

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 11, 2006]²

Bill No. and sponsor: S. 3242 (Mrs. Dianne Feinstein of California).

Proponent name, location: Outdoor Industries Association, Boulder CO.

Other bills on product (109th Congress only): S. 3241.

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

Retroactive effect: None.

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

Travel bags with outer surface of woven fabric of man-made fibers, such bags each valued over \$30 and having at the time of entry attached wheels and a retractable or telescoping handle (but not including such bags having at the time of entry a separate backpack or daypack affixed to the bag by zipper or other temporary means or fitted with such a zipper or other means of attachment) (provided for in subheading 4202.92.30).

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:

The subject merchandise is travel luggage made of woven fabrics of man-made fibers, valued over \$30 each, with wheels and a telescoping handle but without a removable separate backpack or daypack attached by zipper or other means and without any such means of attaching a separate backpack or daypack. In particular, the merchandise intended to be covered by this bill appears to be travel luggage designed for common carrier transportation as baggage, then wheeled or carried to a youth hostel or other accommodation by means of the attached wheels or concealed shoulder straps. No separate statistical reporting number covers the subject goods, and no specific import volumes or product sourcing information has been supplied to the Commission during the preparation of this report. The bulk of the merchandise in this residual or "basket" tariff subheading is imported from China, followed distantly by Vietnam, Thailand, Italy, and the Philippines, according to historical trade statistics.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: Janis 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: 4202.92.30					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	17.6%	17.6%	17.6%	17.6%	17.6%
Estimated value <i>dutiable</i> imports	\$992,826	\$1,092,109	\$1,201,319	\$1,321,451	\$1,453,597
Customs revenue loss	\$174,737	\$192,211	\$211,432	\$232,575	\$255,833

Source of estimated dutiable import data: Based on industry and Commission estimates.

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

Name of firm/organization <u>1/</u>	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Outdoor Industry Association (Proponent) Alexander Boian, 303-444-3353	08/09/2006	No	No	No
Eagle Creek Stephen Harrell, 760-599-6500	08/16/2006	No	No	No
Osprey Packs, Inc., Stephen Barnes, 970-564-5900	08/16/2006	No	No	No
TRG/Swiss Army Knife Anne Docter, 314-447-3152	08/16/2006	No	No	No
VF Corp./Jansport Patrick Fox, 562-565-8267	08/16/2006	No	No	No
American Recreation Products, Inc., fax: 314-576-8001	08/17/2006	No	No	No
Bag Works, Inc., fax: 817-446-8105	08/17/2006	No	No	No
Bettz Designs fax: 617-965-3715	08/17/2006	No	No	No
Camel Outdoor Products Inc., fax: 770-242-8546	08/17/2006	No	No	No
Cascade Designs, Inc. fax: 206-467-9421	08/17/2006	No	No	No
Coleman Co., Inc., fax: 316-832-6201	08/17/2006	No	No	No
Custom Montana Canvas fax: 406-388-1039	08/17/2006	No	No	No
Duluth Pack Co. fax: 218-722-9575	08/17/2006	No	No	No

Name of firm/organization <u>1/</u>	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Eagle Creek Products President, fax: 760-599-4722	08/17/2006	No	No	No
Eastpak fax: 920-831-7779	08/17/2006	No	No	No
Gregory Mountain Products fax: 951-676-6797	08/17/2006	No	No	No
Kelty fax: 800-504-2745	08/17/2006	No	No	No
Korus Co., Inc., fax: 408-885-1351	08/17/2006	No	No	No
Landes, Inc., fax: 713-665-6392	08/17/2006	No	No	No
Lawrence & Co., Inc., fax: 508-995-2436	08/17/2006	No	No	No
London Bridge Trading Co., Ltd. fax: 757-498-0059	08/17/2006	Yes	Yes	Yes
Madden/USA fax: 720-214-2197	08/17/2006	No	No	No
Mark Pack Works fax: 510-452-3022	08/17/2006	No	No	No
Mason Mills fax: 626-444-1551	08/17/2006	No	No	No
Mercury Luggage Mfg. Co., fax: 904-733-9671	08/17/2006	No	No	No
O'Neil KG Bags President, fax: 415-460-0113	08/17/2006	No	No	No
Overland Equipment fax: 530-894-1460	08/17/2006	No	No	No
Saberfox Outdoor Gear fax: 503-775-9538	08/17/2006	No	No	No
Samsonite Corp. fax: 303-373-6300	08/17/2006	No	No	No
Sharon Hand Bags fax: 408-441-0786	08/17/2006	No	No	No
Stone Creek Designs fax: 888-271-8429	08/17/2006	No	No	No
Usner Products, Inc., fax: 843-571-5681	08/17/2006	No	No	No

1/ No specific contact is available at some of the subject firms, which were identified using the Internet or in directories as firms that might have an interest in the bill.

Technical comments:³

To attempt to cover more specifically the products of interest to the proponents, it is suggested that the proposed article description be modified as shown on page 1 of this report. It is suggested that Customs and Border Protection officials be consulted for further input, given the absence of available rulings on this type of product.

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.

-----Original Message-----

From: Doug McDougal [mailto:DMcdougal@londonbridgetrading.com]

Sent: Thursday, August 17, 2006 3:32 PM

To: mtb2006@finance-rep.senate.gov

Cc: Randall, Robert

Subject: RE: S3241 and S3242 waiving import duty on certain backpacks

Gentlemen,

It has been brought to my attention recently, by the U.S. International Trade Commission, that the Senate Finance Committee will act to adopt Bills S.3241 and S.3242 dealing with removal of import duty on certain backpacks.

The United States Textile and Cut and Sew Industry has been especially hard hit to the point that it has been almost eliminated. I operate a Cut and Sew operation and it is my goal to provide jobs to US citizens. We provide some 225 jobs to families of US citizens. The above bills will adversely affect this goal of providing jobs and helping to keep our economy strong. I would ask that you please note my objections to these two bills (S.3241 and S.3242).

Most Sincerely,

Doug McDougal, PhD

CEO and President

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109TH CONGRESS
2D SESSION

S. 3242

To suspend temporarily the duty on certain backpacks.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

A BILL

To suspend temporarily the duty on certain backpacks.

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 BACKPACKS.**

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:

“	9902.42.02	Backpacks of manmade fibers, with wheels and a telescoping handle, without a removable separate backpack or daypack attached by zipper or other means, valued over \$30 (provided for in subheading 4202.92.30)	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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