

May 31, 2002

Congressman Philip M. Crane (R-IL), Chairman
Subcommittee on Trade of the Committee on Ways and Means
U.S. House of Representatives

Re: H.R. 4583; duty reduction of certain straw hats

Dear Congressman Crane:

We are writing to the Subcommittee on Trade to register our strong support for H. R. 4583, which would amend Subheading 6504.00.60 of the Harmonized Tariff Schedule of the United States in the "General" duty column by striking "95.6 cents/doz." and inserting "50 cents/doz." The current duty rate for classified under this tariff item is 4.7% ad valorem + 95.6 cents per dozen. In our opinion, there are several reasons why the bill should be passed:

1. First of all, the types of straw hats classified under HTS Subheading 6504.00.60 are being increasingly recognized by the public as an effective aid in preventing skin cancer, one of the fastest growing cancers in the United States. Many of the straw hats imported under this tariff provision have been recommended by the American Association of Dermatology as useful in preventing skin cancer. Lowering the high specific rate on these types of hats would make them more affordable to those who need them, particularly those who work out-of-doors, such as farm workers and landscapers.
2. Second, based upon available trade statistics, the loss of revenue from lowering the specific rate to 50 cents/doz. would be approximately \$500,000. Therefore, the loss of revenue collection to the U.S. Government from passing this bill would be small.
3. The types of hats that are imported under this tariff subheading are not subject to any quotas and are not competitive with any straw hats that are made in the United States. Thus, this bill would not be a controversial one.
4. In our opinion, the provisions of this bill would be easy to administer by the Customs Service.
5. We further believe that the lowering of the specific rate to 50 cents/dozen would make the overall duty rate of HTS 6504.00.60 more consistent with the duty rates of the other headgear provisions in the Harmonized Tariff Schedules.
6. Finally, we believe that H.R. 4583 should be made retroactive to entries made on or after January 1, 2002.

In summary, we believe that there are strong merits for passage of H.R. 4583.

Sincerely,

Morgan S. Mayfield
Dorfman Pacific Company