



August 11, 2006

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

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.

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.

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.

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 3493, S 3494 – Duty suspensions with respect to ski, snowboard and other water-resistant pants (i.e. performance outerwear pants) and bills to remove such pants from any sort of U.S. import quotas.

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.

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

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



August 15, 2006

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

RE: S. 3493 and S. 3494 -- Legislation to Exempt Certain Apparel Products from Quota

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.

S. 3493

Legislation to provide that quantitative restrictions shall not apply with respect to certain knit performance outerwear pants

NCTO strongly opposes S. 3493 to exempt certain knit performance outerwear pants from quota under the existing U.S.-China textile bilateral agreement. As you know, the U.S.-China bilateral agreement was carefully constructed to cover primarily those U.S. products that are import sensitive. This legislation undermines the benefits of this agreement as well as the commitment that was made to U.S. manufacturers of the products covered by the agreement.

Member companies of NCTO have been severely damaged in recent years as a result of a substantial surge of imports from low cost producers that often benefit from state sponsored subsidies. Chinese producers, which enjoy significant export advantages such as a purposely undervalued currency, have been a key driver behind the import surge.

Given China's proven capability to negatively impact the U.S. market, it would be a serious mistake to drop knit performance outerwear pants from the current U.S./China textile bilateral agreement. In addition, the removal of these products from quota would set a dangerous precedent that could render the existing textile bilateral agreement with China useless.

As you know, the U.S.-China textile bilateral agreement was the result of a protracted and intense set of negotiations. To legislatively override the terms of this agreement sets a terrible precedent and erodes the confidence that U.S. manufacturers and our trading partners have in the negotiating authority of USTR. The inclusion of legislative items that alter an existing U.S. bilateral agreement would establish a very harmful precedent for the MTB process as well as for future trade negotiations.

For these reasons, I strongly encourage you to preclude S. 3493 from inclusion in the Miscellaneous Tariff Bill and any other legislative vehicle so as to ensure that this bill is not adopted by Congress.

S. 3494

Legislation to provide that quantitative restrictions shall not apply with respect to woven performance outerwear pants

NCTO strongly opposes S. 3494 to exempt woven performance outerwear pants from quota under the existing U.S.-China textile bilateral agreement. As you know, the U.S.-China bilateral agreement was carefully constructed to cover primarily those U.S. products that are import sensitive. This legislation undermines the benefits of this agreement as well as the commitment that was made to U.S. manufacturers of the products covered by the agreement.

Member companies of NCTO have been severely damaged in recent years as a result of a substantial surge of imports from low cost producers that often benefit from state sponsored subsidies. Chinese producers, which enjoy significant export advantages such as a purposely undervalued currency, have been a key driver behind the import surge.

Given China's proven capability to negatively impact the U.S. market, it would be a serious mistake to drop woven performance outerwear pants from the current U.S./China textile bilateral agreement. In addition, the removal of these products from quota would set a dangerous precedent that could render the existing textile bilateral agreement with China useless.

As you know, the U.S.-China textile bilateral agreement was the result of a protracted and intense set of negotiations. To legislatively override the terms of this agreement sets a terrible precedent and erodes the confidence that U.S. manufacturers and our trading partners have in the negotiating authority of USTR. The inclusion of legislative items that alter an existing U.S. bilateral agreement would establish a very harmful precedent for the MTB process as well as for future trade negotiations.

For these reasons, I strongly encourage you to preclude S. 3494 from inclusion in the Miscellaneous Tariff Bill and any other legislative vehicle so as to ensure that this bill is not adopted by Congress.

Thank you for your consideration of these comments and concerns.

Sincerely,

A handwritten signature in black ink that reads "Cass Johnson". The signature is written in a cursive style and is positioned to the left of a vertical red line.

Cass Johnson
President
cjohnson@ncto.org

AMTAC

American Manufacturing Trade Action Coalition

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August 14, 2006

The Honorable Charles Grassley
Chairman, Senate Finance Committee
219 Dirksen Office Building
Washington, D.C. 20510

American Manufacturing Trade Action Coalition Statement Regarding Miscellaneous Tariff Measures Introduced in the Senate During the 109th Congress

Dear Mr. Chairman:

I write in response to the July 11, 2006 Senate Finance Committee solicitation of comments regarding miscellaneous tariff measures introduced in the Senate during the 109th Congress.

