

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: April 23, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 1987 (Ms. Amy Klobuchar of Minnesota).

**Proponent name,<sup>3</sup> location:** Target Corporation, Minneapolis, MN.

**Other bills on product (111<sup>th</sup> 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)):**

Vacuum mugs and their associated lids, of aluminum, each with a capacity not exceeding 1 liter and with USB plug-in capability to permit warming of beverages (provided for in subheading 8516.79.00 or 9617.00.10).

**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:**

A vacuum mug is an insulated type of cup generally used for drinking hot beverages, such as coffee, tea, or hot chocolate. Vacuum mugs are also referred to as travel mugs since they are commonly used while commuting to work or traveling.<sup>4</sup> The mugs specified in the proposed language of this bill have a lid and a capacity of less than 1 liter (33.8 ounces), whereas most vacuum mugs have a capacity of less than 20 ounces. In addition, the unique characteristic of the mugs specified in the bill is that they have a USB<sup>5</sup> plug-in that allows the user to keep the beverage in the mug warm.<sup>6</sup> Not all mugs sold as “vacuum mugs” actually could be identified as having a vacuum between the container’s walls or inside it when the lid is attached. Many of these mugs are sold directly over the internet as automobile or computer accessories. The principal import source for these products is China.

<sup>1</sup> Industry analyst preparing report: Brendan Lynch (202-205-3313); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not provide any additional beneficiaries of this bill. In addition, USITC staff identified one additional beneficiary of this bill that was not identified by the proponent, which indicated that it would benefit from the bill but submitted no written representation.

<sup>4</sup> Vacuum mugs are typically made of either stainless steel or aluminum. Stainless steel mugs have a higher market share but only aluminum mugs are covered in this bill.

<sup>5</sup> Universal Serial Bus. Such a port is typically used to allow the transfer of data, but it can also be used to power low-voltage devices.

<sup>6</sup> Many cars now have USB plugs as part of the cigarette lighter or accessory panel and, as a result, many people can now keep their coffee or tea warm while driving in the same mugs that could be powered through their computers.

<b>Total Estimated Revenue Loss for this Bill</b>					
	2010	2011	2012	2013	2014
Customs revenue loss	\$148,500	\$148,500	\$148,500	\$148,500	\$148,500

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8516.79.00:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.7%	2.7%	2.7%	2.7%	2.7%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss <sup>b</sup>	\$40,500	\$40,500	\$40,500	\$40,500	\$40,500

a/ Dutiable import estimates were based on estimates provided by industry sources and official U.S. Government statistics.

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

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 9617.00.10:<sup>7</sup>**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	7.2%	7.2%	7.2%	7.2%	7.2%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss <sup>b</sup>	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000

a/ Dutiable import estimates were based on estimates provided by industry sources and official U.S. Government statistics. Because of the possibility that the subject goods would not be classified in this subheading, it is possible that no imports would actually be reported under this provision.

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

<sup>7</sup> It is unclear if any of the subject goods would in fact be classified by CBP under this subheading due to the presence of the plug-in USB feature specified in the article description.

**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)		
Target Corporation (Proponent) Susan Flack, 202-863-7265	11/30/2009	No	No	No
Princess International, Inc. Internet home page, 718-259-9574	12/14/2009	No	No	No
Thermos LLC 847-439-7821	12/1/2009	No	No	No
Wal-Mart Corp. Trace Baily, 202-434-0999	12/1/2009	No	No	No

**Technical comments:<sup>8</sup>**

It is suggested that the article description of the proposed new heading be worded as shown on page 1. The specification of the plug-in USB feature for the subject goods in the proposed heading may indicate they are excluded from classification under subheading 9617.00.10. No published Customs rulings appear to exist concerning this product, and no information was available from Customs officials concerning the likely classification of the product. In addition, published rulings for heading 9617 suggest that CBP has in the past tested goods imported under this heading to ascertain if they indeed demonstrate a vacuum as required by the heading. These two factors mean that it is difficult to estimate the likely customs revenue loss that would result from this bill; however, the Commission believes based upon available information that the likely revenue loss would be well below \$500,000 per year.

<sup>8</sup> 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. 1987

To suspend temporarily the duty on certain aluminum vacuum mugs with lids.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

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

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## A BILL

To suspend temporarily the duty on certain aluminum vacuum mugs with lids.

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 ALUMINUM VACUUM MUGS.**

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:

“	9902.01.00	Aluminum vacuum mugs with lid, a capacity not exceeding 1 liter and USB plug-in capability to warm the contents (provided for in subheading 9617.00.10) .....	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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