

Congress of the United States

Washington, DC 20515

December 10, 2009

The Honorable Gary F. Locke
Secretary
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, D.C. 20230

The Honorable Ronald Kirk
United States Trade Representative
Executive Office of the President
600 17th Street N.W.
Washington, D.C. 20508

Dear Secretary Locke and Ambassador Kirk,

We write today to bring to your attention a matter that unfairly threatens jobs in our states and districts. It has come to our attention that certain sleeping bags are eligible to receive benefits under the U.S. Generalized System of Preferences (GSP), even though they should never have been eligible for GSP benefits due to their incontrovertible status as textile products.

There are commercial sleeping bag manufacturing operations in Haleyville, Alabama and Williamsport, Pennsylvania. These operations together provide critical employment to the communities and support a supply chain of U.S.-made inputs such as sewing thread and man-made fibers made in North Carolina, South Carolina, and Tennessee.

If these products are not removed from GSP eligibility immediately, these U.S. manufacturing plants may be forced to shut their doors. Losing these manufacturing jobs will contribute to already rising unemployment rates in our states and districts.

Historically, China has dominated the import market for these bags (99 percent import share in 2008). However, U.S.-made bags were able to compete and thrive in the market because Chinese imports fall outside of GSP preferences and are fully dutiable. Unfortunately, in the past year a major operation moved out of China and into Bangladesh in search of lower labor and production costs, and most importantly the duty-free savings from GSP. The numbers are startling; Bangladeshi exports of these sleeping bags are up 1,116 percent in the past twelve months.¹

It is our understanding that the U.S. manufacturers in our states and districts, which for the past ten years have combined to supply over 30 percent of the U.S. market in these products, are losing orders from major U.S. retail buyers at a phenomenal rate. The future of these operations is uncertain unless immediate action is taken

Sadly, these products should have never been eligible for GSP benefits. The GSP program statutorily restricts textile and apparel products from eligibility because they are import sensitive.² However, sleeping bags were added to the list of eligible products, despite being treated as textile products under the U.S. Berry Amendment, and the U.S. Textile Fiber

¹ U.S. International Trade Commission DataWeb. HTSUS 9404.30.80.

² 19 U.S.C. 2463(b)(1)(A)

Identification Act. The law states that textile products "subject to textile agreements on January 1, 1994" are not eligible for GSP. The Multifiber Arrangement (MFA) governed world textile trade at that time. Sleeping bags were no doubt covered by the MFA. Article 12 of the MFA states:

For the purposes of this Arrangement, the expression "textiles" is limited to tops, yarns, piece-goods, made-up articles, garments and other textile manufactured products (being products which derive their chief characteristics from their textile components) of cotton, wool, man-made fibres, or blends thereof, in which any or all of those fibers in combination represent either the chief value of the fibres or 50 per cent or more by weight (or 17 percent or more by weight wool) of the product.

We believe the U.S. Administration has the clear authority to remove certain sleeping bags (HTSUS 9404.30.80) from the list of GSP-eligible products due to their clear identification and treatment as textile products under trade agreements and law.

In fact, there is precedent for such action. In the 1980's we understand the Administration removed certain polyester filament yarn from the list of GSP-eligible products because of concerns from U.S. producers. The removal was based on the fact that polyester filament yarn is a textile product.

We strongly encourage you to take swift action to correct a fundamental oversight in U.S. trade policy that is threatening hundreds of U.S. jobs.

Sincerely,



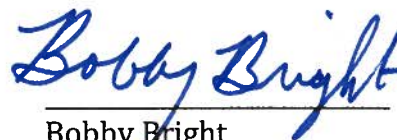
Robert Aderholt
Member of Congress



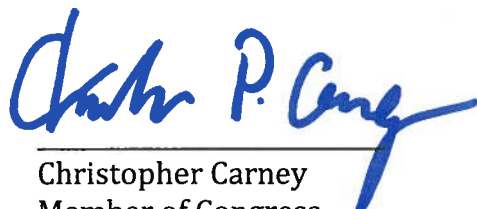
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