

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. 2414 (Mrs. Kay Hagan of North Carolina).

Proponent name,³ location: Hunter Douglas, Inc., Bessemer City, NC.

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)):

Material suitable for use in window shades, presented in rolls, measuring approximately 27 m² or more but not over 47 m² in area, the foregoing comprising plaiting material of paper strips placed side-by-side and woven together using polyester yarn into a repeating pattern, whether or not painted or coated and whether or not incorporating imitation leather in strips measuring approximately 2.5 mm or more but not over 4 mm in width (provided for in 4601.99.90).

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 window shade material consists of paper strips placed in one direction and woven together using polyester yarns oriented in a perpendicular direction in order to form sheets that are rolled for shipment. To be included in HTS chapter 46, the subject product must be made of “plaiting materials” as defined in note 1 to chapter 46, an international legal note. The material may be unfinished or finished using paint or other treatments. As specified above, the sheets may also incorporate faux leather strips in their patterns for decorative purposes. However, such strips could not be present in a proportion that would alter the essential character of the sheets, under the terms of note 1. The imported rolls are cut to desired widths and lengths to be made into window shades sold by the proponent as “woven natural fiber” shade styles. In addition to cutting, manufacturing involves adding the necessary hardware, including head and bottom rails, pulleys or other mechanical fittings, and lift cords.

¹ Industry analyst preparing report: Alberto Goetzl (202-205-3323); 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 did not identify any additional beneficiaries of this bill. USITC staff identified three additional potential beneficiaries and received a written representation from one that indicated it would benefit from this bill.

There are no known domestic manufacturers of window shade material composed of paper strips. The subject window shade material is imported mainly from China, India,⁴ and other Asian countries.

Estimated effect on customs revenue for the subject product⁵ classifiable in HTS subheading 4601.99.90:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.3%	3.3%	3.3%	3.3%	3.3%
Estimated value <i>dutiable</i> imports ^a	\$1,000,000	\$1,100,000	\$1,200,000	\$1,300,000	\$1,400,000
Customs revenue loss ^b	\$33,000	\$36,300	\$39,600	\$42,900	\$46,200

a/ Dutiable import estimates were based on industry information and Commission estimates based on official statistics of the Department of Commerce.

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)	
Hunter Douglas Inc. (Proponent) Daniel Rodil, 770-995-2212, daniel.rodil@hunterdouglas.com	02/26/2010	No	No	No
BDG International Lisa Waller, 847-760-0014, lisaw@bdginternational.com	03/05/2010	No	No	No
B&W Window Fashions David Perkowitz, 847-596-6631, davep@horizonshades.com	03/15/2010	No	Yes	No
Newell Levelor Andrew Rudd, andrew.rudd@newellco.com	03/04/2010	No	No	No

⁴ Although India is designated as a beneficiary developing country for purposes of the Generalized System of Preferences, the tariff rate line in question is eligible for GSP duty-free entry only with respect to products of the least developed GSP beneficiaries.

⁵ The subject article is classified in an HTS subheading that includes plating materials other than vegetable materials. The subheading likely includes place mats, coasters, and numerous other items. Based on information provided by the proponent and official import statistics, the dutiable value of subject imports is estimated to be approximately 33 percent of the total dutiable imports under this HTS subheading.

Technical comments:⁶

It is suggested that the article description be amended to read as shown on page 1, to conform more closely to HTS usage and the language of various CBP rulings. The subject product contains various materials, making its classification less than clear, but information from the proponent suggests that the product of interest is “of vegetable materials” for tariff purposes. CBP has issued several tariff classification rulings on woven window shade materials. In 2007, in a ruling requested by Willson International Inc., CPB ruled that window shade fabrics consisting of sheets of paper strips placed horizontally side-by-side and woven together using polyester cord are classified in HTS subheading 4601.99.90.⁷

One potential beneficiary filed a statement in support of the bill but noted that the size criterion in the proposed HTS heading should be expanded to cover imported rolls of up to 57 square meters (600 square feet) or simply omitted from the article description.⁸ We note that a change in the scope of the description set out on page 1 would affect the estimated imports and resulting customs revenue loss set out in the table above.

⁶ 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.

⁷ Obtained from the Customs Rulings Online Search System, Ruling No. N009792.

⁸ Interview with industry representative, March 15, 2010. See attached submission.

111TH CONGRESS
1ST SESSION

S. 2414

To suspend temporarily the duty on certain window shade material in rolls measuring between 300 and 500 square feet.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To suspend temporarily the duty on certain window shade material in rolls measuring between 300 and 500 square feet.

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 WINDOW SHADE MATERIAL IN ROLLS**
4 **MEASURING BETWEEN 300 AND 500 SQUARE**
5 **FEET.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.01.00	Window shade material in rolls measuring between 300 and 500 square feet composed of paper material, woven with polyester yarn into a repeating pattern which may also include faux leather material between 2.5 mm and 4 mm wide (provided for in subheading 4601.99.90)	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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