



October 14, 2013

Mr. Douglas M. Bell
Chair, Trade Policy Staff Committee
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508
Submitted electronically via www.regulations.gov

RE: Comments Regarding the 2014 National Trade Estimate Report on Foreign Trade Barriers (78 FR 160, pp 50481-50482; Docket ID: USTR-2013-0027)

Dear Mr. Bell:

On behalf of INDA, Association of the Nonwoven Fabrics Industry, I would like to thank the Office of the United States Trade Representative for the opportunity to provide input regarding the 2014 National Trade Estimate Report on Foreign Trade Barriers.

By way of background, INDA is the internationally recognized trade association of the nonwoven fabrics industry, a \$7 billion dollar business in the United States with another \$30 billion overseas. Nonwovens are ubiquitous and are utilized in scores of applications serving a broad range of sectors including: baby diapers and wipes, feminine care products, apparel, automotive/transportation, consumer products, electronics, filtration, furnishings, construction, hygiene, packaging and medical/healthcare. For your information, I have attached a list of various nonwoven products and corresponding Harmonized Tariff Schedule (HTS) codes and descriptions.

INDA represents the entire value-chain of this dynamic industry. Its members include manufacturers of nonwoven roll goods (classified under HTS 5603), suppliers of raw materials and additives, machinery and equipment manufacturers, those who convert nonwovens into finished products, as well as academic institutions, consultants and other industry groups. Many INDA member companies are global entities including numerous *Fortune 100* companies such as Kimberly-Clark, Procter & Gamble, and Exxon Mobil as well as a number of smaller and medium-sized U.S. manufacturers. You may learn more about INDA, its members and the industry by visiting: www.inda.org.

The nonwoven fabrics industry's diverse array of products, continuous innovation, and adaptability have enabled it to remain a growing U.S. business while traditional textile

Mailing Address: PO Box 1288, Cary, NC 27512-1288 Website: www.inda.org
Physical Address: Suite 115, 1100 Crescent Green, Cary, NC 27511 Phone: (919) 233-1210 Fax: (919) 233-1282

businesses have migrated beyond U.S. borders. The U.S. nonwovens industry is globally competitive and international trade represents a key piece of that success. INDA supports the pursuit of U.S. free trade pacts because it views them as a chance to correct existing inequities stemming from previously negotiated trade deals and to eliminate non-tariff barriers, all of which will help the industry further its reach into global markets. We also support efforts to hold our trading partners accountable to global trade obligations and welcome the opportunity to document barriers to U.S. exports by providing input for the upcoming National Trade Estimate. Due to the size and importance of their export markets and the nature of the challenges encountered, we will focus on China and India.

China

Like so many other U.S. manufacturing sectors, our industry has witnessed a surge in bilateral trade with China since its 2001 entry into the World Trade Organization. Specifically, U.S. nonwovens roll goods exports classified under HTS 5603 have expanded significantly, increasing from 2.6 million kilograms in 2001 to 34.2 million kg. in 2012.¹ However, U.S. imports of Chinese nonwoven roll goods have spiked even more dramatically, growing from 3,697 kg to 51.5 million kg. in 2012, making China the number one source of HTS 5603 imports to the United States.² This is likely due to China's ability to access the U.S. market duty-free while U.S. HTS 5603 exports to China face a 10 percent import duty and a 17 percent value-added tax (VAT).³ This disparity is inhibiting U.S. nonwoven exports to China and until it is corrected, virtually ensures the Chinese will maintain their advantage in this category of goods.

We also have concerns about China's protection of intellectual property. Nonwoven fabrics are broadly defined as sheet or web structures bonded together by entangling fiber or filaments (and by perforating films) mechanically, thermally, or chemically. The manufacturing process is highly efficient and uses state of the art equipment requiring significant capital investment. The end result is engineered fabrics that provide specific functions such as absorbency, liquid repellency, resilience, stretch, softness, strength, flame retardancy, washability, cushioning, filtering, bacterial barriers and sterility and create innovative possibilities for a broad range of industries.

