



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Mechanics' work gloves, valued over \$3.65/pr but not over \$5.58/pr (provided for in subheading 6216.00.58)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject products are mechanics' work gloves. According to a revised U.S. note to subchapter II of chapter 99, the gloves must have the following characteristics: imitation leather palms, fingers with fourchettes and backs comprising either one layer of synthetic knitted fabric or three layers with the outer layer of synthetic knitted fabric, the center layer of foam, and the inner layer of tricot fabric. These gloves are generally used as work gloves in the automotive and home improvement areas, as well as any safety-oriented business. The subject gloves are imported from China, Vietnam, Indonesia, and, to a lesser extent, Korea. A U.S. glove company, Youngstown Glove, opposes this bill, claiming that it will be producing these types of gloves in the United States in the near future. Association opposition to this bill is also noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6216.00.58				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	11	11	11	11	11
Estimated value of <i>dutiable</i> imports (\$)	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Customs revenue loss (\$)	880,000	880,000	880,000	880,000	880,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The article description set forth above was revised to provide greater clarity and to conform with normal HTS usage. We note that the proposed heading would replace existing heading 9902.14.03, which provided a duty reduction to mechanics' work gloves (covered by a more specific definition and U.S. note) valued at \$3.50 or less through the end of 2009, when it expired. It would be possible to amend that heading, rather than to delete it and use a new heading number, to cover the

intended products. One change in the proposed U.S. note is suggested, the insertion of "and" before the word "backs". We note that other bills covering mechanics' gloves would also replace U.S. note 18, and that change need be enacted only once.

VI. Continuation

The duty rate in subheading 6216.00.58 is a compound rate, 20.7 cents plus 10.4% ad valorem, and the rate shown above is an equivalent rate based on 2011 trade.

VII. Contacts with domestic firms/organizations

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Mechanix Wear, Inc. (Interested entity) Kevin S. Reynolds	661-295-6477	No	No	No
2	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	No	No	No
3	National Council of Textile Organizations Mike Hubbard	704-215-4540	No	Yes	Yes
4	National Textile Association David Trumbull	617-542-8220	No	No	No
5	Youngstown Glove Company Brian Sheehy	1-800-680-7177, x7106	No	Yes	Yes

From: Brian Sheehy [mailto:Brian@ytgloves.com]
Sent: Friday, June 22, 2012 4:28 PM
To: Jones, Jackie
Subject: RE: temporary duty suspension bills on mechanics' gloves

Hi Jackie,

Thanks for the call and email. I'm out of the office today but will be back next Friday. If you're available maybe we can speak then.

We are opposed to this bill. I have attached the opposition letters for the HR MTB. We also submitted letters to the Senate Finance Committee for the same purpose. We submitted to both houses on Wednesday.

In the letter we show 5 examples as to why this bill should not pass, however, it comes down to 2 reasons.

1) The definition of a "mechanics glove" in the bill is not representative of the common market place definition of what a mechanics glove truly is. The definition in the bill bases the glove on designs, chosen by manufacturers to be proprietary and favors certain importer over others. We design our gloves to look a certain way. Other companies we compete against (Mechanix Wear, Ironclad, Wells Lamont, Midwest Glove, etc..) choose to design their gloves in their own certain ways. The definition in the bill essentially chooses one design over another. The "special class" then gets 0%, the rest of us get a higher duty rate. I can't emphasize enough this enough, we all sell to the same customers and same end users. We all exhibit at the same trade shows. We all market in the same trade publications. We don't just sell to mechanics. All of our gloves, from every manufacturer and importer, sell to a myriad of pro-contractor and industrial supply channels and customers. A plumber, who wears our gloves, would consider them to be mechanics gloves, even though he is not a mechanic by trade. It's because the entire market of synthetic leather work gloves are called "mechanics gloves." So we're not just talking automotive wrench turners, but the entire industrial contractor marketplace and labor force. Another example, take Mechanix Wear, they sell gardening gloves to Lowe's Home Improvement stores across the country. According to this Bill's definition, those gloves would get preferential 0% duty. What's "mechanic" about that? If a competitor chooses to design their glove in a certain way, let's say to "jazz up" the look in a competitive presentation, they could be at a 10% (or so) cost disadvantage. So, in practice, this definition makes no sense when applied to the entire field of mechanics glove importers.

2) Two years ago, a customer approached us to see if we could produce a 100% made and sourced mechanic glove. This is nearly an impossible request since synthetic leather (the base of the palm of a mechanics glove) is produced only overseas. However, after searching and exploring, we found a microfiber substitute. In addition, we found a startup factory in California who has produced some really nice samples. The opportunity is significant. Right now, most military personnel, if they choose to wear mechanics gloves, must wear mechanics gloves that are imported (typically from Korea for TSA purposes). We are currently sampling and testing these 100% USA made and sourced gloves. I don't know what will eventually happen with this development, nor do I know where the final costs will fall. However, this domestic production is in the works, and we feel this is not the right time to introduce 0% legislation.

We produce about 30 or so styles of mechanics gloves. Under this definition, only 9 would be at 0% and the others would be at the higher duty rate. How does that make sense? The definition was written by Mechanix Wear and their lobbyist and conforms to almost every style of Mechanix Wear gloves. The bill was introduced Rep McKeon, whose district includes Mechanix Wear's corporate office. The true definition of a mechanics glove is a glove entirely made from man-made fibers, with synthetic leather palms as a base layer, fingers with fourchettes, and top of hand materials including, but not limited to, synthetic knitted fabrics. Until the definition states that, we will oppose anything that is divisive and swings the competitive balance that we have today.

I hope this clarifies things. Again, I'd be more than happy to talk next Friday.

Best regards,
Brian

112TH CONGRESS
2D SESSION

H. R. 5191

To suspend temporarily the duty on certain mechanics' work gloves.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

Mr. MCKEON introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain mechanics' work
gloves.

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 MECHANICS' WORK GLOVES.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended—

7 (1) by striking heading 9902.14.03; and

8 (2) by inserting in numerical sequence the fol-
9 lowing new heading:

“ 9902.14.03	Mechanics' work gloves, valued over \$3.65 per pair but not over \$5.58 per pair (provided for in sub- heading 6216.00.58)	Free	No change	No change	On or before 12/31/2015 ”.
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1 (b) AMENDMENT TO U.S. NOTE.—Subchapter II of
2 chapter 99 is amended by striking existing U.S. Note 18
3 to such subchapter and by inserting in such subchapter
4 the following new U.S. Note:

5 “18. For purposes of heading 9902.14.03, the term
6 ‘mechanics’ work gloves’ means gloves having the fol-
7 lowing characteristics: imitation leather palms and fingers
8 with fourchettes; backs comprising either one layer of syn-
9 thetic knitted fabric or three layers with the outer layer
10 of synthetic knitted fabric, the center layer of foam and
11 the inner layer of tricot fabric.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section apply to goods entered, or withdrawn from
14 warehouse for consumption, on or after the 15th day after
15 the date of the enactment of this Act.

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