SPC&B Textile Report

A Newsletter for Clients of Sharretts, Paley, Carter & Blauvelt, P.C.

April 23, 2010

- I. EC Adds Wearing Apparel to Byrd Amendment Sanctions
- II. China Imposes Antidumping Duties on Nylon-6
 III. Customs Modification of Ruling Letter Shows
 Importance of Careful Request Drafting



I. The European Commission has added to the list of products on which 15% additional duties will be collected as retaliation for U.S. disbursements under the Continued Dumping and Subsidy Offset Act, otherwise known as the Byrd Amendment. The list is comprised almost entirely of wearing apparel, including coats, jackets, dresses, and jeans.

Effective May 1, 2010, the European Commission will require the duty be collected on imports of U.S.-originating goods classified in the following Combined Nomenclature codes:

6101.30.10	Men's or boys' knit overcoats, carcoats, etc., of man-made fibers
6101.30.90	Men's or boys' knit anoraks, windbreakers, etc., of man-made fibers
6102.30.10	Women's or girls' knit overcoats, carcoats, etc., of man-made fibers
6102.30.90	Women's or girls' knit anoraks, windbreakers, etc., of man-made fibers
6104.43.00	Women's or girls' knit dresses of synthetic fibers
6201.12.10	Men's or boys' woven overcoats, carcoats, etc., of cotton, weighing $\leq 1 \text{kg}$
6201.12.90	Men's or boys' woven overcoats, carcoats, etc., of cotton, weighing >1kg
6201.13.10	Men's or boys' woven overcoats, carcoats, etc., of man-made fibers, weighing $\leq 1 \text{kg}$
6201.13.90	Men's or boys' woven overcoats, carcoats, etc., of man-made fibers, weighing >1kg
6201.92.00	Men's or boys' woven anoraks, windbreakers, etc., of cotton
6201.93.00	Men's or boys' woven anoraks, windbreakers, etc., of man-made fibers
6202.11.00	Women's or girls' woven overcoats, carcoats, etc., of wool
6202.93.00	Women's or girls' woven overcoats, carcoats, etc., of man-made fibers

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6203.42.31	Men's or boys' woven trousers, breeches, shorts, and overalls of cotton denim
6204.42.00	Women's or girls' woven dresses of cotton
6204.43.00	Women's or girls' woven dresses of synthetic fibers
6204.44.00	Women's or girls' woven dresses of artificial fibers
6204.49.10	Women's or girls' woven dresses of silk
9406.00.38	Other prefabricated buildings

II. China's Ministry of Commerce on Thursday issued a statement revealing that it will impose antidumping duties on Nylon-6 imported from the U.S., the European Union, Russia, and Taiwan. The duties will range from 4 to 96.5%; it is currently unclear what the rates will be for U.S. exporters.

Nylon-6, which is a type of polycaprolactam, is used in the manufacture of hosiery and knit apparel. The AD duties will be in place for five years.

III. Customs recently proposed modification of a tariff classification ruling previously issued on men's sleepwear bottoms. In the original request, the cotton/polyester blend jersey knit and yarn dyed woven pants were classified as outerwear, based on the National Import Specialist's opinion that the construction and styling of the garments were not characteristic of sleepwear. Specifically, it was noted that the garments' short fly openings (5.5") that were positioned high on the rise, along with the side seam pockets were indicative of multi-use garments.

In the proposed ruling modification, Customs Headquarters noted that pockets did not preclude classification of a garment as sleepwear, and that a 5.5" unsecured fly clearly indicates the intended use of the garment to be that of nightwear. Customs also noted that additional marketing material was submitted with the request for reconsideration and that the marketing material indicated that the subject styles were characterized as sleepwear and sold in the intimate apparel department. Ultimately, Customs based its modification decision on both a reconsideration of the physical features of the garments and the information it had regarding the environment of sale of the garments.

In the end, the supplemental material submitted along with the reconsideration request appears to have played a large role in the favorable outcome. This highlights the importance of proper drafting of ruling requests, especially for items classified based in potentially more than one provision (e.g., tote bags vs. handbags, sleepwear vs. loungewear, jackets vs. hoodies, swimwear vs. shorts, etc.). Had the importer provided detailed marketing information in its initial request, it may very well have received a favorable ruling right away, within 30 days of the initial request, rather than the nearly two years it took for the modification to be issued.

Accordingly, we strongly suggest that you consult with us prior to submitting ruling requests. We are happy to draft ruling requests for you and provide guidance on appropriate materials to submit to Customs with such requests.

For more information regarding any of the above items, please contact Donna Shira or Alli Baron at (212) 425-0055.