Today, innovations in nonwoven fabrics are growing as rapidly as the demand for them, making technological change and product development essential to remaining globally competitive and stringent intellectual property protection absolutely crucial to our industry. Although we believe China has made progress in recent years in this realm, our industry has continuing concerns about the reported lack of effective trade secret protection and enforcement; policies that unfairly favor domestic intellectual property (IP) over foreign IP and other policies that lends themselves to uneven/inconsistent IP enforcement. These realities have had a chilling effect on U.S. nonwovens companies considering expansion into the Chinese market and introduce an unpalatable level of risk for those who are already there. Given the critical role that IP plays in our industry, INDA strongly urges U.S. officials to continue to work with senior Chinese leaders

¹ UN Comtrade website

² Dataweb, USITC.gov

³ Customsinfo.gov

to ensure that they meet intellectual property protection commitments required as a member of the WTO.

India

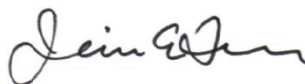
With its massive population including a sizable and growing middle class, India represents a significant market opportunity for consumer products; automobiles and other goods that utilize nonwovens. However, any prospects for our industry must be balanced against another substantial trade imbalance. In 2012, India shipped to the United States 11.3 million kg. of nonwovens while the U.S. only exported to India 1.2 million kg of nonwoven roll goods. Similar to China, this disparity is mainly due to the fact that Indian nonwoven roll goods exports have the same unfettered, duty-free access to our market while U.S. nonwovens exports to India face 10 percent duties, a 12.5 percent VAT, 16 percent countervailing duties and an education cess of 3 percent, yielding an effective rate of 41.5 percent. Unless these fundamental inequities are addressed, it is highly likely the trade gap will expand.

INDA is also troubled about a number of other recent measures that are hindering our exports, including forced localization measures designed to boost domestic industries at the expense of foreign businesses. Other concerns include stated policy objectives of requiring foreign firms to use local facilities and suppliers and to transfer their intellectual property to Indian entities and denying or revoking patents to force domestic production of a wide array of manufactured products, including medical devices. As such, INDA is working with the Alliance for Fair Trade with India (AFTI; www.aftindia.org), and an array of other concerned public officials to call upon the White House to address these issues at the highest levels of the Indian government.

Conclusion

INDA appreciates the Obama Administration's efforts to identify foreign barriers affecting U.S. exports, investment, and protection of intellectual property rights with the aim of eliminating these barriers and strengthening our rules-based trading system and the opportunity to weigh-in on these important matters. Please feel free to contact me should you have questions or need additional information. I can be reached at (703) 521-0545 or at jfranken@inda.org.

Sincerely,



Jessica Franken
Director of Government Affairs

**HARMONIZED TARIFF SCHEDULE CODES FOR
NONWOVEN FABRICS &
CONVERTED PRODUCTS USING NONWOVEN FABRICS**

<u><i>HTS Code</i></u>	<u><i>HTS Product Description</i></u>	<u><i>General Product Type</i></u>
3005.10.10	Adhesive dressings and other articles having an adhesive layer, coated or impregnated with pharmaceutical substances, packed for retail	Healthcare
3005.10.50	Adhesive dressings and other articles having an adhesive layer, packed for retail for medical, surgical, dental, veterinary purposes	Healthcare
3005.90.10	Wadding, gauze, bandages, & similar articles, not having an adhesive layer, coated, impregnated with pharmaceutical substances, for retail	Healthcare
3005.90.50	Wadding, gauze, bandages, and similar articles, not having an adhesive layer, packed for retail for medical, surgical, like purposes	Healthcare
3401.11.50	Soap, n.e.s.o.i.; organic surface-active products used as soap, in bars, cakes, pieces, soap-impregnated paper, wadding, felt, for toilet use	Personal Care & Hygiene
3401.19.00	Soap; organic surface-active products used as soap, in bars, cakes, pieces; soap-impregnated paper, wadding, felt, not for toilet use	Healthcare, Industrial/Military, Household Products,
3918.10.31	Wall or ceiling coverings, with a backing of manmade fibers, greater than 70% by weight of PVC	Construction
3918.10.32	Wall or ceiling coverings, with a backing of manmade fibers, less than or equal to 70% by weight of PVC	Construction
3918.10.40	Wall or ceiling coverings of polymers of vinyl chloride with a backing of textile fibers other than of manmade fibers	Construction

