

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: March 5, 2010]²

Bill No. and sponsor: S. 1828 (Mr. Max Baucus of Montana).

Proponent name,³ location: Mother Moose Enterprises, Missoula, MT.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Key chains of base metal with attached acrylic mini-globes, the foregoing not constituting festive articles (provided for in subheading 7326.20.00).

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:

The subject metal key chains are characterized by the acrylic material of the attached small globe (of spheroid, dome, or other shapes). The mini-globe is small enough for the entire key chain to fit readily into a pocket or handbag, and the figurine, object, or scenery within the mini-globe does not reflect a festive theme. (Such "festive articles" are generally classifiable in HTS heading 9505.) Many of these mini-globes are filled with plastic flakes (or metallic glitter) in an aqueous liquid that surrounds a figurine, object, or scenery of plastics or other materials attached to the base of the mini-globe. Shaking or inverting the mini-globe stirs up the plastic flakes which settle slowly in the liquid within, thus creating the effect of snow fall upon the figurine, object, or scenery inside the mini-globe. These metal key rings with acrylic mini-globes are sold to be used as gifts, promotional items, souvenirs, and collectibles, for the key chain may include slogans, locality names, business names, product names, or other advertising labeling on the mini-globe, an attached plastic or metal tab, or both.

¹ Industry analyst preparing report: Karl Tsuji (202-205-3434); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor and proponent identified two additional beneficiaries of this bill. USITC staff sent inquiries to these additional beneficiaries. Both submitted written representations, indicating that one would benefit from this bill but the other would not.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 7326.20.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.9%	3.9%	3.9%	3.9%	3.9%
Estimated value <i>dutiable</i> imports ^a	\$2,579,000	\$2,579,000	\$2,579,000	\$2,579,000	\$2,579,000
Customs revenue loss ^b	\$100,581	\$100,581	\$100,581	\$100,581	\$100,581

a/ Dutiable import estimates were based on Commission estimates that imports of these highly specific subject products do not exceed 1 percent of all imports under this HTS residual or "basket" category.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

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)		
Mother Moose Enterprises (Proponent) Larry Kupper, President (406-721-2698, mothermoose@montana.com)	11/20/2009	No	No	No
American Gift Corp. (Beneficiary) Hal Kluger, President (305-884-6800, hkluger@agiftcorp.com)	11/24/2009	No	Yes	No

Technical comments:⁴

It is suggested that the article description of the proposed heading be worded as shown on page 1, to be more consistent with HTS usage. It should be noted that each article for which entry would be claimed under this provision must be examined by CBP; in some cases, published Customs rulings about key chains with attached articles indicate that the two component elements must be constructively segregated and classified separately. However, if that were to occur, it would have the effect of reducing the potential customs revenue loss resulting from the duty suspension.

⁴ 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.

111TH CONGRESS
1ST SESSION

S. 1828

To suspend temporarily the duty on certain metal key chains with acrylic mini-globes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 2009

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

A BILL

To suspend temporarily the duty on certain metal key chains with acrylic mini-globes.

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. METAL KEY CHAINS WITH ACRYLIC MINI-**
4 **GLOBES.**

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:

“	9902.01.00	Metal key chains with acrylic mini-globes, not festive (provided for in subheading 7326.20.00)	Free	No change	No change	On or before 12/31/2011	”.
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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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