

EXECUTIVE OFFICE OF THE PRESIDENT  
THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

The Honorable Deanna Okun  
Chairman  
U.S. International Trade Commission  
500 E Street, SW  
Washington, D.C. 20436

NOV 08 2010

RE: Investigation No. 1205-8; Certain Footwear Recommendations for Modifying the Harmonized Tariff Schedule of the United States pursuant to Section 1205 of the Omnibus Trade and Competitiveness Act of 1988

Dear Chairman Okun:

On August 9, 2010, the U.S. International Trade Commission (Commission or USITC) transmitted its report and recommendations to me regarding modifications of the Harmonized Tariff Schedule of the United States (HTS) relating to certain footwear.<sup>1</sup> Acting pursuant to authority delegated to me by the President, I transmitted the report to the Committee on Ways and Means and the Finance Committee called for under section 1206 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. §3006) and commenced the consultation and layover process. Certain issues have arisen during consultations on the modifications proposed in the report.

In light of this, I am requesting the Commission's further recommendations with respect to whether, consistent with the provisions of section 1205(d), additional tariff lines should be inserted into the structure of headings 6401, 6402 and 6404 to address two issues. The first issue involves changes to certain subheadings of 6404.11 and 6404.19 that the USITC included for the first time in its final report to reflect more accurately the current language of these subheadings and of the International Convention on the Harmonized Commodity Description and Coding System (the "Convention"). The second issue is whether additional tariff lines should be inserted into subheadings 6402.91.90, 6402.99.40 and 6401.99.10, in response to requests from interested parties.

With respect to several subheadings of 6404.11 and 6404.19, the Commission in its final report correctly included descriptions specifying that footwear falling under certain new tariff lines under current HTS subheadings 6404.11 and 6404.19 feature either uppers of vegetable fibers or uppers of other material.<sup>2</sup> However, because the descriptions appeared for the first time in the final report, interested parties may not have recognized the need to submit information on the tariff classification and rates of duty applied to imports in liquidated and undisputed entries of

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<sup>1</sup> Certain Footwear: Recommendations for Modifying the Harmonized Tariff Schedule of the United States, Inv. No. 1205-8 (Final), USITC Pub. 4178 (August 2010).

<sup>2</sup> Specifically, under the Commission's Final Report, only footwear with uppers of vegetable fibers will fall under the new tariff lines created under current HTS subheadings 6404.11.40, 6404.11.50, 6404.11.60, 6404.11.70 and 6404.11.80. By contrast, only footwear with uppers of material other than vegetable fibers will fall under the new tariff lines created under current HTS subheadings 6404.19.40, 6404.19.50, 6404.19.60, 6404.19.70 and 6404.19.80.

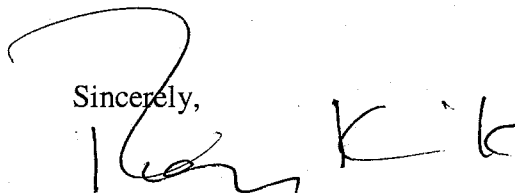
footwear falling into these new subheadings so that the Commission could maintain tariff rate neutrality in making its recommendation. I therefore request that the Commission provide an opportunity for interested parties to submit such information relating to entries liquidated prior to the Commission's initiation of this investigation on April 13, 2010. I further request that, based on those submissions, the Commission make further recommendations on the appropriateness of inserting new tariff lines under the above-referenced HTS subheadings noted in footnote 2.

Second, I understand that, shortly before the Commission issued its report and recommendation, two interested parties submitted copies of documents that those parties believed support the need for the Commission to propose additional tariff lines in headings 6401 and 6402. According to the final report, the Footwear Distributors and Retailers of America (FDRA) requested the addition of tariff lines under subheadings 6402.91.90 and 6402.99.40 for certain footwear, and Pro Line requested an additional tariff line under subheading 6401.99.10 for other footwear. The Commission did not recommend including these additional tariff lines.

I understand that additional time could have been useful to the Commission in its evaluation of the information that was submitted. I therefore request that the Commission provide a further recommendation regarding whether the information previously provided by FDRA and Pro Line covering entries liquidated prior to the initiation of the Commission's investigation on April 13, 2010, provides adequate support for their requests for the Commission to recommend additional tariff lines.

I would greatly appreciate receiving the Commission's recommendations on these two issues within 60 days after receipt of this letter, or as soon thereafter as possible. I appreciate the fine work that the Commission has done on a complicated tariff matter and look forward to receiving your recommendations on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Kirk". The signature is written in a cursive style with a large, sweeping initial "R" and "K".

Ambassador Ron Kirk