

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: May 24, 2010]²

Bill No. and sponsor: S. 2383 (Mr. George Voinovich of Ohio).

Proponent name,³ location: Standard Textile Co., Inc., Cincinnati, OH.

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)):

Reusable surgical wrappers of textile materials (provided for in subheading 6307.90.98)

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 reusable, finished textile products that are sold to healthcare facilities, primarily hospitals and outpatient surgical centers. A surgical wrapper is used to “wrap” or package other surgical textiles and instruments to create a sterile surgical pack. The proponent holds a patent on a specific reusable surgical wrapper made by joining together two plies of identical, woven fabric wholly of polyester filaments by edge stitching, tape, or serge stitching. The proponent’s products can also be fabricated by weaving yarns from one of the plies into the other to form an integral unit and may contain one or more electrically conductive yarns intended to help in the sterilization process and reduce the likelihood of infection in surgical patients. Reusable surgical wrappers may also be made with fabrics containing 50 percent cotton by weight and 50 percent polyester or 99 percent polyester and 1 percent carbon fibers or yarns. Other types of surgical wrappers are intended to be discarded after use.

The subject product is primarily imported from Mexico.⁴

¹ Industry analyst preparing report: Don Sussman (202-205-3331); 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/proponent identified two additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received a response from one, but that response did not indicate whether the firm would benefit from the bill.

⁴ Goods of Mexico are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA). Under tariff classification rule 4 for chapter 63, the subject products must be made of yarns and fabrics made in North America and must be cut and sewn or otherwise assembled in a NAFTA party in order to receive NAFTA benefits. See general note 12(t) to the HTS.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6307.90.98:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	7%	7%	7%	7%	7%
Estimated value <i>dutiable</i> imports ^a	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
Customs revenue loss ^b	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250

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)	
Standard Textile Co., Inc. (Proponent) Walter Spiegle, 513-761-9256	03/10/2010	No	No	No
Creative Outlet Jim Garner, 252-808-3898	04/27/2010	Yes	Yes	Yes
Encompass Group Jea Jakowski, 800-284-4540	03/17/2010	No	No	No
Medline Industries Alex Leiberman, 847-949-5500	03/17/2010	No	No	No
Shamron Mills LTD Ronnye B. Shamam, ronnye@shamron.com	4/28/2010	Yes	Yes	Yes

Technical comments:⁵

None.

⁵ 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.

From: JIGarner [creativeoutlet@bizec.rr.com]
Sent: Tuesday, April 27, 2010 5:02 PM
To: Shepherdson, Daniel
Subject: Re: S. 2383 (resuable surgical wrappers)

Mr. Shepherdson,

Re: Reusable surgical wrappers
Creative Outlet produces these products in Morehead City, NC and we object to the temporary suspension of import duty on these items. The suspension of duty makes it harder for domestic manufacturers to compete, and less likely that jobs will return to the US.
Thank you for the opportunity to comment.
James I. Garner
President
Creative Outlet

Ph. 252 808 3898
Fax 252 808 2188
----- Original Message -----
From: <Daniel.Shepherdson@usitc.gov>
To: <creativeoutlet@bizec.rr.com>
Sent: Tuesday, April 27, 2010 10:27 AM
Subject: S. 2383 (resuable surgical wrappers)

Mr. Garner,

The attached Senate bill would, if enacted, temporarily suspend the 7 percent ad valorem import duty on reusable surgical wrappers of textile materials. Does Creative Outlet produce this product in the United States? If so, does Creative Outlet object to the temporary suspension of the import duty?

Please let me know your company's views so that they can be reflected in our report on S. 2383. If you have any questions, please feel free to ask.

Thank you,
Dan

Daniel Shepherdson
Attorney-Advisor
Office of Tariff Affairs and Trade Agreements
U.S. International Trade Commission
(202) 205-2598

From: Ronnye Shamam [ronnye@shamron.com]
Sent: Wednesday, April 28, 2010 2:26 PM
To: Shepherdson, Daniel
Subject: FW: S. 2383 (resuable surgical wrappers)

Attachments: s. 2383b.pdf

Dear Mr Shepherdson:

As a manufacturer of hospital apparel in the US, I would like to express that Shamron Mills Ltd does indeed manufacture reusable wrappers in this country.

Please do not suspend the duties on this item.

Many thanks,

Ronnye B. Shamam
Shamron Mills LTD
242 W 38 Street
14th floor
New York, NY 10018
212 354-0430
212 302-7776 fax

www.shamron.com

111TH CONGRESS
1ST SESSION

S. 2383

To suspend temporarily the duty on reusable surgical wrappers of textile materials.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. VOINOVICH (for himself and Mr. BROWN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on reusable surgical wrappers of textile materials.

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. REUSABLE SURGICAL WRAPPERS OF TEXTILE**

4 **MATERIALS.**

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	Reusable surgical wrappers of textile materials (provided for in subheading 6307.90.98) ...	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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