

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 11, 2006]²

Bill No. and sponsor: S. 3135 (Mr. Saxby Chambliss of Georgia).

Proponent name, location: The Home Depot, Atlanta, GA.

Other bills on product (109th Congress only): None.

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

Retroactive effect: None.

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

Packages for retail sale each containing 40 router bits with working parts of carbide, the foregoing intended for woodworking (provided for in subheading 8207.70.30).

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:

Router bits are the cutting tool used in a router machine, which is used to cut a particular profile on a wood workpiece. The router rotates the router bit at a high speed to cut the workpiece. The resulting profile is made for an ornamental effect, such as for molding trim for a house or decorative edges on furniture, or for forming a joint to combine two or more pieces of wood. Carbide is a combination of very hard metals, usually either tungsten or titanium, and carbon. The extreme hardness of carbide is ideal for cutting tools that need to maintain their sharpness. Router bits can be made of solid carbide or of steel with carbide edges or tips. The principal sources of U.S. imports are Italy, China, Taiwan, India, and Germany.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); 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.

Estimated effect on customs revenue:

HTS subheading: 8207.70.30					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated value <i>dutiable</i> imports	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Customs revenue loss	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000

Source of estimated dutiable import data: Commission estimates based upon industry information and official U.S. Government statistics.

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 Home Depot (Proponent) Zachery Paulsen, 202-626-5921	6/20/2006	No	No	No
Black & Decker Corp. Natalie Shields, 410-716-3078	7/25/2006	No	No	No
Freud America Inc. Nino Ruggiero, 336-434-3171	7/26/2006	No	No	No
Harbor Freight Tools LLC Suda Suebsan, 805-483-3988	7/17/2006	No	No	No
Infinity Tools David Venditto, 813-881-9090	7/25/2006	No	No	No
Lowe's Company Scott D. Mason, 704-758-1000	7/17/2006	No	No	No
Robert Bosch Tool Corp. Gregory Thiess, 708-865-5393	7/25/2006	No	No	No
Sears, Roebuck & Co. Sharon Brengelson, 847-286-2500	7/25/2006	No	No	No
Whiteside Machine Co. Clark Whiteside, 828-459-2141	7/26/2006	Yes	Yes	Yes
Woodcraft Supply, LLC Jeff Forbes, 304-422-5412	7/26/2006	No	Yes	Yes

Technical comments:³

In order to avoid confusion about the meaning of the word “set” in the tariff schedule and to refrain from introducing a new term that would require interpretation, it is suggested that the proposed article description be modified as set forth on page 1. This language would also avoid creating an “actual use” provision requiring Customs verification up to 3 years after goods are entered. We note that the language would cover 40 identical bits or an assortment, and that it would obviously not cover retail packages containing any other number of bits.

³ 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. 3135

To suspend temporarily the duty on 40-piece carbide router bit set for woodworking.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

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

A BILL

To suspend temporarily the duty on 40-piece carbide router bit set for woodworking.

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. 40-PIECE CARBIDE ROUTER BIT SET FOR**
4 **WOODWORKING.**

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:

“	9902.82.07	40-piece carbide router bit set for wood- working (provided for in subheading 8207.70.30)	Free	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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