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June 4, 2002

Congressman Phillip M. Crane, Chairman

Subcommittee on Trade of the Committee on Ways and
Means Fax: 1-202-225-2610
U.S. House of Representatives

1104 Longworth Building
Washington, D.C. 20510

To the Honorable 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 State in the "General: duty column by striking "95.6 cents/doz." and inserting "50 cents/doz." The current duty rate for items classified under this tariff is 4.7% ad valorem + 95.6 cents per dozen. In our opinion, there are several reasons why the bill should be passed.

Firstly, 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 being useful in preventing skin cancer. Lowering the high specific rate of duty 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.

Secondly, based upon available trade statistics, the loss of revenue from lowering the specific duty rate to 50 cents per dozen would be approximately \$500,000. Therefore, the loss of revenue collected by the United States Government by passing this bill would be small.

Thirdly, 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 bill.

Fourthly, in our opinion, the provisions of this bill would be easy to administer by the Customs Service. Fifthly, we believe that the lowering of the specific rate to 50 cents

per dozen would make the overall duty rate of HTS 6504.00.60 more consistent with the duty rates of the other headwear provisions in the Harmonized Tariff Schedules.

Finally, we believe that H.R. 4583 should be made retroactive to customs entries made on or after January 1, 2002.

There are strong merits for the passage of this bill, H.R. 4583.

SINCERELY,

STEVEN SEGAL, Pres.
SEAGULL INTERNATIONAL INC.