

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: February 23, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 1989 (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)):**

Children's wallets with outer surface of nylon, valued not over \$1.00 each, the foregoing with dimensions not exceeding 26 cm by 11.5 cm and with artwork or graphics using cartoon characters or other children's motifs (provided for in subheading 4202.32.20)

**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:**

The subject products are children's wallets, with artwork or graphics depicting cartoon characters or other children's motif, that have an outer surface made of nylon, with physical dimensions measuring no more than 26 cm by 11.5 cm. These wallets are each valued at not more than \$1.00, and are typically sold in retail stores. They are imported predominantly from China and represent only a small portion of all products covered by HTS subheading 4202.32.20.

According to the proponent and industry contacts, the subject products are not produced domestically.

<sup>1</sup> Industry analyst preparing report: Don Sussman (202-205-3331); 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 and proponent stated there are more than 10 beneficiaries (numerous retailers and suppliers) of this bill.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 4202.32.20:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	20%	20%	20%	20%	20%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$602,500	\$602,500	\$602,500	\$602,500	\$602,500
Customs revenue loss <sup>b</sup>	\$120,500	\$120,500	\$120,500	\$120,500	\$120,500

a/ Dutiable import estimates were provided by industry sources.

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)		
American Apparel & Footwear Association Nate Herman, 703-797-9062	11/30/2009	No	No	No
American Manufacturing Trade Action Coalition Sara Ormand, 202-452-0866	11/30/2009	No	No	No
Fashion Accessories Shipping Association Nate Herman, 703-797-9062	11/30/2009	No	No	No
National Textile Association David Trumbull, 617-542-8220	12/01/2009	No	No	No
National Council of Textile Organizations Sarah Pierce, 202-822-8026	11/24/2009	No	No	No
Target Corporation (Proponent) Marguerite Trossevin, 202-251-6170	11/24/2009	No	No	No
Travel Goods Association Nate Herman, 703-797-9062	11/30/2009	No	No	No

**Technical comments:<sup>4</sup>**

Minor edits to the proposed article description are shown in the language set forth on page 1, so that the new heading would be consistent with other tariff provisions. However, we would note that this language would require interpretation by Customs and Border Protection officials that is not now required, to ascertain whether any particular wallet is a “children’s” wallet, to determine whether a figure or representation on a wallet is of a “cartoon character,” and to determine that any other motif on a wallet is a “children’s motif.” These terms are not defined, and whether a particular figure or motif is one most

<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 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.

commonly of interest to children can change over time. Such figures or motifs may be enjoyed as well by some adults; adults enjoy cartoon characters in many cases. Thus, the scope of the provision is not completely predictable, and the level of imports that might actually be allowed to enter under the new heading could differ from the figures presented in this report.

111TH CONGRESS  
1ST SESSION

# S. 1989

To suspend temporarily the duty on certain children's wallets.

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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 children's wallets.

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 CHILDREN'S WALLETS.**

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	Children's wallets with outer surface of nylon each valued not over \$1.00 and with dimensions not exceeding 26 cm x 11.5 cm and with artwork or graphics using cartoon characters or other children's motif (provided for in subheading 4202.32.20) .....	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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