

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 6, 2008]²

Bill No. and sponsor: H.R. 4575 (Mr. Berman of California).

Proponent name,³ location: The Coalition on the Environment and Jewish Life of Southern California, California.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty reduction through December 31, 2010.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Shopping bags with an outer surface of spun/bonded polypropylene fabric or of nonwoven polypropylene fabric (provided for in subheading 4202.92.30).

Check one: ___ Same as that in bill as introduced.
 X Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Reusable shopping bags of spun/bonded polypropylene or of nonwoven polypropylene fabric are principally used to carry items purchased in retail stores, especially supermarkets and pharmacies, are designed for long-term or repeated usage, and are of sufficient durability that they may be sold separately (unlike plastic bags that are provided free or at a very nominal charge as packaging for other goods). Generally composed of fine fibers and reinforced by heat-sealing, spun bonded fabrics and nonwoven polypropylene fabrics are lighter and stronger than polyester and nylon, and have chemical resistance from corrosion (so physical properties will not be affected by chemicals or solvents). Such fabrics are typically made from hydrophobic polypropylene materials that are water repellent and machine washable.

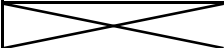
Domestic demand for these reusable bags has increased in response to environmental awareness and concerns. According to the proponent, reusable polypropylene bags are not currently manufactured domestically. Typically they are produced in China.

¹ Industry analyst preparing report: Don Sussman (202-205-3331); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The sponsor/proponent identified three additional beneficiaries of this bill. USITC staff sent inquiries to the named beneficiaries and received responses from two. Two submitted written representations that they would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: 4202.92.30					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	17.6%	17.6%	17.6%	17.6%	17.6%
Estimated value <i>dutiable</i> imports	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000
Customs revenue loss 1/	\$408,800	\$408,800	\$408,800	\$408,800	\$408,800

Source: Industry and Commission estimates.

1/ Customs revenue loss reflects the proposed temporary tariff rate reduction from 17.6% to 3.0%.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
The Coalition on the Environment and Jewish Life of Southern California, California Lee Wallach, 310-841-2970 (Proponent)	12/14/2007	No	No	No
1 Bag at a Time Lisa Foster, 310-441-7300	12/20/2007	No	No	No
Earthwise Bag Company, Inc Stan Joffe, 323-887-8115	12/20/2007	No	No	No
Green Bag Company, Inc 888-246-2283	12/20/2007	No	No	No
Travel Goods Association Nate Herman, 703-797-9062	12/20/2007	No	No	No

Technical comments:⁴

It is suggested that the article description be amended as shown on page 1. Heading 4202 of the HTS is intended to cover all bags with which a person would carry goods and made from spun/bonded fabrics, and should be classified in subheading 4202.92.30 (statistical reporting number 4202.92.3031) according to Customs and Border Protection.⁵ Because the international-level 4-digit tariff heading specifically mentions “shopping bags” and many Customs rulings utilize this term, that term is suggested as an appropriate description, one meant to distinguish the subject goods from other types of travel or sports bags falling in the same tariff rate line.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

⁵ Telephone conversation with Joan Mazzola, U.S. Customs, (646-733-3023) on December 20, 2007.

110TH CONGRESS
1ST SESSION

H. R. 4575

To reduce temporarily the duty on certain reusable grocery bags.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. BERMAN introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To reduce temporarily the duty on certain reusable grocery
bags.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN REUSABLE GROCERY BAGS.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.42.01	Reusable bags, of polypropylene (provided for in subheading 4202.92.90, 6307.90.98, or 3923.29.00), principally used to carry food or beverages purchased in grocery stores, supermarkets, and pharmacies	3%	No change	No change	On or before 12/31/2010	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of enactment of this Act.

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