

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: October 10, 2006 ]<sup>2</sup>

**Bill No. and sponsor:** S. 3148 (Mr. Saxby Chambliss of Georgia).

**Proponent name, location:** The Home Depot, Atlanta, Georgia

**Other bills on product (109<sup>th</sup> 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)):**

One-step, two-step or three-step ladder-type step stools, of steel, each with a frame that can be folded for storage or relocation, the foregoing designed for household or office use (provided for in HTS subheading 7326.90.85)

**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 products are portable household one-step, two-step, and three-step steel ladder-type step stools. Each stool has a foldable main frame usually constructed with two tubular steel segments joined by rivets or a locking mechanism. These products are not adjustable in length, and they have flat steps made from either injection molded plastics or stamped steel designed so that the uppermost horizontal step (“top cap”) can be used for either standing or sitting. In an open position, a spreader or locking device securely locks in place the tubular framework. The front side rails of the main frame may extend above the top cap. Two-step and three-step steel ladder type step stools may include foldable plastic storage boxes and/or utility trays that are secured in place by spring locking buttons. The bases of the ladder type step stools are made of, or covered by, slip-resistant material.

The products are typically used for light duty or household functions, are light weight, easy to carry, and can be stored in the home. The products can be used for climbing and standing. The top step can be used for standing or sitting or for holding buckets or other items.

These products are primarily imported from China, Taiwan, and Hong Kong.

<sup>1</sup> Industry analyst preparing report: Alan Treat (202-205-3426); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>HTS subheading: 7326.90.85</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty (AVE) <u>1/</u>	2.9%	2.9%	2.9%	2.9%	2.9%
Estimated value <i>dutiable</i> imports	\$14,950,000	\$15,150,000	\$15,400,000	\$15,650,000	\$15,850,000
Customs revenue loss	\$433,550	\$439,350	\$446,600	\$453,850	\$459,650

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Commission and 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?
The Home Depot (Proponent) Zachery Paulsen, 202-626-5921	06/30/2006	No	No	No
American Ladder Institute Ron Pietrzak, 312-644-6610	07/05/2006	Yes	Yes	Yes
Cosco Home and Office Products Tom Meyers, 812-314-4492	07/19/2006	No	Yes	Yes
Lowe's Scott Mason, 704-758-1000	07/05/2006	No	No	No
Target Corporation Toni Dembski-Brandi, 612-696-2573	07/11/2006	No	No	No
Wal-mart Corporation Mr. Bailey, 202-783-1570	07/24/2006	No	No	No
Werner Ladder Company Geoff Hartenstein, 724-588-2000 ext. 2639	07/06/2006	Yes	No	No

### Technical comments:<sup>3</sup>

It is suggested that the proposed article description be modified as shown on page 1 of this report. If Customs agrees that particular imported products conform in physical characteristics and uses to a step stool, they could be reported under HTS statistical reporting number 9403.20.0015 (other metal furniture, household, other); subheading 9403.20.00 has a general duty rate of free. It can be somewhat difficult to decide if a particular good is a “step ladder” or a “step stool” and whether it is for household or other light duty use. The intent of the new provision would be to cover those steel step stools not classifiable as furniture.

The HS Explanatory Note for heading 9403 states that “ladders and steps, trestles, carpenters’ benches and the like not having the character of furniture”<sup>4</sup> should be excluded from subheading 9403 and are classified according to their constituent materials (e.g., 7326.90.85 for steel ladders). However, U.S. Customs and Border Protection (“U.S. Customs”) New York rulings NY 855972<sup>5</sup> and NY R02622<sup>6</sup> classify these products in HTS subheading 9403.20.00. However, U.S. Customs ruling NY R01425<sup>7</sup> classified similar products in HTS subheading 7326.90.85.

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<sup>3</sup> 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.

<sup>4</sup> World Customs Organization, *Harmonized Commodity Description Coding System Explanatory Notes*, 3<sup>rd</sup> Edition, Vol. 4, Sections XVI-XXI, Ch. 85-97 (2002), p. 1905.

<sup>5</sup> U.S. Customs and Border Protection ruling NY 855972 (Sept. 12, 1990), regarding the tariff classification of a folding step stool from Taiwan; USITC staff email correspondence with James Smyth, Customs National Import Specialists, New York, July 19, 2006.

<sup>6</sup> U.S. Customs and Border Protection ruling NY R02622 (Oct. 6, 2005), regarding the tariff classification from a step stool from China.

<sup>7</sup> U.S. Customs and Border Protection ruling NY R01425 (Feb. 22, 2005), regarding the tariff classification of step ladders from China (Feb. 22, 2005).

**Submission of Cosco Home and Office Products, 7/21/2006 (email)**

Alan,

Thank you for giving us the opportunity to speak out.

After much discussion and review of the impact this would have on our business by our Senior Management (including President of Cosco Home and Office, Director of New Product Development for Cosco Home & Office and Senior Marketing Manager of this category):

Cosco Home & Office Products is officially OPPOSED to this proposed bill. Its approval would have a negative impact on our annual revenue.

As you requested, attached you will find several excerpts I made from the ANSI 14.2-2000 standard. I tried to pick sections that specified differences between a step ladder and a step stool, as we had discussed. I hope this helps you in your understanding of our category.

Thanks

Tom Meyers  
Senior Project Engineer  
Cosco Home and Office Products  
Phone: 812-314-4492  
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109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3148

To suspend temporarily the duty on household one-step, two-step, and three-step steel ladders.

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 household one-step, two-step, and three-step steel ladders.

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. HOUSEHOLD ONE-STEP, TWO-STEP, AND**  
4 **THREE-STEP STEEL LADDERS.**

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:

“	9902.73.26	Household one-step, two-step, and three-step steel ladders (provided for in sub-heading 7326.90.85) .....	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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