



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.

S. 3071

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
S. 3126 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.

S. 3150

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.

S. 3164

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.

S. 3217

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.

S. 3227

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

S. 3242

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 be 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
S. 3402 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.

S. 3641

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.

S. 3642

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.

S. 3643

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.

S. 3644

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,

A handwritten signature in black ink, appearing to read "Cass Johnson", written over a thin red vertical line.

Cass Johnson
President
cjohnson@ncto.org

AMTAC

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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 109th 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 109th 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 <http://finance.senate.gov/sitepages/2006MTB.htm>, we have identified 14 duty-suspensions and related bills that we oppose as harmful to the interests of the domestic producers that we represent.

AMTAC 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.

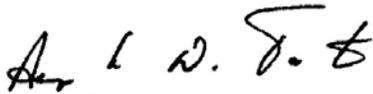
AMTAC opposes S. 3403.

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,

A handwritten signature in black ink, appearing to read "Aug. D. Tantillo". The signature is written in a cursive, somewhat stylized font.

Augustine D. Tantillo
Executive Director

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May 2, 2006

Attn: MTB
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Senate File 3150 -- Tarpaulins Measuring 9-Feet by 12-Feet with a Polyvinyl Chloride (PVC) Coating.

Dear Senators:

It has been brought to my attention file 3150 to remove the 5.1% U.S. Customs duty is up for your consideration. We would respectfully ask that this request be denied as there is no need for such consideration.

China and South Korean raw materials currently dominated the wide goods market in the U.S. We, as manufactures and fabricators, rely on the conversion of these raw material goods to produce consumer products such as the 9 foot by 12 foot tarpaulins. We do so with U.S. labor and other materials such as brass grommets and hem ropes which further support other basic U.S. manufactures. The intrusion of finish goods into our market further restricts our domestic producers of sufficient volumes to warrant their investments into wide coaters and looms to even produce the raw materials in North America thus the spiral of dependency to off shore goods expand further.

Currently we have the ability to produce this 9 foot by 12 foot tarpaulins as does many U.S. manufactures in days, not weeks or months and in many colors. The skimming of any volumes of these tarpaulins decreases the ability of domestic producers to carry large raw material inventories and to reduce not increase consumer options since offshore products require significantly longer lead times to typically 8-12 weeks.

I would welcome any direct discussion on the above subject and the importance of maintaining the existing duty tariff. As FEMA has found out in the past that when national emergencies require tarpaulins for roofs and the protection of personal property, who wants, or can afford, to wait 8 weeks for the slow boat from China to deliver them. I may be contacted at the above number or via e-mail.

Sincerely,



Paul B. Double,
President