Public comments of FLO-MAC Incorporated As to the Introduction of the Markings Harmonization Act of 2002 (HR 4128/S.2235) 107th Congress

FLO-MAC Incorporated in 1973, as a manufacturer of Stainless Steel, Aluminum, and Alloy, Butt-Weld Pipe Fittings. FLO-MAC starts with pipe or plate and performs all cuttings, cleaning, forming, annealing, sizing, machining, and blasting to obtain a completed fitting.

FLO-MAC has strongly supported the U.S. unfair trade laws and has supported the efforts of the U.S. trade agencies, including the Department of Treasury and the U.S. Customs Service; the Office of the U.S. Trade Representative; the Department of Commerce and the U.S. International Trade Commission in the administration and enforcement of the trade laws.

Comments on the "Markings Harmonization Act of 2002"

These comments address the "Markings Harmonization Act of 2002" (H.R. 4128 and S.2235) which was introduced in April 2002 in the House and Senate and is currently pending in the respective Committees in Congress, FLO-MAC is aware of the importance of the existing markings rules and regulations as prescribed by the U.S. Customs Service. The industry has advocated "strict markings definitions" to ensure the country of origin along with other entry information is obtained when pipe, tube, flange, and fittings products enter the U.S.

The provisions included in H.R. 4128/S.2235 would change the existing markings law as it applies to these products. Specifically, as described in the bill, the ultimate purchaser of flanges or butt welding fittings would be allowed to perform minimal changes to an imported product which would result in the purchaser being able to mark the product as their own, perceived as being U.S. domestically made, instead of marking the product from the original country origin. As detailed in the bill, many of these changes are minimal at least and would not otherwise represent a substantial transformation to the product under normal Customs application of the law. Thus, the end user of the product would not know the actual country of

origin of the product and would instead be under the impression that company selling the finished product had manufactured the fitting or flange, when most of the value, character, and origin of the fitting or flange came from a foreign country.

FLO-MAC believes that the provisions as outlined in H.R. 4128/S.2235 weakened the existing marking and country of origin requirements in the law. Furthermore, this legislation deviates from the purpose of the labeling and markings rules, which apply to this industry and prevents the end user or customer from knowing the true country of origin of the product. <u>FLO-MAC opposes this legislation and would not support this bill to move forward in this session of Congress.</u>

Please call me at (323) 583-8751 if you have any questions or need more information. You can e-mail at scrane@flo-mac.net.

Sincerely,

Scott Crane Vice President FLO-MAC, Inc.