3918.10.50	Wall or ceiling coverings of polymers of vinyl chloride, without a backing of textile fibers	Construction
3918.90.20	Wall or ceiling coverings, with a backing of manmade fibers, of plastics other than polymers of vinyl chloride	Construction
3918.90.30	Wall or ceiling coverings of plastics other than of polymers of vinyl chloride with a backing of textile fibers other than of manmade fiber	Construction
3926.90.57	Belting and belts (except V-belts) for machinery, of plastics, containing predominantly manmade fibers	Industrial/Military
3926.90.59	Belting and belts (except V-belts) for machinery, of plastics, containing textile fibers n.e.s.o.i.	Industrial/Military
4010.12.50, 4010.12.55	Conveyor belts/belting of vulcanized rubber reinforced with textile material, mostly manmade fiber	Industrial/Military
4010.12.90	Conveyor belts or belting of vulcanized rubber reinforced only with textile materials, n.e.s.o.i.	Industrial/Military
4010.19.50, 4010.19.55	Conveyor belts/belting of vulcanized rubber, n.e.s.o.i., combined with textile components in which manmade fibers predominate	Industrial/Military
4010.31.30, 4010.31.60	Endless synchronous transmission belt of vulcanized rubber, circum. 60-180 cm, combined with textile material; manmade fiber predominant	Industrial/Military
4202.11.00	Trunks, suitcases, vanity & all other cases, occupational luggage & like containers, surface of leather, composition or patent leather	Leisure, Travel
4202.12.80	Trunks, suitcases, vanity & attache cases, occupational luggage and similar containers, with outer surface of textile materials n.e.s.o.i.	Leisure, Travel

4202.21	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, n.e.s.o.i.	Clothing & Apparel
4202.21.60, 4202.21.90	Handbags, with or without shoulder strap or without handle, with outer surface of leather, composition or patent leather, n.e.s.o.i.	Leisure, Travel
4202.31.60	Articles of a kind normally carried in the pocket or handbag, with outer surface of leather, composition or patent leather, n.e.s.o.i.	Leisure, Travel
4202.91.00	Cases, bags and containers n.e.s.o.i., with outer surface of leather, of composition leather or patent leather	Leisure, Travel
4202.92.30	Travel, sports and similar bags with outer surface of textile materials other than of vegetable fibers	Leisure, Travel
4818.20.00	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibers; handkerchiefs, cleansing or facial tissues and towels of paper pulp, paper, cellulose wadding or webs of cellulose fiber	Personal Care & Hygiene
4818.30.00	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibers; tablecloths and table napkins of paper pulp, paper, cellulose wadding or webs of cellulose fiber	Home Furnishings
4818.90.00	Bedsheets and similar household, sanitary or hospital articles of paper, cellulose wadding or webs of cellulose fibers, n.e.s.o.i.	Healthcare, Household Furnishings
4819.50.20	Sanitary food and beverage containers of paper, paperboard, cellulose wadding or webs of cellulose fibers, n.e.s.o.i.	Other
4819.50.40	Packing containers, n.e.s.o.i., of paper, paperboard, cellulose wadding or webs of cellulose fibers	Other

