished the fabric and sell it to American Discoveries who cuts and sews the fabric into commercial sleeping bags. Thus please amend our protest to show that not only is this being done for military applications it is being done for commercial applications and thus we do not recommend tariff and duty relief on these fabrics.

Regards
Hank Byrd

From: Hank Byrd [<mailto:hbyrd@schneidermills.com>]
Sent: Monday, July 09, 2012 2:40 PM
To: 'Pamela.kirkland@trade.gov'
Subject: MTB HR 5973 and MTB HR 4975

Schneider Mills protests the renewal of the Miscellaneous Trade Bills HR 5973 and HR 4975. These bills will eliminate tariffs and duties from Man Made sleeping bag carrying cases and man made fiber shells for sleeping bags.

Schneider Mills is a weaver of Nylon, polyester and Acetate fabrics and capable of making these products. We currently weave a majority of the fabric for Military sleeping bags and carrying cases. We produce only fabric but our customer and his customer are capable of delivering the finished product, thus we disagree with waiving the duties on these products. Both of these products are capable of being sourced domestically.

Regards

Hank Byrd
President
Schneider Mills, Inc.

From: Gary Schaezlein [mailto:Garys@westernmountaineering.com]

Sent: Thursday, July 19, 2012 2:20 PM

To: Freund, Kimberlie

Subject: Re: Request for comment on temporary import duty suspensions on sleeping bag shells and carrying cases

Hi Kimberlie,

Thank you for including me in your decision for future trade bills.

First of all, my position on made goods is that everything coming into the USA should have a duty. Just because something isn't made here or that it is cheaper, doesn't mean that in the future that item won't be made here. So for HR4973 and HR4974, they do not affect me but my position is that duty should be charged.

Concerning #HR4975, this is a specific case where a US manufacturer of sleeping bags is competing with companies from Bangladesh. Bangladesh has a duty preference and pays \$0 duty. I think this is wrong and therefore if Bangladesh continues with this duty preference, I would support a \$0 duty on bag shells up to \$5.

Sincerely,

Gary Schaezlein

Western Mountaineering

112TH CONGRESS
2D SESSION

H. R. 4975

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

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 6307.90.98)	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 articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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