

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 16, 2010]²

Bill No. and sponsor: S. 2604 (Mr. Harry Reid of Nevada).

Proponent name,³ location: Industrial Adventures, Las Vegas, NV.

Other bills on product (111th Congress only): None.⁴

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Caps or lids (including perforated caps or lids) with threads on their exterior lips, rims or surfaces, the foregoing of base metal plated with chromium or gold, of a type and size suitable for use on salt or pepper shakers, perfume bottles or similar bottles with threads on the inner surfaces of their necks or mouths (provided for in subheading 8309.90.00).

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:

These base-metal closures are distinguished by threads on the exterior surfaces of the stoppers that allow them to be screwed into and out of the threaded neck or mouth of a bottle or shaker. The chromium or gold surface-plating is not only decorative but also protects the underlying base-metal (usually steel) from rust or corrosion, avoiding potential contamination of the bottle's or shaker's contents. Bottle caps have solid surfaces and lack the perforations that characterize shaker caps. However, the subject goods would not include non-threaded, non-reusable "crown caps," the fluted types of lift-off bottle caps commonly used on beverage bottles, which are likely classified in HTS subheading 8309.10.00.

¹ Industry analyst preparing report: Karl Tsuji (202-205-3434); Tariff Affairs contact: Donnette Rimmer (202-205-0663).

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 seven additional potential beneficiaries of this bill that were not identified by the sponsor/proponent, but none of them submitted written representation that it would benefit from this bill.

⁴ S. 2603 appears to overlap the coverage proposed by this bill and to cover very similar, if not identical, goods; the proponent has not supplied information on its intent.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8309.90.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty					
Col. 1-General rate of duty	2.6%	2.6%	2.6%	2.6%	2.6%
Estimated value <i>dutiable</i> imports ^a	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Customs revenue loss ^b	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200

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)	
Industrial Adventures (Proponent) Daniel Cooper, 702-257-2850, exportdc@cox.net	01/07/2010	No	Yes	No
Connecticut Cap and Seal Paul Hoffman, 860-229-1343, paul@keystonecap.net	01/28/2010	Yes	Yes	Yes
E & A Supply Inc. Lori Trachtenberg, 908-755-9333 sales@easupply.com	01/20/2010	Yes	Yes	Yes
Food Service Direct Inc. Pensri Zimmerman, 800-425-4679 pensri@foodservicedirect.com	01/20/2010	No	No	No
Gala Source Terry McMaster, 303-296-1684 tmcmaster@restsource.com	01/21/2010	No	No	No
Hubert Co. LLC Azura Gierach, 513-367-8600, agierach@hubert.com	01/20/2010	No	No	No
Keystone Cap Co. Paul Hoffman, 717-684-3716, paul@keystonecap.net	01/20/2010	Yes	Yes	Yes
Reiner Products Salt & Pepper Shakers Patrick Bergin, 203-574-2666 pbergin@reinerproducts.com	01/25/2010	Yes	Yes	Yes
Richard's Restaurant Supply Henry Richard, 985-868-9240, henry@galley.com	01/25/2010	No	No	No

Technical comments:⁵

It is suggested that the article description of the proposed heading be amended to read as shown on page 1. As noted above, it is difficult to distinguish between the coverage intended by this bill and that proposed by S. 2603, and the proponent has not supplied information to help in differentiating the classes of goods concerned. The proposed language shown above represents one way to cover a different class of goods than would fall into the heading proposed in S. 2603, but we are not sure if this language matches proponent's intent.

We note that some bottle caps and shaker caps are not separately imported but are shipped with or attached to the bottles for which they are intended. These caps would likely be classified under the applicable HTS subheadings for the bottles and shakers of glass (or of other materials) that they accompany, and would therefore not be eligible for duty-free entry under this proposed heading.⁶

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.

⁶ Jacob Bunin, National Import Specialist, U.S. Customs and Border Protection, New York, NY, telephone interview with USITC staff, January 25, 2009.

111TH CONGRESS
1ST SESSION

S. 2604

To suspend temporarily the duty on threaded stoppers, caps, and lids of base metal with chromium or gold-plated finish, of a type and size suitable for use on salt-and-pepper shakers, perfume bottles, and the like.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

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

A BILL

To suspend temporarily the duty on threaded stoppers, caps, and lids of base metal with chromium or gold-plated finish, of a type and size suitable for use on salt-and-pepper shakers, perfume bottles, and the like.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. THREADED STOPPERS, CAPS, AND LIDS OF**
 2 **BASE METAL WITH CHROMIUM OR GOLD-**
 3 **PLATED FINISH, OF A TYPE AND SIZE SUIT-**
 4 **ABLE FOR USE ON SALT-AND-PEPPER SHAK-**
 5 **ERS, PERFUME BOTTLES, AND THE LIKE.**

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	Threaded stoppers, caps, and lids of base metal with chromium or gold-plated finish, of a type and size suitable for use on salt-and-pepper shakers, perfume bottles, and the like (provided for in sub-heading 8309.90.00)	Free	No change	No change	On or before 12/31/2011	”.
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10 (b) **EFFECTIVE DATE.**—The amendment made by
 11 subsection (a) applies to goods entered, or withdrawn from
 12 warehouse for consumption, on or after the 15th day after
 13 the date of the enactment of this Act.

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