4905.99.00	Maps and hydrographic or similar charts of all kinds, including atlases, wall maps and topographical plans, printed, in other than book form	School & Office
5111.20.05, 5111.30.05, 5111.30.10	Tapestry & upholstery fabrics of carded wool/fine animal hair, mixed mainly or solely with manmade filaments/with manmade staple fibers	Home Furnishings
5601.21.00	Wadding of cotton and other articles of cotton wadding n.e.s.o.i.	Other
5601.22.00	Wadding of manmade fibers and other articles of such wadding n.e.s.o.i	Other
5603.11.10	Nonwovens, whether or not impregnated, coated, covered or laminated, of man-made filaments weighing not more than 25g/m	Other
5603.12.00	Nonwoven fabrics: weighing more than 25g/m ² but not more than 70 g/m ²	Other
5603.13.00	Nowoven fabrics weighing more than 70 g/m ² but not more than 150g/m ²	Other
5603.13.09	Nowoven fabrics weighing more than 70 g/m ² but not more than 150g/m ²	Other
5603.14.30	Nonwoven laminated fabrics weighing more than 150 g/m ² ; impregnated, coated or covered w/ material other than or in addition to rubber, plastics, wood pulp or glass fibers; "imitation suede"	Other
5603.14.90	Nonwoven laminated fabrics weighing more than 150 g/m ² ; impregnated, coated or covered w/ material other than or in addition to rubber, plastics, wood pulp or glass fibers; "imitation suede"	Other
5603.91.00	Nonwovens weighing not more than 25g/m ² ; impregnated, coated or covered w/ material other than or in addition to rubber, plastics, wood pulp or glass fibers; "imitation suede"	Other

5603.92.00	Nonwovens weighing more than 25 g/m ² but not more than 70 g/m ² ; impregnated, coated or covered w/ material other than or in addition to rubber, plastics, wood pulp or glass fibers; “imitation suede”	Other
5603.93.00	Nonwovens weighing more than 70g/m ² but not more than 150 g/m ² ; impregnated, coated or covered w/ material other than or in addition to rubber, plastics, wood pulp or glass fibers; “imitation suede”	Other
5603.94.10	Nonwoven floor covering underlays (not of manmade filaments), weighing >150 g/square m, whether or not impregnated, coated, covered or laminated	Roll Goods, Home Furnishings
5603.94.30	Nonwoven laminated fabrics weighing more than 150 g/m ²	Other
5603.94.90	Nonwovens nesoi (not of man-made filaments), weighing >150 g/square m, whether or not impregnated, coated, covered but not laminated	Other
5704.10.00	Carpet tiles of felt, not tufted or flocked, whether or not made up, having a maximum surface area of 0.3 m ²	Home Furnishings
5704.90.00	Carpets and other textile floor coverings (excluding certain felt carpet tiles) of felt, not tufted or flocked, whether or not made up	Home Furnishings
5803.00.10	Gauze (other than narrow fabrics of heading 5806) of cotton	Healthcare
5803.00.40	Gauze (other than narrow fabrics of heading 5806) of vegetable fibers except cotton	Healthcare
5803.00.50	Gauze (other than narrow fabrics of heading 5806) of manmade fibers	Healthcare
5803.00.90	Gauze (other than narrow fabrics of heading 5806) of other textile materials n.e.s.o.i.	Healthcare

