

October 1, 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 2010-3, Subject II – Clothing

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 2010-3, Subject II – Clothing* when the CCSB meets October 4, 2010 in Alexandria, VA. The proposal would eliminate the classification structure for clothing that has been in place for over 20 years.

Thank you for the opportunity to comments on this proposal. We also would like to express our appreciation to the CCSB for agreeing at its June 2010 to defer a vote on this proposal to allow AAFA to gather data from its members in the format requested by the CCSB. I apologize for the delay in submitting our comments. However, it took us much longer for my staff to compile the data for the shipper survey than previously thought.

Our members make and market all types of clothing throughout the United States under hundreds of different brand names. Much of this clothing is shipped domestically via LTL (less than truckload) freight. As such, our members would be directly and significantly impacted by any decision made by the CCSB with regard to the classification of clothing.

For over 20 years, the industry has utilized the current National Motor Freight Classification (NMFC) Item #49880. Under the current classification, most clothing shipped by our members falls under Class 100, with some clothing falling under Class 77.5.

In its PowerPoint presentation on the proposal the CCSB presented at its June 2010 meeting¹, the CCSB readily admits that nothing has changed over the last 20 years with regard to three of the four variables the CCSB uses to determine classification – handling, stowability or liability.

In justifying its proposal, the CCSB, in that same presentation², noted that "density concerns persist." Yet, the CCSB did not elaborate on these "concerns" in its June 2010 presentation nor did the CCSB address these "concerns" in any form in either their analysis³ for Public Docket 2010-2, Subject 1 – Clothing nor in its analysis⁴ or addendum⁵ for Public Docket 2010-3, Section II – Clothing.

Yet, the CCSB's proposal would overturn over 20 years of well-established practice by creating nine new classifications for apparel, solely based on density.

The CCSB uses *Research Project 1091*, conducted by the CCSB using data collected by the CCSB, and by carriers, as the evidence to justify is proposal. However, out of over 70,000 data points collected by the CCSB under Research Project 1091, only 16 data points, or less than 0.03 percent, were collected from shippers.

Therefore, the AAFA requested, and the CCSB granted, the AAFA time to collect data directly from shippers. The results of that study are attached.

The AAFA LTL shipper study shows that the current NMFC classification of clothing under Item #49880 is correct. Utilizing 47,748 data points collected over a three month from shippers of a variety of clothing, the AAFA shipper study show that boxes/cartons moved by shippers in LTL shipments exhibited an average density of 11.19 pounds/cubic foot.

If anything, the current NMFC classification provides the benefit of the doubt to the carrier, as most of our members default to Class 100 for LTL shipments. The AAFA shipper study, on the other hand shows that a significant majority of the data points are well above a density of 9 pounds per cubic foot, which is the benchmark for Class 100.

As such, we believe there is no reason at present to change the classification structure for clothing, especially when the current classification structure has been long accepted and used by shippers and carriers alike.

¹ Slides 7-8, Powerpoint Presentation, Docket 2010-2, Subject 1 – Clothing, Presented at June 2010 CCSB Meeting, http://www.nmfta.org/Dockets/Docket%202010-2/2010-2%20Subject%2001/2010_2_S01_Powerpoint.pdf.

 ² Slide 3, Powerpoint Presentation, Docket 2010-2, Subject 1 – Clothing, Presented at June 2010 CCSB Meeting, <u>http://www.nmfta.org/Dockets/Docket%202010-2/2010-2%20Subject%2001/2010_2_S01_Powerpoint.pdf</u>.
³ Analysis, Public Docket 2010-2, Subject 1 – Clothing, <u>http://www.nmfta.org/Dockets/Docket%202010-2/2010-2</u>

Analysis, Public Docket 2010-2, Subject 1 – Clothing, <u>http://www.nmita.org/Dockets/Dockets/Dockets/202010-</u> 2%20Subject%2001/2010_2_S01_Analysis.pdf.

⁴ Analysis, Public Docket 2010-3, Subject II – Clothing, <u>http://www.nmfta.org/Dockets/Docket%202010-</u> <u>3/2010_3_Deferred_Analysis.pdf</u>.

⁵ Addendum, Public Docket 2010-3, Subject II – Clothing, <u>http://www.nmfta.org/Dockets/Docket%202010-3/2010_3_Deferred_Addendum.pdf</u>.

Therefore, AAFA again strongly urges the CCSB to reject *Public Docket 2010-3, Subject II – Clothing* at the CCSB's October 4, 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,

M. Burke

Kevin M. Burke President & CEO

Attachment:

Shipper LTL Density Shipper Survey – Clothing, American Apparel & Footwear Association (AAFA), September 2010