The American Manufacturing Trade Action Coalition (AMTAC) represents over 200 domestic manufacturing companies in the textile, apparel, furniture, machine tool, steel products, plastics, and other industry sectors. AMTAC supports policies to stabilize the U.S. industrial base and preserve and create American manufacturing jobs.

From the list published at <http://finance.senate.gov/sitepages/2006MTB.htm> we have identified the following bills that we must oppose as harmful to the interest of domestic producers we represent.

AMTAC opposes S. 3362 a bill to exempt woven fiberglass mesh fabric from certain quotas.

AMTAC opposes S. 3493 a bill to provide that quantitative restrictions shall not apply with respect to certain knit performance outerwear pants.

AMTAC opposes S. 3494 a bill to provide that quantitative restrictions shall not apply with respect to woven performance outerwear pants.

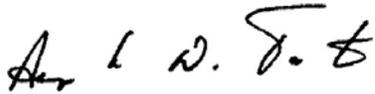
AMTAC opposes the above referenced bills because they would substantively change an existing negotiated agreement with a foreign nation, specifically the U.S. – China Textile Bilateral Agreement of November 2005. This agreement was the result of a protracted and intense set of negotiations. To legislatively override the details of the U.S. – China

Textile Bilateral Agreement would be extremely damaging to the U.S. manufacturers of these products or the component fabrics used in these items. The U.S. – China Textile Bilateral is a careful and balanced agreement that reflects a series of concessions and obligations on the part of both parties. It would be both unfair and unwise for Congress to undermine the compromise struck through this agreement by unilaterally dropping products from quota coverage.

The Miscellaneous Tariff Bill (MTB) is meant primarily for duty suspensions and for legislation that is non-controversial and non-substantive. Each one of these bills would make substantive changes to an existing executive-negotiated agreement and are highly controversial. The inclusion of legislative items that alter an existing U.S. bilateral agreement would establish a very harmful precedent for the MTB process. The MTB simply is not the proper vehicle for this effort.

For all these reasons, AMTAC opposes the inclusion of these bills as part of the MTB, or their passage in any other form. Thank you for your attention to our views on this very important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Aug. I. N. T. T.", written in a cursive style.

Augustine Tantillo
Executive Director



August 15, 2006

Senator Charles Grassley, Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

Senator Max Baucus, Ranking Member
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Request for Comments on Miscellaneous Tariff Measures

Dear Senators Grassley and Baucus:

I am writing today on behalf of Outdoor Industry Association (OIA) – the trade association for the \$289 billion active outdoor recreation industry – and its members to express our strong support for several miscellaneous tariff measures being considered by your committee. OIA provides trade services for more than 4,000 suppliers, manufacturers, distributors, sales representatives and retailers and has members in every state of the U.S.

The following bills were introduced on behalf of OIA and its members and represent cost savings for outdoor businesses that employ nearly 6.5 million people and their consumers.

Duty Suspension on Certain Performance Footwear

S. 3571, S. 3572, S. 3573, S. 3574, S. 3575, S. 3576, S.3669, S. 3670, S. 3671, S. 3672, S. 3673, S. 3674

Outdoor Industry Association is not aware of any domestic production of footwear products incorporating a laminated or coated textile fabric and valued over \$20/pair that are addressed by these bills. OIA worked closely with several of our members that manufacture applicable footwear products, such as trail running shoes and certain hiking shoes and boots, as well as the Rubber and Plastics Footwear Manufacturers Association (RPFMA) to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty relief for the performance footwear addressed in these bills.

Duty Suspension on Knit Performance Outerwear Pants

S. 3393, S. 3394, S. 3396, S. 3397, S. 3400, S. 3401, S. 3402, S. 3403

Outdoor Industry Association is not aware of any domestic production of knit performance outerwear pants at commercially viable volumes. Knit performance pants - pants that are water resistant through the lamination or coating of highly technical fabrics and are used for a broad range of outdoor activities such as skiing, hiking, biking, and hunting – incorporate technically advanced and innovative features and require specialized production machinery not available in the United States.

