

June 2, 2010

Joel Ringer Chair Commodity Classification Standards Board (CCSB) National Motor Freight Traffic Association, Inc. 1001 North Fairfax Street, Suite 600 Alexandria, VA 22314 Fax: 703.683.1094

E-Mail: ringer@nmfta.org

Re: Comments Regarding Public Docket 2010-2, Subject 1 – Clothing, NOI

Dear Mr. Ringer:

On behalf of the American Apparel & Footwear Association (AAFA), the national trade association representing the apparel and footwear industries, and their suppliers, I am writing today to urge the National Motor Freight Traffic Association's Commodity Classification Standards Board (CCSB) to reject *Public Docket 2010-2, Subject 1 – Clothing, NOI* when the CCSB meets June 7, 2010 in Alexandria, VA.

The proposal would eliminate the classification structure for clothing that has been in place for over 20 years for no other apparent purpose than to raise the freight class for most clothing.

Our members market all types of clothing throughout the United States under hundreds of different brand names

During these tough economic times, AAFA members have been forced to make difficult decisions to cut costs in order to remain solvent and support our workers. Their customers, small and medium-sized retailers, are faced with the same difficult choices. At the same time, AAFA members, and their customers, depend on freight companies, such as those that are members of the National Motor Freight Traffic Association (NMFTA), to move our clothing throughout the United States. AAFA members, and their customers, simply cannot afford the immense increase in freight rates that likely would result from the CCSB's proposed reclassification of clothing into 9 different freight classes, many of which could lead to a doubling, tripling or quadrupling of the less than truckload (LTL) freight rates AAFA members, and their customers, pay today.

Obviously, a change as significant as this reclassification would make AAFA and its members take notice. Yet, neither AAFA nor any of its members, have any record of being notified about *Research Project 1091*, which the CCSB uses as the justification for this proposal.

The CCSB uses *Research Project 1091* to justify its proposal, even though the CCSB provides no explanation to justify why there was a need to review or change the classification for clothing in the first place. AAFA is very concerned with the manner in which Research Project 1091 was conducted.

First, only 11 unnamed "clothing shippers" participated in *Research Project 1091*. Then, the CCSB notes in its analysis for this proposal, "not all of the information" from these 11 companies "was usable." Yet, the CCSB does not describe anywhere why this data was unusable. Further, no trade association representing the clothing industry participated in *Research Project 1091*. In fact, none of the major trade associations representing the U.S. clothing industry – the American Apparel & Footwear Association (AAFA), the National Retail Federation (NRF), the Retail Industry Leaders Association (RILA) nor the U.S. Association of Importers of Textiles and Apparel (USA-ITA) – have any record of being notified of *Research Project 1091*.

AAFA has a number of specific concerns with Research Project 1091:

- 1. There are 75,472 lines of published data. Only 14 lines represent data supplied by a shipper.
- 2. Less than 3% of the data is indicated as supplied by carrier or CCSB Dock Survey. The source for over 97% of the data is indicated as CCSB Density Study. The source of this data is not specified in the study. Further, none of the CCSB Density Study records indicate what type of clothing they represent, all are indicated as UNK. As a result, there is no way to verify the validity of the data.
- 3. Likewise, *Research Project 1091* does not indicate the source or type of clothing in the data lines listed as supplied by carrier or CCSB Dock Survey. Again, as a result, there is no way to verify the validity of the data.
- 4. As per the data the CCSB has made available as part of this proposal, many of the CCSB Density Study records do not indicate dimensions. Rather they only indicate a weight and cube. For those records with dimensions, many of these seem to indicate trailer usage versus handling units. For example, there are several entries indicated as 672 x 96 x 96 or 56' x 8' x 8'. These dimensions typically mean a set; two 28 foot pups. The inclusion of this type of information, based on linear feet used, would not be appropriate for the study. It is sometimes more cost effective to move freight as a volume LTL shipment versus a normally rated LTL shipment. In these instances, a company would pay for the entire trailer but may only use a portion. Since the source of this information is not clearly indicated, if the CCSB is reviewing a freight invoice which indicated an entire trailer was used and weighed X pounds and then determined a PCF from this information, this would be invalid data.
- 5. The proposal contains a chart which relates the average density with the guideline density by current existing freight class. However, the published data does not indicate the current freight class with the data.

While AAFA is concerned with the manner in which Research Project 1091 was conducted, because of the lack of information about Research Project 1091 that has been made available, we are limited in our ability substantively to analyze the results. In fact, AAFA specifically contacted the CCSB with a list of questions that could have clarified a number of AAFA's

concerns with Research Project 1091, but the CCSB declined to provide meaningful answers to any of the questions.

These major questions concerning *Research Project 1091* and the validity and usefulness of the data contained therein should be addressed and answered before the CCSB moves forward on its proposal. Without responding to these concerns first, the very foundation of the CCSB's proposal, much less the specific draconian reclassifications prescribed in the proposal, is in question.

Therefore, AAFA again strongly urges the CCSB to reject *Public Docket 2010-2, Subject 1 – Clothing, NOI* at the CCSB's June 7, 2010 meeting in Alexandria, VA.

Thank you for your time and consideration in this matter. Please contact Nate Herman of our staff at 703-797-9062 or nherman@apparelandfoowear.org if you have any questions or would like additional information.

Please accept my best regards,

Sincerely,

Kevin M. Burke President & CEO