

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 15, 2010]²

Bill No. and sponsor: S. 2432 (Mr. Sam Brownback of Kansas).

Proponent name,³ location: Payless ShoeSource, Inc., Topeka, KS.

Other bills on product (111th Congress only): None.

Nature of bill: Extension of temporary duty suspension (or reduction)⁴ through December 31, 2011.

Retroactive effect: None.

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

Other footwear with uppers of leather or composition leather, for persons other than for men or women (provided for in subheading 6405.10.00).

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 goods are footwear with uppers of leather or composition leather for children,⁵ as imported under statistical reporting number 6405.10.0090.⁶

U.S. imports of such footwear under the duty suspension provision in effect through the end of 2009 totaled \$26.5 million in 2008 and \$60.0 million in January–June 2009. Total U.S. imports under statistical reporting number 6405.10.0090 were \$29.3 million in 2008 and \$104.1 million in 2009. China is the leading supplier of the subject footwear imports. Dutiable U.S. imports under statistical reporting number 6405.10.0090 totaled almost \$2.9 million in 2009 and, during the first 6 months of 2010, have exceeded \$15.8 million; total imports for consumption were \$34.5 million in 2009. Of the latter total, China accounted for about \$15.2 million.

¹ Industry analyst preparing report: Kimberlie Freund (202-708-5402); 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 indicated that the bill is reasonably expected to benefit more than ten firms, but did not provide any named beneficiaries.

⁴ Heading 9902.22.46 as it now appears in the HTS has a general duty rate of free; however, dutiable import estimates suggest that the provision, if renewed, might need to appear as a duty reduction heading.

⁵ The bill would relate to footwear smaller than size 6 for men and size 4 for women, given the definitions set forth in statistical note 1(b) and (c) to chapter 64 for footwear for men and for women, respectively.

⁶ The general rate of duty on such children's footwear was suspended through the end of 2009 under HTS heading 9902.22.46.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6405.10.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	10%	10%	10%	10%	10%
Estimated value <i>dutiable</i> imports ^a	\$118,000,000	\$120,000,000	\$122,000,000	\$125,000,000	\$130,000,000
Customs revenue loss ^b	\$11,800,000	\$12,000,000	\$12,200,000	\$12,500,000	\$13,000,000

a/ Dutiable import estimates were based on official U.S. Government statistics and industry information.

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?
Payless ShoeSource, Inc. (Proponent) Curtis Sneden, curtis-snedden@payless.com	11/30/2009	No	No	No
American Apparel and Footwear Association Nate Herman, nherman@apparelandfootwear.org	11/30/2009	No	No	No
Footwear Distributors and Retailers of America Matt Priest, mpriest@frdr.org	11/30/2009	No	No	No
Rubber and Plastic Footwear Manufacturers Mitch Cooper, mjcl2311@verizon.net	11/30/2009	No	No	No

Technical comments:⁷

The duty suspension heading, HTS 9902.22.46, is written to cover footwear for persons other than men or women, and it is not clear whether the proponent might wish to alter the scope of that provision because the title of the bill refers to “certain children’s footwear.” We note that, as indicated in the footnote on page 1, the legal provisions of the HTS in chapter 64 do not define “children’s footwear.” Additional U.S. note 1(b) sets forth a legal definition of the term “footwear for men, youths and boys,” products that are in some legal provisions treated as a group for purposes of their classification in chapter 64 (e.g., the scope of subheadings 6403.19.10 through 6403.19.40). Such footwear includes footwear of American youths’ size 11-1/2 and larger for males. Statistical note 1(b) provides that “footwear for men” covers footwear of American men’s size 6 and larger for males, while statistical note 1(c) states that “footwear for women” covers footwear of American women’s size 4 and larger, whether for women or potentially worn by both genders. The chapter 99 heading is written to refer to the range of footwear reported by importers under statistical reporting number 6405.10.0090, meaning footwear other than for

⁷ 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.

men (6405.10.0030) or for women (6405.10.0060). Thus, if any modification of this chapter 99 heading were undertaken in order to narrow its scope, it would be helpful to add a legal note that would define the footwear, by size, to be covered, given that no comparable legal definition likely exists within chapter 64. Such a note could apply only to footwear covered by this bill (by chapter 99 heading number(s)) if that is desired.

111TH CONGRESS
1ST SESSION

S. 2432

To extend the temporary suspension of duty on certain children's footwear.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To extend the temporary suspension of duty on certain children's footwear.

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 FOOTWEAR.**

4 (a) **IN GENERAL.**—Heading 9902.22.46 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain children's footwear) is amended by striking “12/
7 31/2009” and inserting “12/31/2011”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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