

Wendy Wieland Martin Vice President International Trade Services

July 26, 2006

Senate Finance Committee 219 Dirksen Senate Office Building Washington, DC 20510

Attn: MTB S.3164

Kellwood Company would like to express our strong support for S.3164, Duty Free Treatment for Certain Tents.

This legislation is very important to our St. Louis-based American Recreation Products, a major merchandiser of tents for the U.S. consumer with sales throughout the retail spectrum under such brands as Wenzel, Sierra Designs, Kelty and Slumberjack.

The U.S. Harmonized Tariff currently differentiates between backpacking tents and other "family-size" camping tents using specific criteria with respect to size and dimensions, number of persons accommodated, and weight. **Backpacking tents are duty free. Other camping tents** (sometimes referred to as "family tents") **are subjected to duties of 8.8%**. This additional cost, of course, gets passed on to the American family that purchases these larger tents. This unfair tariff allocation needs to be remedied, the method being to eliminate the tariffs on these larger camping-style tents.

By providing equitable treatment for all tents from the eligible countries, we can retain our competitive position in the world marketplace and maintain our longterm relationships with our suppliers in the beneficiary countries.

We do not believe that the tents covered by this bill will compete with or harm U.S. production in any fashion. Kellwood has been supplying camping goods to adventurers and backyard campers for over 100 years and is firmly a part of the American spirit. This bill covers only items that are no longer produced in the U.S.

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The specific floor size criterion meets the concerns of the domestic "pavilion tent" manufacturers, who submitted "no objection" comments to the ITC. The true effect would be to level the tariff application for camping tents whether they sleep one person or a family, thereby supporting American enterprise and removing a burden on the American consumer. We believe this legislation supports our philosophy of using positive actions to encourage balanced trade activity and strongly support its inclusion in the MTB and subsequent passage.

Sincerely,

KELLWOOD COMPANY

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Wendy Wieland Martin



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August 14, 2006

The Honorable Charles Grassley Chairman, Senate Finance Committee 219 Dirksen Office Building Washington, DC 20510

#### American Manufacturing Trade Action Coalition Statement Regarding Miscellaneous Tariff Measures Introduced in the Senate During the 109<sup>th</sup> Congress

Dear Mr. Chairman:

This letter is in response to the July 11, 2006, Senate Finance Committee request for written comments regarding miscellaneous tariff measures introduced in the Senate during the 109<sup>th</sup> Congress.

AMTAC represents over 200 domestic manufacturing companies in the textile, apparel, furniture, machine tool, steel products, plastics and other industry sectors. Our members collectively employ over 35,000 American workers with well-paying manufacturing jobs.

From the list published at <u>http://finance.senate.gov/sitepages/2006MTB.htm</u>, we have identified 14 duty-suspensions and related bills that we oppose as harmful to the interests of the domestic producers that we represent.

**ATMAC opposes S. 3150** to suspend temporarily the duty on tarpaulins measuring 9-feet by 12-feet with a polyvinyl chloride (PVC) coating. We have several member companies that produce this product. Furthermore, the U.S. domestic tent industry is currently under great financial distress with companies being forced to lay-off employees as recently as last week.

**AMTAC opposes S. 3164** to amend the Trade Act of 1974 to extend trade benefits to certain tents imported into the United States. AMTAC's tent manufacturers vigorously oppose this bill as well, which would allow for duty free imports of tents over approximately 18 ft x 18 ft from least-developed countries. U.S. manufacturers currently make this product and would be negatively affected by duty-free imports from low-cost suppliers.

AMTAC opposes S. 3123. AMTAC opposes S. 3125. AMTAC opposes S. 3126. AMTAC opposes S. 3127.

These four bills suspend temporarily the duty on ski and snowboard pants. When the China safeguard quota on man-made fiber trousers filled last year in early August, U.S. importers and retailers asked that ski pants be exempted from this quota and allowed entry. CITA granted their request, and since November 1, 2005, man-made fiber ski pants have no longer been subject to quota. AMTAC strongly opposed the ski pants carve-out due to its negative effect on U.S. producers of these fabrics. Moreover, the potential for illegal transshipment across these product lines is extremely high. Not surprisingly, ski pant imports from China are up dramatically so far

2006. Suspending the duty on these products will only further the damage being suffered by U.S. fabric producers and increase the likelihood for illegal misclassification of other pants to evade duties.

AMTAC opposes S. 3393. AMTAC opposes S. 3394. AMTAC opposes S. 3396. AMTAC opposes S. 3397. AMTAC opposes S. 3400. AMTAC opposes S. 3401. AMTAC opposes S. 3402. AMTAC opposes S. 3403.

