MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress

[Date approved: August 10, 2006]

Bill No. and sponsor: S. 2717 (Mrs. Blanche L. Lincoln of Arkansas).

Proponent name, location: Wal-Mart Stores, Inc., Bentonville, AR.

Other bills on product (109th Congress only): H.R. 3679.


Retroactive effect: None.

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

Manicure and pedicure sets, and combinations thereof, other than in leather cases or other containers of types ordinarily sold therewith in retail sales (provided for in subheading 8214.20.90).

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 subject products are instruments for manicure or pedicure purposes, packaged together in sets with varying composition. The relevant subheading covers a broad range of goods, including nail files, nail cleaners, nail clippers, nail scissors, nail trimmers, cuticle pushers or knives, and fold-up clippers. The products are typically made of stainless steel which may be covered, in part, with plastics and are contained in cases or containers, other than those of leather. The goods are mainly imported from China, Canada, and Pakistan.
Estimated effect on customs revenue:

<table>
<thead>
<tr>
<th>HTS subheading: 8214.20.90</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col. 1-General rate of duty</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Estimated value <em>dutiable</em> imports</td>
<td>$27,463,000</td>
<td>$29,385,000</td>
<td>$31,442,000</td>
<td>$33,643,000</td>
<td>$35,998,000</td>
</tr>
<tr>
<td>Customs revenue loss 1/</td>
<td>$587,708</td>
<td>$628,839</td>
<td>$672,859</td>
<td>$719,960</td>
<td>$770,357</td>
</tr>
</tbody>
</table>

1/ The estimated Customs revenue loss is based on a temporary reduction of the general rate of duty from 4.1 percent ad valorem to 1.96 percent ad valorem, a reduction of 2.14 percentage points. Sources of estimated dutiable import data: Industry inputs and USITC staff estimates.

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

<table>
<thead>
<tr>
<th>Name of firm/organization</th>
<th>Date contacted</th>
<th>Claim US makes same or competing product(s)? (Yes/No)</th>
<th>Submission attached?</th>
<th>Opposition noted? (Yes/No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart Stores, Inc. (Proponent) Tres Bailey, 202-737-2806</td>
<td>06/15/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Retail Industry Leader Assoc. Paul Kelly, 703-841-2300</td>
<td>06/15/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Target Corp. Toni Demski-Brandl, 612-696-2573</td>
<td>06/15/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>W. E. Bassett Company Mike Weiss, 203-926-5315</td>
<td>06/15/2006</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Technical comments:

To be consistent with the permanent subheading language and avoid confusion, it is suggested that the article description be modified to read as shown on page 1 of this report.

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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.
To temporarily reduce the duty on manicure and pedicure sets.

IN THE SENATE OF THE UNITED STATES

MAY 4, 2006

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

A BILL

To temporarily reduce the duty on manicure and pedicure sets.

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

SECTION 1. MANICURE AND PEDICURE SETS.

(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:

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| 9902.82.14 | Manicure and pedicure sets, and combinations (provided for in subheading 8214.20.90) | 1.96% | No change | No change | On or before 12/31/2009 |
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(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.