

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: September 23, 2005]²

Bill No. and sponsor: H.R. 1221 (Mr. Weller)

Proponent name, location: Payless ShoeSource, Inc.
3231 SE 6th Avenue
Topeka KS 66607

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through 12/31/2009.

Retroactive effect: None.

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

Footwear with outer soles and uppers of rubber or plastics, incorporating a protective metal toe-cap, having uppers of which over 90 percent of the external surface area (including any accessories or reinforcements such as those mentioned in note 4(a) to chapter 64) is rubber or plastics (provided for in subheading 6402.30.30).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

The bill covers footwear having uppers and outer soles with an external surface predominantly of rubber or plastics. This product has a protective metal toe-cap, and the upper's external surface area is over 90 percent rubber or plastics. The product cannot have a foxing or foxing-like band applied or molded at the sole and overlapping the upper. It is not designed to be worn over, or in lieu of, other footwear as protection against water, oil, grease, chemicals, or inclement weather.

In 2004, 93.3 percent of U.S. imports by customs value were from China. An additional 5.8 percent came from Canada, while the remainder of imports (0.9 percent) came from seven other countries (Dominican Republic, Indonesia, Italy, Norway, Sweden, Thailand, and Vietnam).³

¹ Industry analyst preparing report: Kimberly Olsen (202-205-3455); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ Official U.S. Government statistics.

Estimated effect on customs revenue:

HTS subheading: <u>6402.30.30</u>					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6%	6%	6%	6%	6%
Estimated value <i>dutiable</i> imports	\$7,000,000	\$7,100,000	\$7,250,000	\$7,350,000	\$7,450,000
Customs revenue loss	\$420,000	\$426,000	\$435,000	\$441,000	\$447,000

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Official U.S. Government statistics.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Payless ShoeSource Aaron G. Hove, Group Counsel - Intl Ph: 785-295-6615	6/2/2005	No	No	No.
Sandler, Travis, Rosenberg Ron Sorini (representing Payless) Ph: 630-323-5283	5/25/2005	No	No	No
American Apparel and Footwear Assoc. Nate Herman Ph: 703-797-9062	5/19/2005	No	No	No
Rubber and Plastic Footwear Mfg. Assoc. Mitchell Cooper Ph: 202-331-1858	5/19/2005	No	No	No.
Representative Weller's Office Alan Tennille, Legislative Assistant Ph: 202-225-3635	5/17/2005	No	No	No
Footwear Dist. and Retailers of America Peter T. Mangione, President Ph: 202-737-5660	5/31/2005	No	No	No

Technical comments:⁴

The slight modifications in the article description, as suggested on page one, would give importers and Customs a clearer idea that all of the product coverage of the cited HTS subheading is meant to be covered. The words “rubber or plastic footwear” are very broad in scope and, despite the inclusion of the HTS reference, the existence of a descriptive difference can cause confusion. The goods excluded from classification in subheading 6402.30.30 by virtue of its article description probably need not be mentioned in the chapter 99 heading.

In addition, the word “Free” should be deleted from the special subcolumn of the proposed heading.

⁴ 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.

109TH CONGRESS
1ST SESSION

H. R. 1221

To suspend temporarily the duty on certain rubber or plastic footwear.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 2005

Mr. WELLER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain rubber or plastic
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 FOOTWEAR.**

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:

“	9902.64.02	Rubber or plastic footwear provided for in subheading 6402.30.30	Free	Free	No change	On or before 12/31/2009	”.
---	------------	--	------	------	-----------	----------------------------	----

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

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

○