These eight bills suspend temporarily the duty on certain water resistant pants. Most water resistant pants are currently included in apparel categories that are subject to the U.S./China Textile Bilateral Agreement and thus under quota. As a result, these products have already been identified as sensitive in the U.S. market. AMTAC's members produce the fabric that goes into these products and will be harmed if the duty on the final product is suspended. As with the ski and snowboard pants, suspending the duty on water resistant pants would also encourages illegal misclassification of other pants. Finally, the definition for "performance outerwear pants" appears to be very broad and could lead to some additional problems for U.S. producers of similar products.

In conclusion, we strongly encourage you to preclude the aforementioned bills from the proposed miscellaneous tariff bill being prepared by the Senate Finance Committee and to oppose their passage in any other form.

Thank you for your attention to our concerns in this matter.

Sincerely,

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Augustine D. Tantillo Executive Director



August 11, 2006

Senator Charles Grassley, Chairman Committee on Finance U.S. Senate 219 Dirksen Senate Office Building Washington, DC, 20510 E-mail: <u>mtb2006@finance-rep.senate.gov</u>

REF: Request for Comments on Miscellaneous Tariff Measures (July 11, 2006 Press Release)

Dear Chairman Grassley:

On behalf of the American Apparel and Footwear Association – the national trade association of the apparel and footwear industries, and their suppliers – I am writing to express strong support for the following bills identified in the subject press release.

# <u>S 3080, S 3124, S 3198, S 2833, S 2834, S 2835, S2836, S 2837, S 2841, S 2842, S 2843, S 2844, S 2845, S2846, S 2848, S 3124, S 3477, S 3571, S 3572, S 3573, S3574, S3575, S3576, S 3669, S 3670, S 3671, S 3672, S 3673, S3674, S 3735, S 3736 – Duty suspensions with respect to various footwear articles.</u>

*Comment.* AAFA strongly supports these provisions. We are not aware of any domestic production of any of these footwear articles. Moreover, in the few cases where these bills cover the 17 footwear items that the Rubber & Plastics Footwear Manufacturers Association (RPFMA) identify as still being manufactured in the United States, the measures were crafted and refined, with the assistance of RPFMA and domestic industry, to ensure that they do not affect any domestic production of footwear.

# <u>S 3123, S 3125, S 3126, S 3127, S. 3393, S. 3394, S. 3396, S. 3397, S. 3400, S. 3401, S.3402, S. 3403, S</u> <u>3493, S 3494 – Duty suspensions with respect to ski, snowboard and other water-resistant pants</u> (i.e. performance outerwear pants) and bills to remove such pants from any sort of U.S. import <u>quotas.</u>

*Comment.* AAFA strongly supports these provisions. AAFA was involved in the development of these pieces of legislation. There is no domestic production of performance outerwear pants. Therefore, subjecting imports of such pants to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

## <u>S 3241/S 3242 – Two bills to provide duty suspensions with respect to various backpacks.</u>

*Comment.* AAFA strongly supports these provisions. We are not aware of any domestic production of any of these backpacks.

## <u>S. 1954 – A bill to amend the General Notes of the HTS to give products imported from U.S.</u> insular possessions the same treatment as products imported from FTA countries.

*Comment:* AAFA strongly supports this legislation. We have previously communicated to the Committee our strong support for this measure, and our desire to see this bill included in the miscellaneous tariff bill.

## S. 738/S. 3344 – Bills to provide suspension of duty for certain cotton shirting fabrics.

*Comment*: AAFA strongly supports this legislation. Our association supported an earlier version of this legislation in the 108<sup>th</sup> Congress. This legislation would result in duty elimination for cotton fabrics that are already designated in short supply under various trade preference programs because these fabrics are unavailable in the United States and in the preference countries. Given that finished shirts may enter duty free using these fabrics, we believe it is also appropriate to permit the fabrics themselves to enter duty free. Thus, U.S. domestic manufacturers of shirts will be able to enjoy equal access to those same high quality fabrics that foreign-based manufacturers enjoy.

## S. 3164 - A bill to extend trade benefits to certain tents imported into the United States.

*Comment.* AAFA strongly supports this provision. This legislation relates to certain camping tents, which are not made in the United States. Moreover, similar but slightly smaller tents, differentiated only by the fact that they are classified as "backpacking" tents, already enjoy duty free treatment. This provision would correct that anomaly.

## S. 3051,3052, 3053, and 3054 - Bills to provide suspension of duty for certain fibers.

*Comment.* AAFA strongly supports these provisions. Each of these fibers is a unique, innovative product, which is not available in the United States. Therefore, subjecting imports of the subject fibers to duties or quotas provides no benefits to U.S. manufacturers while subjecting U.S. companies and U.S. consumers to additional costs.

