

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. 2673 (Mr. Richard Burr 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 wood, whether or not painted or coated, comprising wood slats measuring approximately 6 mm or more but not over 8 mm in width or 22 mm or more but not over 25 mm in width and 1 mm or more but not over 2 mm in thickness, woven into a repeating pattern with polyester yarn; the foregoing whether or not containing one or more of the following materials: bamboo stems measuring approximately 1 mm or more but not over 2.5 mm in width, marupa (*Simarouba* spp.) wood rods measuring approximately 1.5 mm or more but not over 3 mm in diameter, rope of twisted paper, jute yarn or paper strips (provided for in subheading 4601.94.20).

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 principally of horizontal wood slats and may contain marupa wood rods. The various constituent materials are woven together using polyester yarn to form sheets. Each sheet may also include bamboo stems, jute yarn, and/or rope made of twisted paper in its decorative pattern, but the essential character of the article for tariff purposes is provided by the wood materials. 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 4601.94.20:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.6%	6.6%	6.6%	6.6%	6.6%
Estimated value <i>dutiable</i> imports ^a	\$800,000	\$850,000	\$900,000	\$950,000	\$1,000,000
Customs revenue loss ^b	\$52,800	\$56,100	\$59,400	\$62,700	\$66,000

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 wood” for tariff purposes. CBP has issued several tariff classification rulings on woven window shade materials. In 2008, in a ruling requested by the proponent, CBP determined that three styles of window shade materials using plaiting materials of wood are classified in HTS subheading 4601.94.20.⁷

⁵ The subject article is classified in a subheading that includes other products of willow or wood plaiting 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.

In 2009, in rulings requested by BDG International, Inc., CBP determined that for shade styles consisting of wood or wood strips and rods suitable for plaiting, the applicable tariff line is also HTS subheading 4601.94.20.⁸ However, CPB 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. 2673

To suspend temporarily the duty on certain window shade material in rolls.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2009

Mr. BURR 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.

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 (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 wood slats between 6 mm and 8 mm wide or 22 mm and 25 mm wide and 1 mm and 2 mm thick, and/or bamboo reeds between 1 mm and 2.5 mm wide, and/or marupa wood rods between 1.5 mm and 3 mm in diameter, and/or paper rope, woven with polyester yarn into a repeating pattern which may also include jute, yarn, and/or paper materials (provided for in subheading 4601.94.20) ...	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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