

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: January 30, 2006]<sup>2</sup>

**Bill No. and sponsor:** H.R. 3395 (Mr. Jim Ryun, Kansas).

**Proponent name, location:** Payless ShoeSource®, Topeka, KS.

**Other bills on product (109<sup>th</sup> 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)):**

9902.64.14 House slippers with outer soles of rubber, plastics, leather or composition leather and uppers of leather, valued not over \$2.50/pair (provided for in subheading 6403.99.75).

9902.64.xx Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like, the foregoing with outer soles of rubber or plastics and uppers of textile materials, for women (provided for in subheading 6404.11.20).

**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:**

As drafted, the bill covers two types of footwear in a single chapter 99 tariff provision: house slippers with outer soles of rubber, plastics, leather or composition leather and leather uppers, valued not over \$2.50 per pair (statistical reporting number 6403.99.7515); and sports footwear<sup>3</sup> for women and with outer soles of rubber or plastics (statistical reporting number 6404.11.2060).

In dutiable value, the subject footwear accounted for a small share (\$513,000) of U.S. imports under HTS subheading 6403.99.75, which were \$21.8 million in 2004, and almost a quarter (\$553,000) of U.S. imports under HTS subheading 6404.11.20, which totaled \$1.9 million in 2004. Imports had declined significantly in 2004 over 2003. China was the leading supplier of U.S. imports of the subject footwear in 2004.

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

<sup>2</sup> An electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

<sup>3</sup> For the purposes of subheading 6404.11, "sports footwear" applies only to footwear which is designed for a sporting activity and has, or has provision for the attachment of spikes, springs, cleats, stops, clips, bars, or the like.

**Estimated effect on customs revenue:**

<b>HTS subheading 6403.99.75</b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	7%	7%	7%	7%	7%
Estimated value <i>dutiable</i> imports <u>1/</u>	\$540,000	\$540,000	\$540,000	\$540,000	\$540,000
Customs revenue loss	\$37,800	\$37,800	\$37,800	\$37,800	\$37,800

<b>HTS subheading 6404.11.20</b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	10.5%	10.5%	10.5%	10.5%	10.5%
Estimated value <i>dutiable</i> imports <u>1/</u>	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Customs revenue loss	\$115,500	\$115,500	\$115,500	\$115,500	\$115,500

1/ No data are included on imports now entering free of duty or at reduced duty rates under U.S. free trade agreements or tariff preference programs; such imports may be affected by changes in the general duty rate on the subject goods.

Source of estimated dutiable import data: official trade data of the Department of Commerce and Commission estimates based on data and import trend information provided by industry.

**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)	
Payless ShoeSource® (Proponent) Curtis Sneden, Director of Government Affairs (785-295-6615)	11/09/05	No	Yes	No
American Apparel and Footwear Association Nate Herman, Director of International Trade (703-797-9062)	11/15/05	No	No	No
Footwear Distributors and Retailers of America Peter T. Mangione, President (202-737-5660)	11/18/05	No	No	No

Rubber and Plastic Footwear Manufacturers Association Mitchell Cooper, Counsel (202-331-1858)	11/07/05	No	No	No
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**Technical comments:**<sup>4</sup>

The Customs automated entry system cannot accommodate the grouping of two totally unrelated products in a single chapter 99 heading, and the absence of any relationship makes it confusing for users of the HTS to combine the two in any case. It is suggested that the two products be covered by separate tariff headings, with the number of the second one to be determined before enactment. A parenthesis should be added at the end of the reference to subheading 6403.99.75 in the first provision, for house slippers. It is suggested that the article description for the second such heading be written as shown on page 1 of this report, unless Customs feels it needs the complete and lengthy description from the cited chapter 64 provision.

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<sup>4</sup> 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 U.S. Customs and Border Protection should be consulted prior to enactment of the bill.

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3395

To suspend temporarily the duty on certain work footwear.

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IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2005

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

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## A BILL

To suspend temporarily the duty on certain work footwear.

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 WORK FOOTWEAR.**

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:

“	9902.64.14	House slippers with outer soles of rubber, plastics, leather or composition leather and uppers of leather, valued not over \$2.50/pair (provided for in subheading 6403.99.75 Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like, all the foregoing with outer soles of rubber or plastics and for women (provided for in subheading 6404.11.20) .....	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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