5807.90.05, 5807.90.15	Labels, in the piece, in strips or cut to shape or size, nonwoven, not embroidered, of cotton or manmade fibers, or of other textile materials	Clothing & Apparel
5807.90.20	Badges & similar articles (except labels) of textile materials, not woven, not embroidered, in the piece, in strips or cut to shape or size	Clothing & Apparel
5811.00.10, 5811.00.20, 5811.00.30, 5811.00.40	Quilted textile products in the piece (excluding embroidery), of one or more layers assembled with padding, of wool or fine animal hair, or of cotton, or of manmade fibers, or of textile materials n.e.s.o.i.	Household Furnishings
5901.10.10, 5901.10.20	Textile fabrics coated with gum or amylaceous substances, of a kind used for outer covers of books or the like, of manmade fibers or other material	School & Office
5901.90.20	Tracing cloth, prepared painting canvas, buckram and similar stiffened textile fabrics used in hat foundations, of manmade fibers	Clothing & Apparel
5904.90.10	Floor coverings consisting of a coating applied on a textile backing, with a base consisting of needleloom felt or nonwovens	Home Furnishings
5911.31.00, 5911.32.00	Textile fabrics and felts, endless or fitted with linking devices, used for papermaking or similar machines	Industrial/Military
6210.10.20	Garments, not knitted or crocheted, made up of fabrics of heading 5602 or 5603 formed on a base of paper or covered or lined with paper	Clothing & Apparel, Healthcare
6210.10.50	Nonwoven disposable apparel designed for hospitals, clinics, labs or contaminated area use, made up of fabric of 5602/5603, not formed or lined with paper, not knitted/crocheted	Personal Care & Hygiene

6210.10.70	Disposable briefs and panties designed for one time use, made up of fabrics of 5602 or 5603, not formed or lined with paper, not knitted/crocheted	Personal Care & Hygiene
6210.10.90	Garments, n.e.s.o.i., made up of fabrics of heading 5602 or 5603, not formed or lined with paper, not knitted/crocheted	Clothing & Apparel, Healthcare
6210.20, 6210.30, 6210.40, 6210.50	Garments, similar to 6201.11-6201.19, or other outerwear whether or not of manmade fibers, outer surface impregnated, whether or not coated etc. with rubber/plastic, underlying fabric completely obscured, not knitted/crocheted	Clothing & Apparel
6211.20	Ski suits of other textile materials, not knitted/crocheted	Clothing & Apparel
6211.39, 6211.49	Coveralls, washsuits, vests and similar apparel of textile material or <70% silk/silk waste n.e.s.o.i., not knitted	Clothing & Apparel
6212.10	Brassieres/bras ... not knitted	Clothing & Apparel
6213.20, 6213.90	Handkerchiefs of manmade fibers or other fabrics, not knitted/crocheted	Clothing & Apparel
6217.10	Accessories of manmade fibers, not knitted or crocheted	Clothing & Apparel
6217.90	Parts of garments n.e.s.o.i., manmade fibers, not knitted or crocheted	Clothing & Apparel
6305.32.00	Flexible intermediate bulk containers of a kind used for packing goods, of manmade textile materials	Other
6305.33.00	Other sacks/bags for packing goods, of manmade textile material (not flexible intermediate bulk containers), of polyethylene or polypro. strip or the like	Other
6306.12, 6306.11-19	Tarpaulins of synthetic fibers	Leisure, Travel
6306.22, 6306.21-29	Tents of synthetic fibers	Leisure, Travel
6306.29.00	Tents of textile materials other than of cotton or synthetic fibers	Leisure, Travel

6307.10.20	Floor cloths, dishcloths and similar cleaning cloths of textile materials (except dustcloths, mops cloths and polishing cloths of cotton)	Household Products
6307.90.30	Made-up labels of textile materials	Clothing & Apparel
6307.90.60	Surgical drapes of fabric formed on a base of paper or covered or lined with paper	Healthcare
6307.90.68	Surgical drapes of spunlaced or bonded fiber fabric disposable surgical drapes of manmade fibers	Healthcare
6307.90.72	Surgical drapes, n.e.s.o.i., not spunlaced or bonded fiber fabric	Healthcare
6307.90.85	Wall banners, of manmade fibers	School & Office
6403.59, 6403.91, 6403.99	Footwear with outer soles of rubber/plastics/composition leather & uppers of leather	Clothing & Apparel
6405.20	Footwear, n.e.s.o.i., with soles and uppers of wool felt	Clothing & Apparel
6405.90.20	Disposable footwear, n.e.s.o.i., designed for one-time use	Healthcare, Clothing & Apparel, Industrial/Military
6406.90.90	Parts of footwear, n.e.s.o.i.; removable insoles, heel cushions, etc; gaiters, leggings, etc, & parts thereof; all the foregoing of materials n.e.s.o.i.	Clothing & Apparel
6502.00.90	Hat shapes, plaited or assembled from strips, not blocked/lined/trimmed & without made brims, not vegetable fibers/vegetable materials/paper yarn, n.e.s.o.i.	Clothing & Apparel
6505.00.01	Hats and headgear of felt, other than of fur felt, made from hat forms and hat bodies of 6501	Clothing & Apparel
6505.00.80	Nonwoven disposable headgear without peaks or visors	Clothing & Apparel

