

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: May 3, 2020]<sup>2</sup>

**Bill No. and sponsor:** S. 2465 (Mr. John Cornyn of Texas).

**Proponent name,<sup>3</sup> location:** Michaels Stores, Inc., Irving, TX.

**Other bills on product (111<sup>th</sup> Congress only):** S. 2082, S. 2083, S. 2084, S. 2370, S. 2371, S. 2372, S. 2466, S. 2599, and S. 2600.

**Nature of bill:** Temporary duty reduction through December 31, 2011.<sup>4</sup>

**Retroactive effect:** None.

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

Arrangements of artificial flowers of man-made fibers (provided for in subheading 6702.90.35).

**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 subject products are floral arrangements made of artificial flowers of man-made fibers. Arrangements are a flower or flowers of a same or different appearance alone or together with greenery and/or other elements affixed in a container. Generally, arrangements are in containers that are placed on a horizontal surface, such as a table or desktop, or for arrangements in larger sized containers, on the floor. The source of U.S. imports of these products is China.

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<sup>1</sup> Industry analyst preparing report: Dennis Fravel (202-205-3404 ); Tariff Affairs contact: Dan Shepherdson (202-205-2598).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill. USITC staff identified five additional beneficiaries of this bill that were not identified by the sponsor/proponent, and those beneficiaries submitted a written representation that they would benefit from this bill.

<sup>4</sup> This bill would create a temporary duty reduction for products that likely were covered by the temporary duty suspension on artificial flowers of man-made fibers under HTS 9902.25.65.10 that expired on December 31, 2009.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 6702.90.35:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	9%	9%	9%	9%	9%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$24,000,000	\$25,500,000	\$27,500,000	\$27,500,000	\$27,500,000
Customs revenue loss <sup>b c</sup>	\$960,000	\$1,020,000	\$1,100,000	\$1,100,000	\$1,100,000

a/ Dutiable import estimates were based on official U.S. Government statistics, industry information, and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

c/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 9 percent ad valorem to 5 percent ad valorem, a reduction of 4 percentage points.

**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)	
Michaels Stores, Inc. (Proponent) Michael Veitenheimer, 972-409-1655 Edward Krenik, 202-828-5877	12/01/2009	No	No	No
A.C. Moore, Inc. Bob Senft, 856-768-4949	12/02/2009	No	No	No
Aldik Zury Segal, 800-442-5345	12/02/2009	No	No	No
Caffco International (CCC Associates) Lamar Thompson, 334-272-2140	12/02/2009	No	No	No
Dollar General Corp. Rob Stephenson, 615-855-5169	01/04/2010	No	No	No
Dollar Tree Stores, Inc. Robert H. Rudman, 757-321-5000	12/02/2009	No	No	No
Family Dollar Stores, Inc. Debbie Cline, 704-847-6961	01/04/2010	No	No	No
Hobby Lobby Stores, Inc. John Graham, 405-745-1752	12/02/2009	No	No	No
Jo-Ann Stores, Inc. Bob Icsman, 330-463-3409	12/01/2009	No	No	No
National Retail Federation Erik Autor, 202-626-8104	12/04/2009	No	No	No
Pier 1 Imports, Inc. Ruby Sevcik, 817-252-6051	01/04/2010	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Raz Imports, Inc. Tammy Greene, 800-443-3540	12/02/2009	No	No	No
Retail Industry Leaders Association Stephanie Lester, 703-841-2300	12/02/2009	No	No	No
Sears Holdings Corp. (Kmart is a wholly owned subsidiary) Brad Shorser, 847-286-2757	01/04/2010	No	No	No
Sierra Pacific Crafts Heather Corvey, 503-685-6161	12/02/2009	No	No	No
Target Corp. Susan Flack, 202-863-7265 Marguerite Trossevin, 202-251-6170	12/03/2009	No	No	No
Teters Floral Products, Inc. Rick Looker, 800-999-5996	12/02/2009	No	No	No
Tuesday Morning Nina Kerchof, 972-387-3562	12/02/2009	No	No	No
Wal-Mart Stores, Inc. Sarah Thorn, 202-434-0714	01/04/2010	No	No	No
Windward Renee Cozzette, 800-888-8898	12/02/2009	No	No	No

**Technical comments:**<sup>5</sup>

None.

<sup>5</sup> 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. 2465

To reduce temporarily the duty on arrangements of artificial flowers of man-made fibers.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

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## A BILL

To reduce temporarily the duty on arrangements of artificial flowers of man-made fibers.

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. ARRANGEMENTS OF ARTIFICIAL FLOWERS OF**  
4 **MAN-MADE FIBERS.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of  
6 the Harmonized Tariff Schedule of the United States is  
7 amended by inserting in numerical sequence the following  
8 new heading:

“	9902.01.00	Arrangements of artificial flowers of man-made fibers (provided for in subheading 6702.90.35) .....	5%	No change	No change	On or before 12/31/2011	”.
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1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of the enactment of this Act.

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