In addition, we note the inclusion of a number of other provisions relating to various yarns, fabrics and fibers. While we are not taking a position on any of these provisions we would suggest that reduction in duties in those articles is more likely to sustain U.S. jobs by providing U.S. manufacturers access to foreign inputs when those inputs are no longer available in the United States. Moreover, inasmuch as many free trade agreements now contain yarn and/or fiber forward principles, enactment of such provisions may also facilitate proper findings of short supply for those programs, which would also support U.S. jobs dependent on those production-sharing relationships.

Finally, we have not commented on bills that were included in the trade provisions section of the HR 4 - the Pension Protection Act of 2006.

Please contact me should you require additional information on these or other provisions.

Respectfully submitted,

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Stephen Lamar Senior Vice President



August 15, 2006

The Honorable Charles Grassley Chairman, Senate Finance Committee 219 Dirksen Office Building Washington, DC 20510

# **RE:** Opposition to Duty Suspension Legislation under Consideration by the Senate Finance Committee

Dear Mr. Chairman:

On behalf of the National Council of Textile Organization's (NCTO) and our member companies, I am writing to let you know of our strong opposition to the inclusion of the following measures in the proposed miscellaneous tariff bill currently being developed by the Senate Finance Committee

NCTO is a not-for-profit trade association established to represent the entire spectrum of the United States textile sector, from fibers to yarns to fabrics to finished products, as well as suppliers in the textile machinery, chemical and other such sectors which have a stake in the prosperity and survival of the U.S. textile sector. Our headquarters are in Washington, D.C., and we also maintain an office in Gastonia, NC.

# <u>S. 3071</u>

# Legislation to suspend the duty on fabric woven with certain continuous filament wholly nylon type-66 textured yarns.

NCTO strongly opposes this legislation as there are currently U.S. textile companies who make the fabric targeted by S. 3071. In addition to the fabric, there are also U.S. companies who produce nylon type-66 textured yarns. As a result, if this bill were enacted it would have a very damaging effect on two very important segments of the U.S. textile industry who are currently producing woven fabric with certain continuous filament wholly nylon type-66 textured yarns and its components in the U.S.

S. 3123	S. 3125
<u>S. 3126</u>	S. 3127

# Legislation to suspend the duties on ski and snowboard pants.

NCTO strongly opposes legislation to suspend the duties on ski and snowboard pants as there are currently U.S. textile companies who would be severely damaged if these proposals were enacted.

Last year, the Committee for the Implementation of Textile Agreements (CITA) reimposed quotas on imports of man-made fiber trousers from China because of the damage that these imports were inflicting upon U.S. trouser fabric manufacturers. When the quota filled for this category in July 2005, U.S. importers and retailers were granted an exemption for ski and snowboard pants, and since November 1, 2005, these products have not been subject to quota.

NCTO strongly opposed this exemption because of the damage it would inflict on U.S. trouser fabric manufacturers. When exemptions are granted for any product, but especially commodity, high-volume products like trousers, the potential for illegal transshipment across these product lines becomes extremely high, and as expected, Chinese imports of these products are up significantly in 2006. If duties on these products were suspended, illegal transshipment in these products would only increase further as other types of trousers would be misclassified to avoid duties, which for manmade fiber trousers averages 26 percent.

Suspending duties on these products will only further erode business and opportunity for U.S. fabric manufacturers and seriously harm trouser production in this hemisphere. Eliminating duties on sensitive products, like trousers, would also seriously undermine U.S. negotiating authority in bilateral and multilateral negotiations by unilaterally disarming while requiring no concessions from our trading partners in return.

# <u>S. 3150</u>

# Legislation to suspend the duty on tarpaulins measuring 9-feet by 12-feet with a polyvinyl chloride (PVC) coating.

NCTO strongly opposes S. 3150 because of the damage it would cause to U.S. tarpaulin manufacturers. NCTO has several member companies who produce fabric for U.S. tarpaulin manufacturers and these producers would also be harmed by this proposal.

Furthermore, U.S. tarpaulin manufacturers depend on the commercial market for their products to help balance out the ebbs and flows of U.S. military purchasing. If the commercial market for these products is further eroded because of this legislation, the ability of these companies to continue to supply the U.S. military is also negatively impacted.

# <u>S. 3164</u>

# Legislation to suspend the duty on certain tents.

NCTO strongly opposes S. 3164. There is a well established tent manufacturing industry in the U.S. that provides employment to thousands of individuals and is the economic backbone for many small communities. These manufacturers and their employees would be severely impacted if this legislation is approved.

Most of the companies engaged in the manufacturing of tent fabrics for commercial use are also suppliers to the U.S. military. The loss of the commercial tent business would make it impossible for these companies to remain in business and therefore threaten the ability to adequately supply our military with one of its most basic needs. At a time when our military is already struggling to maintain its readiness posture, we do not believe it would be prudent to pass legislation which would eliminate a major supply chain for our nation's military.