7019.31.00	Nonwoven fiber glass mats	Home Furnishings, Construction
7019.32.00	Nonwoven glass fiber in thin sheets (voiles)	Home Furnishings, Construction
7019.39.10	Nonwoven glass wool insulation products	Home Furnishings, Construction
7019.39.50	Nonwoven glass fiber webs, mattresses, boards and similar articles of nonwoven glass fibers, n.e.s.o.i.	Various
8421.23.00	Oil or fuel filters for internal combustion engines	Automotive
8421.29.00	Filtering or purifying machinery and apparatus for liquids, n.e.s.o.i.	Industrial/Military
8421.31.00	Intake air filters for internal combustion engines	Automotive
8421.39.80	Filtering or purifying machinery and apparatus for gases, other than intake air filters for internal combustion engines or catalytic converters	Industrial/Military
8421.99.00	Parts for filtering or purifying machinery or apparatus for liquids or gases	Industrial/Military
8449.00.10	Finishing machinery for felt or nonwovens and parts thereof	Industrial/Military
8449.00.50	Machinery for making felt hats; blocks for making hats; parts thereof	Industrial/Military
8479.90.41	Parts of vacuum cleaners and floor polishers of subheadings 8479.89.10 and 8479.89.30; parts of carpet sweepers	Home Furnishings
9020.00.90	Parts and accessories of breathing appliances and gas masks, n.e.s.o.i.	Industrial/Military, Healthcare
9401.20.00	Seats, of a kind used for motor vehicles	Automotive
9401.90.10	Parts of seats n.e.s.o.i., for seats of a kind used for motor vehicles	Automotive
9404.10.00	Mattress supports	Home Furnishings
9404.29.10	Mattresses, of cotton	Home Furnishings

9404.29.90	Mattresses (other than of cellular rubber or plastics or of cotton)	Home Furnishings
9404.30.40, 9404.30.80	Sleeping bags	Leisure, Travel
9404.90.10, 9404.90.20	Pillows, cushions and similar furnishings	Home Furnishings
9404.90.80	Articles of bedding & similar furnishings stuffed or internally fitted with any material n.e.s.o.i., of cotton, without embroidery/lace/braid/edging,etc	Home Furnishings
9404.90.85	Quilts, eiderdowns, comforters and similar articles, not of cotton	Home Furnishings
9404.90.95	Articles of bedding & similar furnishings stuffed or internally fitted with any material n.e.s.o.i.	Home Furnishings
9616.20.00	Powder puffs and pads for the application of cosmetics or toilet preparations	Personal Care & Hygiene
9619.00.11	Sanitary napkins and tampons, diapers and diaper liners and similar sanitary articles, of paper pulp	Personal Care & Hygiene
9619.00.15	Sanitary napkins and tampons, diapers and diaper liners and similar sanitary articles, other than of paper pulp	Personal Care & Hygiene
9619.00.21	Sanitary towels and tampons, diapers and diaper liners for babies and similar sanitary articles, of wadding of cotton	Personal Care & Hygiene
9619.00.25	Sanitary towels and tampons, diapers and diaper liners for babies & similar sanitary articles, of wadding of other textile materials, n.e.s.o.i.	Personal Care & Hygiene