TPP Short Supply
U.S. Proposed Short Supply Concept

The Product Specific Rule of Origin (PSR) for textiles is based on the ‘yarn-forward’ concept, where a good qualifies for duty preferences if production occurs in one or more parties to the FTA from the yarn manufacturing stage forward to the end product.

While we believe that a yarn forward rule is the best way to promote regional integration, encourage investment and create sustainable supply chains, we realize that some products may not be available from TPP partners.

Thus, in order to maximize the eligibility of textile and apparel products for duty preference, flexibilities will be considered, such as short supply.

A short supply list (SSL) would be structured to identify inputs not available in TPP countries and eligible for use from third countries.

The SSL would be structured on a permanent and temporary (3 years) basis.
Current Short Supply Process
NAFTA & CAFTA

- After FTA implemented, Interested Entities submit requests for review by U.S. Government.

- NAFTA style: request rule of origin change for **specific product** that allows sourcing of fiber, yarn, or fabrics from outside region. U.S. first vets domestically, then consults with trading partners.

- CAFTA style: request that a **specific fiber, yarn, or fabric** be placed on a list that can be **used in any product**. Request/offer between businesses with U.S. Government determining based on submitted information whether product is available.
NEW for TPP: Negotiated Short Supply Lists

- Governments will agree to shorts supply lists of fibers, yarns, and fabrics that can be sourced from outside the region for qualifying products. These lists will be part of the agreement when implemented. There will be NO PROCESS after implementation.

- No voluminous request/offer communications need be provided.

- Governments will vet proposed products with their industries and discuss concerns to reach a resolution on which products will be included on the short supply lists.
Woven 100 percent cotton, flannel fabric
HTS Subheading: 5209.31.60.50
Fiber Content: 100% Cotton
Weight: 251 g/m², Width: 160 centimeters cuttable
Thread Count: 22.8 warp ends per centimeter; 15 filling picks per centimeter; total: 37.8 threads per square centimeter
Yarn Number: Warp: 40.6 metric, ring spun; filling: 8.46 metric, open end spun; overall average yarn number: 24.1 metric
Finish: (Piece) dyed; napped on both sides, sanforized

Woven 100 percent cotton, flannel fabric
HTS Subheading: 5209.31.60.50
Fiber Content: 100% Cotton
Weight: 203 g/m², Width: 150 centimeters cuttable
Thread Count: 20.5 warp ends per centimeter; 17.3 filling picks per centimeter; total: 37.8 threads per square centimeter
Yarn Number: Warp: 40.6 metric, ring spun; filling: 13.5 metric, open end spun; overall average yarn number: 27.9 metric
Finish: (Piece) dyed; napped on both sides, sanforized

Woven 100 percent cotton, flannel fabric
HTS Subheading: 5209.31.60.50, Fiber content: 100% Cotton
Weight: 291.5 g/m², Width: 160 centimeters cuttable
Thread Count: 23.2 warp ends per centimeter; 15 filling picks per centimeter; total: 38.2 threads per square centimeter
Yarn Number: Warp: 27.07 metric, ring spun; filling: 8.46 metric, open end spun; overall average yarn number: 20.1 metric
Finish: (Piece) dyed; napped on both sides, sanforized

Woven 100 percent cotton, flannel fabric
HTS Subheading: 5209.31.60.50
Fiber Content: 100% Cotton
Weight: 291.5 g/m², Width: 160 centimeters cuttable
Thread Count: 26.8 warp ends per centimeter; 16.5 filling picks per centimeter; total: 43.3 threads per square centimeter
Yarn Number: Warp: 25.46 metric, ring spun; filling: 10.16 metric, open end spun; overall average yarn number: 23.8 metric
Finish: (Piece) dyed; napped on both sides, sanforized
Woven 100 percent cotton, flannel fabric
HTS Subheading:5209.31.60.50
Fiber Content:100% Cotton
Weight:254 g/m2, Width:160 centimeters cuttable
Thread Count:20 warp ends per centimeter; 14.5 filling picks per centimeter; total: 34.5 threads per square centimeter
Yarn Number: Warp: 28.8 metric, ring spun; filling: 8.46 metric, open end spun; overall average yarn number: 20.1 metric
Finish:(Piece) dyed; napped on both sides, sanforized

Woven 100 percent cotton, flannel fabric
HTS Subheading:5209.41.60.40
Fiber Content:100% Cotton
Weight:251 g/m2, Width:160 centimeters cuttable
Thread Count:22.8 warp ends per centimeter; 15 filling picks per centimeter; total: 37.8 threads per square centimeter
Yarn Number :Warp: 40.6 metric, ring spun; filling: 8.46 metric, open end spun; overall average yarn number: 24.1 metric
Finish: gingham check or plaid of yarns of different colors; napped on both sides, sanforized

