

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: February 23, 2010]²

Bill No. and sponsor: S. 1823 (Mr. Max Baucus, Montana).

Proponent name,³ location: Schnee's Inc., Bozeman, MT.

Other bills on product (111th Congress only): None.

Nature of bill: Renewal of temporary duty suspension through December 31, 2011.⁴

Retroactive effect: None

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

Footwear consisting of an outer sole affixed to an incomplete or unfinished upper to which additional upper parts or material must be affixed to permit the footwear to be held to the foot, such footwear having a bottom of vulcanized rubber and produced by the hand-laid assembly process or hand made, the foregoing footwear of a type that is not designed to be worn over other footwear (provided for in subheadings 6401.99.30 and 6401.99.60).

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 bill covers waterproof boots with outer soles and uppers of rubber or plastics designed for outdoor field activities such as ice fishing and hunting for protection from cold and inclement weather, and to provide traction, durability, insulation, and warmth. Based on interviews with industry representatives, the dutiable value of U.S. imports of the subject footwear entering under subheadings 6401.99.30 and 6401.99.60 in 2008 is estimated to range from \$250,000 to \$750,000. Thailand, Malaysia, South Korea, and China are the leading suppliers of the subject boots.

¹ Industry analyst preparing report: Laura Rodriguez (202-205-3499); 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 proponent identified three additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received responses from three, each of which submitted a written representation that it would benefit from this bill.

⁴ HTS heading 9902.05.35 expired on December 31, 2006.

Estimated effect on customs revenue for the subject product classifiable in HTS subheadings 6401.99.30 and 6401.99.60

It is unclear how the total estimated value of U.S. imports of the subject footwear is divided between the two subheadings, referenced above and in heading 9902.05.35; the provisions have general duty rates of 25 percent and 37.5 percent ad valorem, respectively. Industry sources believe the breakdown is roughly 10 percent and 90 percent for 6401.99.30 and 6401.99.60, respectively. The higher tariff rate was therefore used to estimate the revenue effect, and the upper bound of the range of estimated imports provided by the industry is used to show the maximum potential revenue loss.

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	37.5%	37.5%	37.5%	37.5%	37.5%
Estimated value <i>dutiable</i> imports ^a	\$750,000	\$750,000	\$1,000,000	\$1,500,000	\$2,000,000
Customs revenue loss ^b	\$281,250	\$281,250	\$375,000	\$562,500	\$750,000

a/ Dutiable import estimates were based on industry information.

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)	
Schnee's (Proponent) Mike Shontz, Production Manager (406-587-2961)	11/19/2009	No	Yes	No
Genfoot America, Inc. Richard Cook, President (514-341-3950; ext. 280)	11/25/2009	Yes	Yes	Yes
Hoffman Boots Jim Hoffman, President (208-786-4851)	11/24/2009	No	Yes	No
Kenetrek Boots of Montana Jim G. Winjum, President (406-556-5780)	11/24/2009	No	Yes	No
Newgrange Group LLC John E. Callanan, Senior Vice-President (617-818-3225)	1/22/2010	Yes	Yes	Yes
Whites Boots Gary March, President/CEO (509-535-2422)	11/24/2009	No	Yes	No

Technical comments:⁵

None.

⁵ 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.

111TH CONGRESS
1ST SESSION

S. 1823

To renew the temporary suspension of duty on certain footwear.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 2009

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

A BILL

To renew the temporary suspension of duty on certain
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.—Heading 9902.05.35 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain footwear) is amended by striking “12/31/2006”
7 and inserting “12/31/2011”.

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

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

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