

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: March 27, 2008]²

Bill No. and sponsor: H.R. 4481 (Mr. Joe Courtney of Connecticut).

Proponent name,³ location: Warren Corporation, Stafford Springs, CT.

Other bills on product (110th Congress only): None.

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

Retroactive effect: None.

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

Woven fabrics containing 85 percent or more by weight of vicuna hair (provided for in subheadings 5111.11.70, 5111.19.60, 5112.11.60, or 5112.19.95).

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:

This bill covers woven fabrics of vicuna hair, a rare and expensive fiber. The vicuna is similar to the llama and alpaca and is native to the Andean regions of Bolivia, Peru, Chile, Ecuador, and Argentina. Vicuna fibers are among the thinnest and most luxurious of any fine animal hair, with a diameter of 12 microns, compared with cashmere, which has a diameter of 15 microns.⁴ The subject fabric is imported for use in jackets and coats, and is retailed primarily to specialty tailors, as mass production of garments using this fabric is cost prohibitive. Woven fabrics containing 85 percent or more by weight of vicuna hair are provided for in HTS subheadings 5111.11.70 and 5111.19.60, which cover certain woven fabrics of carded wool or fine animal hair, and HTS subheadings 5112.11.60 and 5112.19.95, which cover certain woven fabrics of combed fine animal hair. As the vicuna are a protected species, vicuna fibers and fiber products may only be imported from countries where the vicuna population is classified as “threatened” versus “endangered,” currently Argentina, Bolivia, Chile,⁵ and Peru.

¹ Industry analyst preparing report: Heidi Colby-Oizumi (202-205-3391); Tariff Affairs contact: Dan Shepherdson (202-205-2598).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ The lower the micron size, the finer the fiber.

⁵ Products imported from Chile already enter the United States duty-free under provisions of the U.S.-Chile FTA.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill:					
	2009	2010	2011	2012	2013
Customs revenue loss	\$0	\$69,500	\$69,500	\$69,500	\$69,500

HTS subheading: <u>5111.11.70</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	25%	25%	25%	25%	25%
Estimated value <i>dutiable</i> imports	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500
Customs revenue loss 1/	\$0	\$17,375	\$17,375	\$17,375	\$17,375

1/ There is an existing duty suspension under HTS heading 9902.12.23 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates.

HTS subheading: <u>5111.19.60</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	25%	25%	25%	25%	25%
Estimated value <i>dutiable</i> imports	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500
Customs revenue loss 1/	\$0	\$17,375	\$17,375	\$17,375	\$17,375

1/ There is an existing duty suspension under HTS heading 9902.12.23 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates.

HTS subheading: <u>5112.11.60</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	25%	25%	25%	25%	25%
Estimated value <i>dutiable</i> imports	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500
Customs revenue loss 1/	\$0	\$17,375	\$17,375	\$17,375	\$17,375

1/ There is an existing duty suspension under HTS heading 9902.12.23 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates.

HTS subheading: 5112.19.95					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	25%	25%	25%	25%	25%
Estimated value <i>dutiable</i> imports	\$69,500	\$69,500	\$69,500	\$69,500	\$69,500
Customs revenue loss 1/	\$0	\$17,375	\$17,375	\$17,375	\$17,375

1/ There is an existing duty suspension under HTS heading 9902.12.23 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates.

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)		
Warren Corporation (Proponent) Lisa Cornish, 860-684-2766 (ext. 113)	2/22/2008	No	Yes	No
American Manufacturing Trade Action Coalition Sara Ormand, 202-452-0866	2/28/2008	No	Yes	No
Hanora Spinning Gerald Beyer, Fax: 401-765-6991	2/26/2008	No	No	No
Jagger Brothers David Jagger, 207-324-5622	2/26/2008	No	No	No
Kent Manufacturing Mark Kent, 864-878-6367 (ext. 2525)	2/26/2008	No	No	No
National Council of Textile Organizations David Trumbull, 202-822-8026	2/26/2008	No	No	No
National Textile Association David Trumbull, 617-542-8220	2/26/2008	No	Yes	No
Tailored Clothing Association David Starr, dastarr@wms-jen.com	2/26/2008	No	No	No
Victor Woollen Products, Ltd. Terry Winkler	2/26/2008	No	No	No

Technical comments:⁶

None.

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.

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

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