Woven 100 percent cotton, flannel fabric
HTS Subheading:5209.41.60.40
Fiber Content:100% Cotton
Weight:251 g/m2, Width:160 centimeters cuttable
Thread Count:9.7 warp ends per centimeter; 11.8 filling picks per centimeter; total: 31.5 threads per square centimeter
Yarn Number: Warp: 20.3 metric, ring spun; filling: 8.46 metric, open end spun; overall average yarn number: 20.1 metric
Finish: Plaid of yarns of different colors; napped on both sides, sanforized
Combined Product Description

- Woven 100 percent cotton, flannel fabric
- Fiber Content: 100% Cotton Weight: 150 to 300 g/m2
- Width: 140 to 180 centimeters cuttable
- Thread Count: 9 to 28 warp ends per centimeter; 10 to 20 filling picks per centimeter
- Total: 30 to 45 threads per square centimeter
- Yarn Number: Warp: 15 to 50 metric ring spun; filling: 8 to 15 metric open end spun; overall average yarn number: 18 metric to 30 metric
- Finish: (Piece) dyed; gingham check or plaid of yarns of different colors; napped on both sides, may be sanforized
Types of Product Descriptions for TPP

**Entire HTS classification**
- Example - 5506.3000 – acrylic or modacrylic synthetic staple fiber, carded.

**Subset of HTS classification**
- Example - 100 percent cotton yarn-dyed woven flannel fabrics, made from 14 through 41 NM single ring-spun yarns, classified in 5208.43.0000, weighing 200 grams per square meter or less.

**Product with a specified end-use**
- Example – Fabrics of average yarn number exceeding 93 metric, classified in tariff items 5208.2160, 5208.2280, and 5208.2980, for use in dress shirts classified in HTS headings 6205 and 6206.

**Composite product with a specified end-use**
- Example – 3-layer laminated fabric; waterproof and breathable with DWR coating and laminated with ePTFE membrane classified in tariff item 5903.9025; face: weave, twill or plain; back: tricot knit, Warp face: 70-120d; Warp back: 20-40d; Filling face: 60-130d; Filling back: 15-30d; face and back: flat or textured continuous filament. Face 125-180 g/m2; Back: 28-40g/m2 for use in outdoor apparel.
Product Descriptions Should Include Ranges

Provide for a range of measurements to allow for variances in production and finishing operations

**Right:** Polyester/Nylon/Spandex Synthetic Tri-blend woven fabric of 62-78% Polyester; 20-35% Nylon; 2-5% Spandex, classified in tariff item 5512.99.aa.

**Wrong:** Polyester/Nylon/Spandex Synthetic Tri-blend (74/22/4%) woven fabric, classified in tariff item 5512.99.aa.
Permanent Short Supply List

Comprised of fibers, yarns, and fabrics for which production is limited to certain geographic regions outside of the TPP area.

Available from EIF Textile and apparel goods containing fibers, yarns, or fabrics on permanent SSL that meet all other requirements would qualify for preferential tariff treatment.

Since the SSL can include fabrics, apparel products containing a fabric from the SSL and cut and sewn in a TPP country can qualify for preferential duty treatment.
Permanent Short Supply List Examples

- Velveteen fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton

- Rayon Staple Fiber classified in 5504.10.0000

- Fabrics of subheading 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the Harris Tweed Association, Ltd., and so certified by the Association
Temporary Short Supply List

Contains fibers, yarns, and fabrics that are determined to be unavailable in the TPP region at the start of the agreement, but for which capabilities to produce in the TPP region can be encouraged and developed.

Textile and apparel goods containing fibers, yarns, and fabrics from the temporary SSL that meet all other requirements can qualify for preferential tariff treatment for 3 years after EIF.

Provides additional, immediate flexibilities to allow the TPP partners time to adjust manufacturing and sourcing plans.
Temporary Short Supply List Examples

- Woven fabrics of polyester staple fibers, containing 36 percent or more by weight of wool or fine animal hair classified in tariff item 5515.1305

- Woven fabrics of polyester staple fibers, mixed mainly or solely with viscose rayon staple fibers classified in tariff item 5515.1100

- 3-layer laminated woven; waterproof and breathable with DWR coating and laminated with ePTFE membrane classified in tariff item 5903.9025; face: weave, twill or plain; back: tricot knit, Warp face: 70-120d; Warp back: 20-40d; Filling face: 60-130d; Filling back: 15-30d; face and back: flat or textured continuous filament. Face 125-180 g/m2; Back: 28-40g/m2 for use in outdoor apparel
Kim Glas
Deputy Assistant Secretary of Commerce for Textiles and Apparel
(202) 482-1278
Kim.Glas@trade.gov
www.commerce.gov