

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 26, 2005]²

Bill No. and sponsor: H.R. 1115 (Mr. McKeon).

Proponent name, location: Anza Sport Group, Inc.
Mechanix Wear
Valencia, California.

Other bills on product (109th Congress only): S. 541.

Nature of bill: Permanent tariff change.

Retroactive effect: None.

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

The new subheading would cover “mechanics’ gloves,”³ with the following slightly modified new additional U.S. note to chapter 62 defining the scope:

For the purposes of subheading 6216.00.47, the term “mechanics’ gloves” means gloves specially designed for use by professional auto-racing teams and general automotive mechanics and comprising synthetic leather palms and fingers; fourchettes of synthetic leather or of fabric of nylon or elastomeric yarn; backs comprising either one layer of knitted fabric of elastomeric yarn or three layers with the outer layer of knitted fabric of elastomeric yarn, the center layer of foam and the inner layer of tricot fabric, the foregoing whether or not including a thermoplastic rubber logo or pad on the back; and elastic wrist straps with molded thermoplastic rubber hook-and-loop closures.

Check one: Same as that in bill as introduced– for tariff subheading
 Different from that in bill as introduced–for proposed additional U.S. note
(explain differences in Technical comments section)

¹ Industry analyst preparing report: Jackie W. Jones (202-205-3466); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm
Access to a paper copy is available at the Commission’s Law Library (202-205-3287) or at the Commission’s Main Library (202-205-2630).

³ The article description as proposed need have no changes; however, the duty rates and subheading number should be changed as suggested in the technical comments section.

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

The subject specialty auto mechanics’ gloves are currently classified in HTS subheading 6216.00.58 (nonenumerated man-made fiber gloves with fourchettes, other than gloves designed specifically for sports), dutiable at a general rate of 20.7¢/kg + 10.4 percent ad valorem (11.2 percent ad valorem equivalent (AVE) based on 2004 and year-to-date 2005 trade data). Under proposed HTS subheading 6216.00.45 (man-made fiber mechanics’ gloves), the gloves would be dutiable at a general rate of 2.8 percent ad valorem (the same rate as most man-made fiber sports gloves). The subject gloves are used as specified by professional auto-racing teams or by general automotive mechanics. This bill would provide to the subject mechanics’ gloves the duty treatment now applicable to gloves specially designed for use in sports. The change would effectively overturn various Customs Headquarters Rulings of September 10, 2003 (HQ 966431 et al.), which held that these gloves were not properly classifiable as “specially designed sports gloves” because the intended wearers were not themselves the participants in a sport but were either supporting crews or were functioning separately as mechanics in auto repair shops.⁴

The subject gloves are imported mostly from China and, to a lesser extent, from Vietnam.

Estimated effect on customs revenue:

The import information in the following tabulation represents only a portion of HTS statistical reporting number 6216.00.5820.

HTS statistical reporting number: 6216.00.5820					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	11.2%	11.2%	11.2%	11.2%	11.2%
Estimated value <i>dutiable</i> imports <u>2/</u>	\$21,850,000	\$21,850,000	\$21,850,000	\$21,850,000	\$21,850,000
Estimated Customs revenue loss <u>2/</u>	\$1,835,400	\$1,835,400	\$1,835,400	\$1,835,400	\$1,835,400

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using annual 2004 and year-to-date 2005 data. The AVE for these gloves during the period is 11.2 percent. The new provision would have an AVE of 2.8 percent during the period. The difference between the 2 rates is 8.4 percent, and the revenue loss shown reflects that figure.

2/ These data are based on estimates provided by the largest importer of this product, which are considered to be confidential. E-mail and telephone communication with Monte Ward, Advanced Capitol Consulting, June 2 and 8, 2005.

Source: Industry and Commission estimates.

