

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 10, 2006]²

Bill No. and sponsor: S. 2716 (Mrs. Blanche L. Lincoln of Arkansas).

Proponent name, location: Wal-Mart Stores, Inc., Bentonville, AR.

Other bills on product (109th Congress only): H.R. 3678.

Nature of bill: Temporary duty reduction through December 31, 2009.

Retroactive effect: None.

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

Floor coverings and mats of vulcanized rubber (provided for in subheading 4016.91.00).

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 product is defined as floor coverings and mats (including bath mats), other than rectangular (including square) mats cut from plates or sheets of rubber and not further worked than surface worked. The end products consist of various types of vulcanized rubber and/or combinations thereof.³ End uses cited by the proponent were for a variety of household items and car mats.⁴ Display mats for merchant shelving units, and layout floor mats are also a common end use. U.S. manufacturers commonly purchase domestic or imported sheets of vulcanized rubber and die cut the material into the desired shapes specified by the customer.⁵ In 2005, dutiable imports of the subject product were principally from China, Taiwan, and the United Kingdom.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

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 Staff interview with Mr. John Hansen, National Import Specialist, U.S. Customs, New York, NY, June 20, 2006.

⁴ Staff interview with Mr. Mark Haney, Senior International Trade Specialist, Sandler, Travis & Rosenberg, Washington, DC, June 20, 2006.

⁵ Staff interviews with Mr. Ken Benni, Sales Engineer, Aero Rubber Co., Inc., Tinley Park, IL, June 21, 2006; and Mr. Andy Clayton, Teknor Apex Co., Pawling, NY, June 20, 2006.

Estimated effect on customs revenue:

HTS subheading: 4016.91.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	2.7%	2.7%	2.7%	2.7%	2.7%
Estimated value <i>dutiable</i> imports	\$77,000,000	\$85,000,000	\$92,000,000	\$99,000,000	\$106,000,000
Customs revenue loss 1/	\$570,000	\$629,000	\$681,000	\$733,000	\$784,000

1/ The estimated Customs revenue loss is based on a temporary reduction of the general rate of duty from 2.7 percent ad valorem to 1.96 percent ad valorem, a reduction of 0.74 percentage points. Source of estimated dutiable import data: Commission estimates based on dutiable imports in 2005; growth rate of 10 percent per year assumed; historic growth rate (2002-05) was 14 percent per year.

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?
Wal-Mart Stores, Inc. (Proponent) Mr. Tres Bailey, 202-737-2806 Mr. Mark Haney, 202-216-9307	06/15/2006	No	No	No
Aero Rubber Company, Inc. Mr. Ken Benni, 800-662-4400	06/21/2006	No	No	No
Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058	06/19/2006	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	06/20/2006	No	No	No
DuPont Ms. Elaine Olsen, 302-992-2263 Ms. Helen McMahan	06/19/2006	No	No	No
Efficient Global Trade, Inc. Mr. Henry Stobenau, 215-628-4919	06/19/2006	No	No	No
Int'l Institute Syn. Rubber Producers (IISRP) Mr. James L. McGraw, 713-783-7511	06/20/2006	No	No	No
Johnson Rubber Company Mr. Kevin Soltis, 440-632-1611	06/20/2006	No	No	No
LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666	06/20/2006	No	No	No

Pawling Corporation Mr. Craig Busby, 845-855-1000	06/20/2006	No	No	No
Resilient Floor Covering Institute Mr. Bill Freeman, 207-236-8181	06/20/2006	No	No	No
Rubber Manufacturers Association (RMA) Mr. Steve Teslik, 202-682-4861 Mr. Dan Mustico	06/19/2006	No	No	No
Teknor Apex Company Mr. Andy Claytor, 800-289-9451	06/20/2006	No	No	No

Technical comments:⁶

None.

⁶ 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.

109TH CONGRESS
2D SESSION

S. 2716

To temporarily reduce the duty on floor coverings and mats of vulcanized rubber.

IN THE SENATE OF THE UNITED STATES

MAY 4, 2006

Mrs. LINCOLN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To temporarily reduce the duty on floor coverings and mats of vulcanized rubber.

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. FLOOR COVERINGS AND MATS OF VULCANIZED**
4 **RUBBER.**

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

“	9902.40.16	Floor coverings and mats of vulcanized rubber (provided for in subheading 4016.91.00)	1.96%	No change	No change	On or before 12/31/2009	”.
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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 the enactment of this Act.

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