# <u>S. 3217</u>

# Legislation to suspend the duty on certain viscose rayon yarn.

NCTO strongly opposes legislation to suspend the duty on certain viscose rayon yarn. There are currently U.S. yarn companies that are capable of producing the yarn targeted by this proposal. Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

# <u>S. 3227</u>

# Legislation to suspend the duty on certain twisted yarn of viscose rayon.

NCTO strongly opposes legislation to suspend the duty on certain twisted yarn of viscose rayon. There are currently U.S. yarn companies that are capable of producing the yarn targeted by this proposal. Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

# S. 3241

# <u>S. 3242</u>

## Legislation to suspend the duties on certain backpacks.

NCTO strongly opposes legislation to suspend the duties on certain backpacks. The only difference in these two proposals is that S. 3241 is a backpack with a removable separate backpack or daypack and S. 3242 does not have a removable component.

NCTO has several member companies who produce fabric for U.S. backpack manufacturers and these producers would harmed by this proposal. Most of the companies engaged in the manufacturing of backpacks for commercial use are also suppliers to the U.S. military. The loss of the commercial backpack business would make it impossible for these companies to remain in business and therefore threaten the ability to adequately supply our military with one of its most basic needs. At a time when our military is already struggling to maintain its readiness posture, we do not believe it would be prudent to pass legislation which would eliminate a major supply chain for our nation's military.

S. 3393	S. 3394
S. 3396	S. 3397
S. 3400	S. 3401
<u>S. 3402</u>	S. 3403

## Legislation to suspend the duties on certain water resistant pants.

NCTO strongly opposes these eight bills to suspend the duty on certain water resistant pants. As with the ski and snowboard pants, U.S. trouser fabric manufacturers would be severely damaged if this proposal were enacted.

It is important to point out that most of the products targeted by this legislation are currently under quota from China as a result of the U.S.-China Textile Bilateral Agreement that was signed last November. Therefore, as a result of the government's own actions, these products have already been identified as import sensitive and should be managed carefully.

When duties are eliminated for specific subsets of commodity, high-volume products like trousers the potential for illegal transshipment across these product lines becomes extremely high. If duties on these products were suspended, illegal transshipment would only increase further as other types of trousers would be misclassified as water resistant to avoid duties, which for trousers average XX percent.

Of equal concern is the fact that the definition for "performance outerwear pants" is very broad and could lead to unforeseen problems for U.S. producers of similar products. Suspending duties on these products will only further erode business and opportunity for U.S. fabric manufacturers and seriously harm trouser production in this hemisphere. For example, trade in water resistant pants in the NAFTA/CBTPA region totaled \$229 million last year. The benefits of these agreements would be completely nullified if proposals such as this are allowed to move forward.

Eliminating duties on sensitive products, like trousers, would also seriously undermine U.S. negotiating authority in bilateral and multilateral negotiations by unilaterally disarming while requiring no concessions from our trading partners in return.

# <u>S. 3641</u>

# Legislation to suspend the duty on certain woven fabrics of cotton, containing less than 85 percent by weight of cotton.

NCTO strongly opposes efforts to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

# <u>S. 3642</u>

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# Legislation to suspend the duty on knitted or crocheted fabrics of cotton, printed.

NCTO strongly opposes efforts to suspend the duty on knitted or crocheted fabrics of cotton, printed. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

# <u>S. 3643</u>

Legislation to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton, mixed mainly or solely with man-made fibers, weighing not more than 200 g/m.

NCTO strongly opposes efforts to suspend the duty on certain woven fabrics of cotton containing less than 85 percent by weight of cotton, mixed mainly or solely with man-made fibers, weighing not more than 200 g/m. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

# <u>S. 3644</u>

# Legislation to suspend the duty on weft pile fabrics of cotton, other than uncut weft pile fabrics or cut corduroy.

NCTO strongly opposes efforts to suspend the duty on weft pile fabrics of cotton, other than uncut weft pile fabrics or cut corduroy. We have several member companies who are currently producing this fabric as well as members who manufacture the yarns that go into this product.

U.S. manufacturers of this fabric are currently supplying this fabric to their customers throughout the NAFTA/CAFTA region and can easily meet the demand of the U.S. market.

Due to the negative impact this legislation would have on these companies, we oppose its inclusion in the miscellaneous tariff bill currently under consideration by the Committee.

In closing, we strongly encourage you to prevent the inclusion of the measures outlined above from any miscellaneous trade bill or other relevant legislation considered by the Senate.

Thank you for your consideration of these comments and concerns.

Sincerely,

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Cass Johnson President cjohnson@ncto.org