⁴ These gloves are not affected by the U.S. Customs and Border Protection (CBP) memorandum (TBT-05-011) issued in May 2005, which reclassified certain sports apparel made with thick non-textile protective guards from the sports apparel provisions in HTS chapters 61 and 62 to sports equipment in HTS chapter 95. The subject gloves are not considered to be sports gloves, as explained in Customs HQ 966431 discussed above, and thus were not covered by the memorandum.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Advanced Capitol Consulting, Monte Ward	6/2/2005	No	No	No
International Glove Association, Carol Burdge	6/10/2005	Yes	No <u>1/</u>	Yes <u>2/</u>

1/Commission staff sent an e-mail to the International Glove Association on June 10, 2005, notifying the association of the need for written submissions if its members wished to express views on the proposed legislation. As of June 21, 2005, the Commission had received no responses.

2/Association staff cited opposition per telephone interview with Commission staff, June 10, 2005.

Technical comments:⁵

Because these gloves are not “specially designed for use in sports,” the Commission suggests that the new provision be numbered as 6216.00.47. The Commission recommends that language in the proposed additional U.S. note to chapter 62 be modified to read as suggested on page one of this memorandum to take into account normal HTS descriptive usage and input from both U.S. Customs and Border Protection officials and the proponent. As drafted, the note incorrectly referred to HTS heading 5407, which covers woven fabrics of synthetic filament yarn, not knitted fabrics. Knitted fabrics fall in chapter 60, depending on their composition. In order to simplify the determinations required by the new note’s definitions, we suggest striking the references to particular headings applicable to the fabrics in question. Minor punctuation changes also appear in the text set forth on page one.

We note that the existing provision, 6216.00.58, is not designated as eligible for duty-free treatment under non-free-trade-agreement special tariff programs (which involve determinations by the President), and thus the new provision should not so provide but should have special and column 2 duty rates matching those of subheading 6216.00.58 where the gloves now fall. Thus, new subheading 6216.00.47 should have no special-subcolumn duty rate symbols “A” (for GSP), “E” (for CBERA), or “J” (ATPA), and the column 2 duty rate should be “99.2¢/kg + 65%”.

⁵ 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.

109TH CONGRESS
1ST SESSION

H. R. 1115

To amend the Harmonized Tariff Schedule of the United States to clarify the tariff rate for certain mechanics' gloves.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2005

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

A BILL

To amend the Harmonized Tariff Schedule of the United States to clarify the tariff rate for certain mechanics' 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 NON-KNIT GLOVES DESIGNED FOR**

4 **USE BY AUTO MECHANICS.**

5 (a) IN GENERAL.—Chapter 62 of the Harmonized
6 Tariff Schedule of the United States is amended by insert-
7 ing in numerical sequence the following new subheading,
8 with the article description having the same degree of in-
9 dentation as the article description for subheading
10 6216.00.43:

6216.00.45	Mechanics' gloves	2.8%	Free (A, AU, CA, CL, E, IL, J, JO, MX, SG)	45%	”.
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1 (b) ADDITIONAL U.S. NOTE.—The additional U.S.
2 Notes to chapter 62 of the Harmonized Tariff Schedule
3 of the United States are amended by adding at the end
4 the following additional U.S. Note:

5 “3. For the purposes of subheading 6216.00.45, the term
6 “mechanics’ gloves” means gloves especially designed
7 for the use of professional autoracing teams and gen-
8 eral automotive mechanics, with the following: syn-
9 thetic leather palms and fingers; fourchettes of syn-
10 thetic leather, nylon, or elastomeric yarn; backs com-
11 prising either one layer of knitted elastomeric fabric
12 of heading 5407, or three layers with the outer layer
13 of knitted elastomeric fabric of heading 5407, the
14 center layer of foam, and the inner layer of tricot of
15 heading 5903, whether or not including a thermo-
16 plastic rubber logo or pad on the back; and elastic
17 wrist straps with molded thermoplastic rubber hook-
18 and-loop enclosures.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section apply to articles entered, or withdrawn from
21 warehouse for consumption, on or after the 15th day after
22 the date of the enactment of this Act.

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