

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress ¹**

[Date approved: May 24, 2010]²

Bill No. and sponsor: S. 2415 (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, the foregoing of bamboo, whether or not painted or coated, comprising one or more of the following woven together using polyester yarn into a repeating pattern: bamboo stems measuring less than 3 mm in diameter, bamboo slats measuring approximately 1 mm or more but not over 13 mm wide and/or bamboo cane measuring 2 mm or more but not over 12 mm in diameter; the foregoing whether or not containing grass, paper or jute (provided for in subheading 4601.92.20).

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 window shade material is composed of stems, cane, or slats of bamboo placed horizontally and woven together to form sheets using polyester yarn. Each sheet may also incorporate other materials in the pattern for decorative purposes, including grass, twisted paper strips, or jute, but the essential character of the article for tariff purposes is provided by the bamboo. 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. 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. The subject window shade material is imported mainly from China, India,⁴ and other Asian countries.

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 contacted three additional manufacturers and received a written representation from one that indicated it would benefit from this bill.

⁴ India is a designated beneficiary developing country for purposes of the Generalized System of Preferences (GSP).

Estimated effect on customs revenue for the subject product⁵ classifiable in HTS subheading 4601.92.20:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.6%	6.6%	6.6%	6.6%	6.6%
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	\$66,000	\$72,600	\$79,200	\$85,800	\$92,400

a/ Dutiable import estimates were based on industry information and Commission estimates.

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

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 bamboo” for tariff purposes. CBP has issued several tariff classification rulings on woven window shade materials. In 2008, in reply to a ruling request from the proponent, CBP determined that two styles of window shade materials composed of bamboo strips, rods, and canes are classified in HTS subheading 4601.92.20.⁷ In 2009, in a ruling requested by BDG International, Inc.,

⁵ The subject article is classified in a subheading that includes other products of bamboo plating 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.

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 (CROSS), Ruling No. H017864.

CBP determined that sheets of bamboo strips and sheets where bamboo strips provide the essential character of the article are similarly classified in HTS subheading 4601.92.20.⁸ However, CBP also determined that window shade materials composed of whole reed canes that are not in a form suitable for plaiting are not classified in chapter 46 but instead are classified in HTS subheading 4421.90.97.⁹

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.¹⁰ 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.

⁸ Obtained from CROSS, Ruling No. N065837.

⁹ Obtained from CROSS, Rulings No. N065837 and N074199.

¹⁰ Interview with industry representative, March 15, 2010. See attached submission.

111TH CONGRESS
1ST SESSION

S. 2415

To suspend temporarily the duty on certain window shade material.

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.

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.**

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	Window shade material in rolls measuring between 300 and 500 square feet composed of bamboo reeds and/or bamboo slats between 1 mm and 13 mm wide, and/or bamboo cane between 2 mm and 12 mm in diameter, woven with polyester yarn into a repeating pattern which may also include grass, paper and/or jute materials (provided for in subheading 4601.92.20)	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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