MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress

Bill No. and sponsor: H.R. 3483 (Mr. Jim Ryun, Kansas).

Proponent name, location: Payless ShoeSource®, Topeka, KS.

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


Retroactive effect: None.

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

9902.64.22 Footwear, other than for men, with outer soles of leather or composition leather and uppers of textile materials, valued not over $2.50 per pair (provided for in subheading 6404.20.20).

Check one: ___ Same as that in bill as introduced.
            x   Different from that in bill as introduced (see Technical comments section).

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

The bill covers footwear, other than for men, with outer soles of leather or composition leather, not over 50 percent by weight of rubber or plastics and not over 50 percent by weight of textile materials and rubber or plastics, with at least 10 percent by weight being rubber or plastics (statistical reporting numbers 6404.20.2060 and 6404.20.2090).

The subject footwear accounted for virtually all dutiable U.S. imports under HTS subheading 6404.20.20, which totaled $3.1 million in 2004. China was the leading supplier of U.S. imports of the subject footwear.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading 6404.20.20</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Estimated value &lt;em&gt;dutiable&lt;/em&gt; imports</td>
<td>$3,300,000</td>
<td>$3,300,000</td>
<td>$3,300,000</td>
<td>$3,300,000</td>
<td>$3,300,000</td>
</tr>
<tr>
<td>Customs revenue loss</td>
<td>$495,000</td>
<td>$495,000</td>
<td>$495,000</td>
<td>$495,000</td>
<td>$495,000</td>
</tr>
</tbody>
</table>

1/ No data are included on imports now entering free of duty or at reduced duty rates under U.S. free trade agreements or tariff preference programs; such imports may be affected by changes in the general duty rate on the subject goods.

Source of estimated dutiable import data: Commission estimates based on data provided by industry.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>US production of same or competitive product claimed?</th>
<th>Submission attached?</th>
<th>Opposition noted?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payless ShoeSource® (Proponent) Curtis Sneden, Director of Government Affairs (785-295-6615)</td>
<td>11/09/05</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>American Apparel and Footwear Association Nate Herman, Director of International Trade (703-797-9062)</td>
<td>11/15/05</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Footwear Distributors and Retailers of America Peter T. Mangione, President (202-737-5660)</td>
<td>11/18/05</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Rubber and Plastic Footwear Manufacturers Association Mitchell Cooper, Counsel (202-331-1858)</td>
<td>11/07/05</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Technical comments:

It is suggested that, for clarity, the composition of the uppers for this footwear should be specified, as shown on page 1 of this report.

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3 The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that U.S. Customs and Border Protection should be consulted prior to enactment of the bill.
A BILL

To suspend temporarily the duty on certain footwear.

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

SECTION 1. CERTAIN FOOTWEAR.

(a) In General.—Subchapter II of chapter 99 of
the Harmonized Tariff Schedule of the United States is
amended by inserting in numerical sequence the following
new heading:

| 9902.64.22 | Footwear, other than for men, with outer soles of
| | leather or composition leather, valued not over $2.50 per
| | pair (provided for in subheading 6404.20.20) | Free |
| | | No change | No change |
| | | On or before 12/31/2009 |.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2005

Mr. RYUN of Kansas introduced the following bill; which was referred to the
Committee on Ways and Means
(b) Effective Date.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.