

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. 2237 (Mrs. Dianne Feinstein of California).

Proponent name,³ location: Mechanix Wear, Inc. (Valencia, CA).

Other bills on product (111th Congress only): H.R. 4380

Nature of bill: Extension of temporary duty reductions through December 31, 2011.

Retroactive effect: None.

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

9902.14.01 Mechanics' work gloves, valued not over \$3.50 per pair (provided for in subheading 6216.00.58).

9902.14.02 Mechanics' work glove, valued over \$3.50 per pair but not over \$3.70 per pair (provided for in subheading 6216.00.58).

9902.14.03 Mechanics' work gloves, valued over \$3.70 per pair but not over \$4.99 per pair (provided for in subheading 6216.00.58).

9902.14.04 Mechanics' work gloves, valued over \$4.99 per pair but not over \$7.72 per pair (provided for in subheading 6216.00.58).

9902.14.05 Mechanics' work gloves, valued over \$7.72 per pair (provided for in subheading 6216.00.58).

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 bill covers certain auto mechanics' work gloves that are imported largely by U.S. work glove companies and by companies supplying products for use in auto repair and racing. The legislation would delete and restate the existing headings with the same tariff numbers and general duty rates, as well as U.S. note 18 to subchapter II of chapter 99 of the HTS. That legal note sets out detailed specifications

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 http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The proponent indicated that the bill is reasonably expected to benefit more than 10 firms and provided a list of possible beneficiaries. The staff contacted likely beneficiaries and has received three written verifications to date.

the gloves must meet in order to be considered “mechanics’ work gloves” eligible for the proposed duty reduction. The subject gloves are imported mostly from China and, to a lesser extent, Vietnam.

U.S. imports under all the provisions covered by this bill (HTS headings 9902.14.01–9902.14.05) totaled \$34.4 million in 2008 and \$30.3 million for January–September 2009. HTS heading 9902.14.01, covering mechanics’ work gloves valued not over \$3.50 per pair, accounted for approximately a third of the value of total imports entering under the five chapter 99 headings in 2008.

Estimated effect on customs revenue for the subject products classifiable in HTS subheading 6216.00.58:^a

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.9%	6.9%	6.9%	6.9%	6.9%
Estimated value <i>dutiable</i> imports ^b	\$34,350,000	\$34,350,000	\$34,350,000	\$34,350,000	\$34,350,000
Customs revenue loss ^c	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000	\$1,408,000

a/ The revenue loss is reported for the bill as a whole, a total of the revenue losses for the five HTS chapter 99 headings under which imports of the subject mechanics’ work gloves can now enter. All the subject gloves are classified in HTS subheading 6216.00.58. Calculated separately for each of the five chapter 99 headings, based on the value of 2008 imports, the revenue loss would be approximately \$480,650 for heading 9902.14.01; \$183,120 for heading 9902.14.02; \$285,525 for heading 9902.14.03; \$185,545 for heading 9902.14.04; and \$281,490 for heading 9902.14.05. The data represent a reduction from the general duty rate of 6.9 percent ad valorem to a temporary rate of 4.1 percent, a reduction of 2.8 percentage points.

b/ Dutiable import estimates are based on official U.S. Government statistics.

c/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation is through December 31, 2011.

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)		
Mechanix Wear (Proponent) Kevin Reynolds, 661-295-6477	12/01/2009	No	No	No
Camelbak Gloves Carrie Ingber, 707-796-9262 ap@camelbak.com	01/08/2010	No	No	No
Instinct Gloves Allison Smith, 661-775-0106 asmith@instinctgloves.com	01/08/2010	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Ironclad Performance Wear Jeffrey A. Meeks, 508-696-5940	11/18/2009	No	Yes	No
Manzella Knitting, Worldwide Glove Ed Mesanovic, 877-678-4568 emesanovic@manzelloworldwide.com	12/07/2009	Yes	No	Yes
National Council of Textile Organizations (NCTO) Mike Hubbard, 704-215-4540	12/07/2009	Yes	Yes	Yes
Patrick Yarns Gilbert Patrick, 704-739-4119	12/07/2009	Yes	No	Yes
Ringers Gloves Helen Ma, 805-517-0161 helenm@ringersgloves.com	01/08/2010	No	No	No
SAS Safety Corporation Todd Zuella, 800-262-0200 tzuella@sassafety.com	01/08/2010	No	No	No
Team Simpson Racing L. Cordes, 830-625-1774 lcordes@teamsimpson.com	01/07/2010	No	No	No
Williamson-Dickie Manufacturing Company Richard Riccetti, 800-336-7201	01/08/2010	No	No	No
Youngstown Glove Co. Adam Nguyen, 800-680-7177 adam@ytgloves.com	01/10/2010	No	Yes	Yes

Technical comments:⁴

The bill should be rewritten so that it merely strikes the existing expiration date from each of the five HTS headings now in chapter 99 and replaces it with the desired new date, rather than reprinting the existing provisions with no changes but subject to printing errors. Similarly, U.S. note 18 to subchapter II of chapter 99 is already in the HTS. It need not be deleted and restated but could simply be amended if any changes are desired. In addition, the Commission staff notes that there are two U.S. note 18's in subchapter II of chapter 99 and suggests that the note relating to mechanics' work gloves be renumbered as U.S. note 17A.

