

111TH CONGRESS
2D SESSION

H. R. 5940

To remove preferential trade treatment for certain textile articles.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2010

Mr. ADERHOLT introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To remove preferential trade treatment for certain textile
articles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Save U.S. Manufac-
5 turing and Jobs Act”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 Congress finds the following:

8 (1) Congress should enact measures to save and
9 create jobs in the United States, which has suffered
10 the worst recession since World War II.

1 (2) United States production of certain sleeping
2 bags is under immediate threat due to preferential
3 trade terms afforded to foreign manufacturers under
4 the Generalized System of Preferences (GSP) pro-
5 gram under the Trade Act of 1974.

6 (3) Certain sleeping bags imported from coun-
7 tries eligible for duty-free trade benefits under the
8 GSP program have increased in a short period of
9 time, from less than one percent in 2009 to more
10 than seven percent by April 2010, and will continue
11 to increase dramatically, given recent trends.

12 (4) The production of sleeping bags in the
13 United States supports a domestic supply chain of
14 inputs and component parts.

15 (5) Sleeping bags made in beneficiary countries
16 under the GSP program are made almost entirely
17 with Chinese components. In most cases, the value
18 of the sleeping bags is attributable predominantly to
19 components made in a third country, particularly
20 China. The sleeping bags are then assembled in
21 “free zones”, meaning that no duty is paid on the
22 Chinese fabrics and other raw materials entering
23 those GSP beneficiary countries. Conversely, United
24 States manufacturers must pay duty on any im-

1 ported components. This creates an unfair advantage for foreign manufacturers.

3 (6) Continuing preferential treatment for certain sleeping bags will lead to the loss of domestic textile jobs during a time of record unemployment.

6 (7) Congress determined that certain textile products and other import sensitive items should not be provided preferential trade treatment under the GSP program. Sleeping bags are textile products, and, as such, should be exempt from GSP.

11 (8) Reinstating the otherwise applicable most-favored-nation (MFN) tariff rate for sleeping bags will level the playing field for United States manufacturers.

15 **SEC. 3. REMOVAL OF PREFERENTIAL TREATMENT FOR**
16 **CERTAIN TEXTILE ARTICLES.**

17 (a) IN GENERAL.—Notwithstanding any provision of title V of the Trade Act of 1974 (relating to the generalized system of preferences), no product classifiable under subheading 9404.30.80 of the Harmonized Tariff Schedule of the United States is eligible for duty-free or other preferential treatment under such title V.

23 (b) APPLICABILITY.—Subsection (a) applies to goods entered, or withdrawn from warehouse for consumption,

- 1 on or after the 15th day after the date of the enactment
- 2 of this Act.