The imposition of duties on these highly specialized knit performance pants does not serve to protect any domestic industry, as none exists for the products addressed by these bills and in fact, only have a detrimental impact of increasing costs for U.S.-based outdoor companies and their consumers. OIA worked closely with several of our members that manufacture applicable products to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty relief for knit performance pants addressed in these bills.

Duty Suspension on Certain Wheeled Backpacks

S. 3241, S. 3242

Outdoor Industry Association is not aware of any domestic production of wheeled backpacks that include a telescopic handle and are valued over \$30 and addressed by these bills. OIA worked closely with several of our members that manufacture applicable products to ensure the bills are non-controversial and do not exceed the \$500,000 threshold in duty impact to the U.S. Treasury.

OIA strongly supports duty suspension on wheeled backpacks addressed by these bills.

Elimination of Quantitative Restrictions on Performance Outerwear Pants

S. 3493, S. 3494

Outdoor Industry Association is not aware of any domestic production of performance outerwear pants at commercially viable volumes. Performance pants - pants that are water resistant through the lamination or coating of highly technical fabrics and are used for a broad range of outdoor activities such as skiing, hiking, biking, and hunting – incorporate technically advanced and innovative features and require specialized production machinery not available in the United States.

A large number of OIA members that manufacture and/or retail woven performance outerwear pants endured substantial economic loss and other

hardship from last year's embargo on man-made fiber pants produced in China. The outdoor industry was particularly and disproportionately impacted by the embargo as outdoor apparel manufacturers and retailers must ship their products late in the year, usually in the third and fourth quarters, when quota had already been filled and resulted in an embargo that blocked millions of dollars in inventory from reaching retail outlets.

Those same companies continue to face increased costs and the prospect that quotas on performance pants will again be filled and their products will again be embargoed leading to uncertainty in the outdoor apparel market.

In addition, these highly specialized garments are erroneously classified with all man-made fiber pants and are therefore subject to import restrictions meant to address trousers, slacks, dress pants, khakis and other mass market garments.

Ski and snowboard pants from China are not subject to quantitative import restrictions. The Committee for the Implementation for Textile Agreements (CITA) determined that "ski and snowboard pants from China do not contribute to market disruption... (of manmade fiber trousers) and should not be covered by the 2005 safeguard quota." Performance outerwear pants are similar to ski/snowboard pants in all aspects, with the exception of end uses and therefore should have been included in the exclusion.

The imposition of quantitative restrictions on these highly specialized garments does not serve to protect any domestic industry, as none exists for the products addressed by these bills and in fact, only have a detrimental impact of increasing costs for U.S.-based outdoor companies and their consumers.

OIA strongly supports the elimination of quantitative restrictions on performance outerwear pants addressed by these bills.

Duty Suspension on Certain Ski and Snowboard Pants

S. 3123, S. 3125, S. 3126, S. 3127

Outdoor Industry Association is not aware of any domestic production of ski and snowboard pants addressed by these bills. OIA also notes that the production of ski and snowboard pants are not subject to quantitative import restrictions and that the Committee for the Implementation for Textile Agreements (CITA) has determined that "ski and snowboard pants from China do not contribute to market disruption...and should not be covered by the 2005 safeguard quota." This finding should also support the suspension of duties on ski and snowboard pants meant to assist a domestic industry where none exists. OIA strongly supports these bills.

Duty Suspension on Certain Ski and Snowboard Boots and Cross Country Ski Footwear

S. 3124

Outdoor Industry Association is not aware of any domestic production of ski and snowboard boots and Cross Country Ski Footwear addressed by this bill. OIA strongly supports this bill.

Respectfully submitted,

A handwritten signature in black ink that reads "Frank Hugelmeyer". The signature is written in a cursive style with a long horizontal line extending to the right.

Frank Hugelmeyer
President

S. 1954 – A bill to amend the General Notes of the HTS to give products imported from U.S. 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 108th 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,



Stephen Lamar
Senior Vice President