The proposed note language in the bill omits the useful criterion that is inherent in any glove classified in subheading 6216.00.58—that it be “of man-made fibers”—and it is suggested that this criterion now in existing U.S. note 18 be retained for clarity. The proposed language would also reduce the quantity of

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.

nylon or elastomeric yarn that would be required in the constituent fabrics of these gloves; the current requirement is that the fabrics be “of” nylon or elastomeric yarn (meaning that these materials must predominate by weight over other materials) but the proposed language would require only that they be “in part of” these materials—which could mean only one yarn or a trace proportion of nylon or elastomeric yarn would be required, however small. That change would broaden the scope of the existing provision and the extent to which it would result in added shipments qualifying under these headings cannot easily be estimated. To the extent that any gloves now being imported have been redesigned to meet the existing criteria, the firms that made this investment would lose any advantage now available.

Dear Jackie Jones,

Please note that our Company strongly opposes bill S. 2237.

This bill has been drafted to benefit one company by (1) the way in which they construct their gloves and (2) the customer to whom they sell.

This is creating an unfair playing field for the rest of the companies who import similar work gloves and sell into similar work-related channels, but do not receive the same preferential treatment based on the way in which they (the other companies) construct their work gloves or to whom they sell.

The gloves imported by this customer wind up being sold in work-related outlets such as Home Depot, Lowe's and Sears. They are sold as work gloves for construction work and to the Do-It-Yourself (DIY) home owner - not to mechanics. Therefore, we directly compete with this customer and they are receiving about an 8% head start on their price to the customer. Needless to say, this has allowed them to secure the business while other companies who sell directly into this construction/home improvement channel do not get the business. Giving our competitor an 8% edge based on how they construct the glove and to whom they market the glove to while selling to an entirely different market and customer is unfair and should be stopped.

Our competitor should not receive beneficial treatment of import duties simply for the materials they select and the customer to which they sell. This bill unfairly discriminates against those work gloves that are not designed for use by Auto Mechanics.

Should this bill be put into effect, it would give rise to other companies following suit by trying to further segment the work glove category by its intended use and the way in which they build their products to suit their specific customer. Should there be a change in legislation to assist in the importing of Carpenters, Masons, Plumbers and Electricians gloves? Should that be further broken down by the materials selected in which to build gloves for those specific trades? The passing of this bill would give rise to that segmentation.

All glove companies that import gloves within the category of 6216.00.5820 should be competing on the same playing field, regardless of the end-use.

One company should not benefit while the rest suffer. That is not how the laws, rules and regulations of this Country were set up and meant to serve.

Thank you for giving us the opportunity to be heard.

Yours truly,

Ryan Malone
President
Youngstown Glove Co.
Tel: 800-680-7177 ext. 107

111TH CONGRESS
1ST SESSION

S. 2237

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

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To amend the Harmonized Tariff Schedule of the United States to clarify the tariff rate for certain mechanics' work 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.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by striking headings 9902.14.01, 9902.14.02,
8 9902.14.03, 9902.14.04, and 9902.14.05, and inserting in
9 numerical sequence the following new headings:

“	9902.14.01	Mechanics' work gloves, valued not over \$3.50 per pair (provided for in subheading 6216.00.58)	2.8%	No change	No change	On or before 12/31/2011	
	9902.14.02	Mechanics' work gloves, valued over \$3.50 per pair but not over \$3.70 per pair (provided for in subheading 6216.00.58)	2.8%	No change	No change	On or before 12/31/2011	
	9902.14.03	Mechanics' work gloves, valued over \$3.70 per pair but not over \$4.99 per pair (provided for in subheading 6216.00.58)	2.8%	No change	No change	On or before 12/31/2011	
	9902.14.04	Mechanics' work gloves, valued over \$4.99 per pair but not over \$7.72 per pair (provided for in subheading 6216.00.58)	2.8%	No change	No change	On or before 12/31/2011	
	9902.14.05	Mechanics' work gloves, valued over \$7.72 per pair (provided for in subheading 6216.00.58)	2.8%	No change	No change	On or before 12/31/2011	”.

1 (b) AMENDMENT TO U.S. NOTES.—Subchapter II of
2 chapter 99 of the Harmonized Tariff Schedule of the
3 United States is amended by striking the first U.S. Note
4 18 to such subchapter (relating to headings 9902.14.01
5 through 9902.14.05) and inserting after U.S. Note 19, the
6 following new U.S. Note:

7 “20. For the purposes of subheadings 9902.14.01,
8 9902.14.02, 9902.14.03, 9902.14.04, and 9902.14.05, the
9 term ‘mechanics’ work gloves’ means gloves having the fol-
10 lowing characteristics: synthetic leather palms and fingers;
11 fourchettes of synthetic leather or of fabric in part of
12 nylon or elastomeric yarn; backs comprising either one
13 layer of knitted fabric in part of elastomeric yarn or three
14 layers with the outer layer of knitted fabric in part of elas-
15 tomeric yarn, the center layer of foam and the inner layer

1 of tricot fabric, the foregoing whether or not including a
2 thermoplastic rubber logo or pad on the back; and elastic
3 wrist straps with molded thermoplastic rubber hook-and-
4 loop enclosures.”.

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

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