



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)):

Cases or containers with outer surface of injection-molded acrylonitrile butadiene styrene or polypropylene, the foregoing specially shaped or fitted for, and with labeling, logo or other descriptive information on the exterior of the case or container indicating an intention to be used for, electronic drawing toys or electronic games of heading 9503 or 9504 (provided for in subheading 4202.99.90)

(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 cases or containers for electronic toys or games. These cases and containers are specifically designed for transporting, storing, and protecting particular games or toys; contain permanent or durable internal fittings shaped to hold the specific toys; and have printed information or tags on them indicating the names of the toys for which they are designed. The cases are typically made of a hard, molded plastic. China is the primary import source for the subject bags and cases.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	4202.99.90				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	20	20	20	20	20
Estimated value of <i>dutiable</i> imports (\$)	2,500,000	2,750,000	3,000,000	3,250,000	3,500,000
Customs revenue loss (\$)	500,000	550,000	600,000	650,000	700,000

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 for greater clarity and for conformity with the permanent tariff provisions.

H.R. 5490 and S. 3046 are companion bills. Another bill, S. 2565 (Mrs. Dianne Feinstein, CA), appears to cover similar cases

specialy shaped or fitted to hold electronic toys and games provided for in subheading 4202.99.90. There is at least a possibility that the products covered under H.R. 5490/S. 3046 and S. 2565 could overlap, but this would require interpretation by Customs as to the proper scope. S. 2565 covers cases "of plastic" that could include cases of either acrylonitrile butadiene styrene or polypropylene specified in H.R. 5490/S. 3046. While S. 2565 restricts its coverage to cases with molded handles, H.R. 5490/S. 3046 covers both cases with molded handles and cases without such handles. There is also the question of what is an "educational toy" and whether, for tariff purposes, any such article exists; a toy is an article chiefly for the amusement of children or adults, and not for their education. Customs officials can address these matters.

VI. Continuation

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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	Bensussen Deutsch & Associates (Interested entity) Jay Fox	425-205-2776	No	No	No
2	American Manufacturing Trade Action Coalition (AMTAC) Sara Beatty	202-452-0866	No	No	No
3	Disney Consumer Products Mike Castellano	202-222-4750	No	No	No
4	Hasbro, Inc. Kathrin Belliveau	401-808-7945	No	No	No
5	Sandler, Travis & Rosenberg, P.A. on behalf of Leap Frog Enterprises, Inc. Ned Steiner	202-730-4970	No	No	No
6	National Council of Textile Organizations Mike Hubbard	704-215-4540	No	No	No
7	National Textile Association David Trumbull	617-542-8220	No	No	No
8	S.E.A.M.S. Sarah Friedman	803-772-5861	No	No	No
9	Target Toni Dembski-Brandl	612-696-2573	No	No	No
10	Travel Goods Association Nate Herman	703-797-9062	No	No	No
11	Wal-Mart Lisa Schimmelpfenning	479-273-8811	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5490

To suspend temporarily the duty on certain injection-molded ABS or PP cases or containers to be used for electronic drawing toys or electronic games.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on certain injection-molded ABS or PP cases or containers to be used for electronic drawing toys or electronic games.

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 INJECTION MOLDED ABS OR PP**
4 **CASES OR CONTAINERS TO BE USED FOR**
5 **ELECTRONIC DRAWING TOYS OR ELEC-**
6 **TRONIC GAMES.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.01.00	Cases or containers (provided for in subheading 4202.99.90), made of injection molded ABS (acrylonitrile butadiene styrene) or PP (polypropylene), specially shaped or fitted for, and with labeling, logo or other descriptive information on the exterior of the case or container indicating an intention to be used for, electronic drawing toys or electronic games of heading 9503 or 9504.	Free	No change	No change	On or before 12/31/2016	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

