## 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 4, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3573 (Mr. Tom Carper of Delaware).

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

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)):

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, whose height from the bottom of the outer sole to the top of the upper does not exceed approximately 20.3 cm, 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 6402.91.50).

Check one:

Same as that in bill as introduced.

X Different from that in bill as introduced (see Technical comments section).

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

The bill covers men's footwear designed for rugged outdoor activities such as hiking and trail running, valued at over \$20/pair, and with waterproofing properties imparted by coated or laminated textile fabrics. Trail running shoes have nobbier and stiffer soles and are generally more rigid and protective than road running shoes. China was the leading supplier of these imports in recent years.

<sup>&</sup>lt;sup>1</sup> Industry analyst preparing report: Laura Rodriguez (202-205-3499); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>&</sup>lt;sup>2</sup> Access to an electronic copy of this memorandum is available at <a href="http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm">http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</a>.

#### **Estimated effect on customs revenue:**

HTS subheading: <u>6402.91.50</u>							
	2006	2007	2008	2009	2010		
Col. 1-General rate of duty	37.5%	37.5%	37.5%	37.5%	37.5%		
Estimated value <i>dutiable</i> imports	\$645,711	\$677,997	\$711,896	\$747,492	\$784,866		
Customs revenue loss	\$242,142	\$254,249	\$266,961	\$280,310	\$294,325		

Source of estimated dutiable import data: Commission estimates based on information provided by U.S. importers and on official Department of Commerce 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)		
Outdoor Industry Association (Proponent) Alex Boian, 303-444-3353	08/10/2006	No	Yes	No	
American Apparel and Footwear Association Nate Herman, 703-797-9062	08/01/2006	No	No	No	
Columbia Sportswear Jeff Tooze, 503-985-4039	08/03/2006	No	No	No	
Footwear Distributors and Retailers of America Peter T. Mangione, 202-737-5660	08/03/2006	No	No	No	
Rubber and Plastic Footwear Mfg Association Mitchell Cooper, 202-331-1848	08/01/2006	No	No	No	
VF Corporation/North Face Patrick Fox, 562-565-8267, ext. 7, 7974	08/23/2006	No	No	No	
W.L. Gore & Associates Mike Ratchford, 302-292-4147	08/22/2006	No	No	No	

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

It is suggested that the article description be modified as shown on page 1, to track the permanent tariff category more closely, to indicate more clearly what goods are excluded, and to convert the English unit of measurement to its rounded metric equivalent.

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.

## S. 3573

To suspend temporarily the duty on certain men's footwear with coated or laminated textile fabrics.

#### IN THE SENATE OF THE UNITED STATES

June 27, 2006

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

### A BILL

To suspend temporarily the duty on certain men's footwear 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 WITH COATED OR
- 4 LAMINATED TEXTILE FABRICS.
- 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:

2

"9902.64.05 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, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, 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 6402.91.50)			i					
wear with waterproof molded bottoms, including bottoms comprising an outer sole and all or part of the upper, valued over \$20/pair, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, 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 6402.91.50)	"	9902.64.05	Men's footwear, except vul-					
bottoms, including bottoms comprising an outer sole and all or part of the upper, val- ued over \$20/pair, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclem- ent weather where such pro- tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			canized footwear and foot-					
comprising an outer sole and all or part of the upper, valued over \$20/pair, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, 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 6402.91.50)			wear with waterproof molded					
all or part of the upper, valued over \$20/pair, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, 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 6402.91.50)			bottoms, including bottoms					
ued over \$20/pair, whose height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclem- ent weather where such pro- tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			comprising an outer sole and					
height from the bottom of the outer sole to the top of the upper does not exceed 8 inches, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclem- ent weather where such pro- tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			all or part of the upper, val-					
the outer sole to the top of the upper does not exceed 8 inches, 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 pro- tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			ued over \$20/pair, whose					
the upper does not exceed 8 inches, 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 6402.91.50)			height from the bottom of					
inches, designed to be worn in lieu of, but not over, other footwear as a protection against water, oil, grease or chemicals or cold or inclem- ent weather where such pro- tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			the outer sole to the top of					
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 6402.91.50)			the upper does not exceed 8					
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 6402.91.50)			inches, designed to be worn					
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 6402.91.50)			in lieu of, but not over, other					
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 6402.91.50)			footwear as a protection					
ent weather where such protection includes protection against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6402.91.50)			against water, oil, grease or					
tection includes protection against water that is im- parted by the use of a coat- ed or laminated textile fabric (provided in subheading 6402.91.50)			chemicals or cold or inclem-					
against water that is imparted by the use of a coated or laminated textile fabric (provided in subheading 6402.91.50) Free No change No change On or before			ent weather where such pro-					
parted by the use of a coated or laminated textile fabric (provided in subheading 6402.91.50) Free No change No change On or before			tection includes protection					
ed or laminated textile fabric (provided in subheading 6402.91.50) Free No change No change On or before			against water that is im-					
(provided in subheading 6402.91.50) Free No change No change On or before			parted by the use of a coat-					
6402.91.50) Free No change No change On or before			ed or laminated textile fabric					
6402.91.50) Free No change No change On or before			(provided in subheading					
			-	Free	No change	No change	On or before	
			,				12/31/2009	,,,

- 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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