



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](mailto: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

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 of 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 of 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, reading "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 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,



Stephen Lamar  
Senior Vice President