

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: May 14, 2008]²

Bill No. and sponsor: H.R. 4732 (Mr. Mike Castle, Delaware).

Proponent name,³ location: Outdoor Industry Association, Boulder, CO.

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

Nature of bill: Extension with modification of temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

Men's footwear, except vulcanized footwear and footwear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, not covering the ankle, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclement weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6404.19.20).

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

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

The subject footwear is designed for rugged outdoor activities such as hiking and trail running (trail running shoes have stiffer soles for more traction and are generally more rigid and protective than road running shoes). They are valued at over \$20/pair and made with uppers of coated or laminated textile fabrics. The dutiable value of U.S. imports of the subject footwear entering under HTS subheading 6404.19.20 (which covers other types of protective footwear as well⁴) totaled an estimated \$2,600,000 in 2007. China was the leading supplier of these imports.

¹ Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

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

³ The sponsor issued a statement to the Committee on Ways and Means on December 18, 2007, asserting that he is not required to submit a disclosure statement because the modification to the Harmonized Tariff Schedule that is being requested is anticipated to benefit more than 10 individuals or entities, and as such does not contain a limited tariff benefit. The statement is attached to this report. No additional information on this point was provided to the Commission.

⁴ Total dutiable imports under this subheading amounted to over \$55.4 million in 2007.

Estimated effect on customs revenue:

HTS subheading: 6404.19.20					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	15.2% <u>1/</u>	37.5%	37.5%	37.5%	37.5%
Estimated value <i>dutiable</i> imports	\$2,870,000	\$3,010,000	\$3,160,000	\$3,320,000	\$3,480,000
Customs revenue loss <u>1/</u>	\$436,240	\$1,128,750	\$1,185,000	\$1,245,000	\$1,305,000

1/ The permanent general duty rate of 37.5% ad valorem is reduced to 15.2% ad valorem for 2009 under HTS heading 9902.25.61; accordingly, the estimated revenue loss shown for 2009 represents the cost of eliminating the existing 15.2% general duty rate.

Source of estimated dutiable import data: U.S. industry estimates

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?
Outdoor Industry Association (Proponent) Alex Boian, Government Affairs Associate (303-444-3353)	3/19/08	No	Yes	No
American Apparel and Footwear Association Nate Herman, Director of International Trade (703-797-9062)	2/29/08	No	No	No
Colombia Sportswear Jeff Tooze, Director, Global Customs and Trade (503-985-4039)	3/20/08	No	No	No
Footwear Distributors and Retailers of America Peter T. Mangione, President (202-737-5660)	3/5/08	No	No	No
Rubber and Plastic Footwear Manufacturers Association Mitchell Cooper, Counsel (202-331-1848)	2/29/08	No	No	No
VR Corporation/North Face Patrick Fox, Customs Compliance Manager (714-889-6133)	3/20/08	No	No	No
W.L. Gore & Associates Mike Ratchford, Government Relations Associate (302-292-4147)	3/20/08	No	No	No

Technical comments:⁵

We note that the bill would change the existing duty reduction for certain men's footwear into a duty suspension for such goods.

⁵ 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.

110TH CONGRESS
1ST SESSION

H. R. 4732

To extend and modify the temporary suspension of duty on certain men's footwear not covering the ankle with coated or laminated textile fabrics.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

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

A BILL

To extend and modify the temporary suspension of duty on certain men's footwear not covering the ankle with coated or laminated textile fabrics.

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 MEN'S FOOTWEAR NOT COVERING**
4 **THE ANKLE WITH COATED OR LAMINATED**
5 **TEXTILE FABRICS.**

6 (a) IN GENERAL.—Heading 9902.25.61 of the Har-
7 monized Tariff Schedule of the United States (relating to
8 certain men's footwear not covering the ankle with coated
9 or laminated textile fabrics) is amended—

1 (1) by striking “15.2%” and inserting “Free”;
2 and

3 (2) in the effective period column, by striking
4 the date contained therein and inserting “12/31/
5 2011”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 subsection (a) apply to goods entered, or withdrawn from
8 warehouse for consumption, on or after the 15th day after
9 the date of the enactment of this Act.

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