adidas

June 14, 2012

The Honorable Dave Camp
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Chairman, Trade Subcommittee
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim McDermott
Ranking Member, Trade Subcommittee
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Camp and Brady, and Ranking Members Levin and McDermott:

I am writing on behalf of the adidas Group to support H.R.4984 and request its inclusion in the 2012 Miscellaneous Tariff Bill (MTB) package. This legislation will reduce import duties on textile-based heart rate monitors that we import into the U.S. The high tech fiber used in our textile-based heart rate monitors is manufactured in Scranton, PA.

Textile-based heart rate monitors look like "normal" garments (in this case, a tank top) because the high tech fibers that sense a person's heart rate are sewn into the garment (and are therefore "hidden" in the garment). While these items look like normal garments, the reality is that these are not normal garments at all. The heart sensing technology changes the essential character and core function of the garments so that what looks like a "normal" tank top is actually a heart rate monitor. In addition to the high tech fiber that is knit into the garment, these items incorporate connectors designed to secure an electronic transmitter that transmits a person's heart rate from the heart-sensing fiber to a compatible monitor. The heart sensing technology also increases the relative cost of these items. In other words, the only reason consumers will purchase these items is to use them as heart rate monitors.

While "traditional" chest strap heart rate monitors enter the U.S. duty free under Harmonized Tariff Schedule (HTS) Chapter 90, the heart sensing garments covered by this legislation are subject to a 32% duty rate under HTS Subheading 6109.90.10, thereby putting adidas and other importers of these items at a competitive disadvantage. The Miscellaneous Tariff Bill process will allow us to level the playing field for textile-based heart rate monitors.

adidas Legal Department
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We hope you will include this legislation in the 2012 MTB package.

Very truly yours,

Kurt Nath Tandan
Associate General Counsel &
Director of Corporate Affairs