



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Covers with outer surface of textile materials, each such cover designed to convert to a stand and incorporate a frame to hold a portable electronic device of a kind classified in heading 8470, 8471, 8543 or 8517 (provided for in subheading 6307.90.98)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject products are covers for electronic tablet-type devices incorporating an inner frame to hold such devices in place. The outer cover folds to convert to a stand for the device. The subject covers are distinct from carrying cases for electronic devices classified under HTS heading 4202, which enclose the device and protect its sides. These covers are offered in various sizes to accommodate a range of digital devices. They are typically made of polyester, but may also be made of cotton, canvas, silk, or other textile materials. The covers are primarily imported from China and Korea.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6307.90.98				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	7	7	7	7	7
Estimated value of <i>dutiable</i> imports (\$)	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Customs revenue loss (\$)	147,000	147,000	147,000	147,000	147,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, 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 Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The article description set forth above was modified for greater clarity and for consistency with other HTS provisions.

VI. Continuation

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Sandler, Travis & Rosenberg, P.A. on behalf of Belkin International, Inc. (Interested entity) Ned Steiner	202-216-9307	No	No	No
2	American Apparel and Footwear Association Steve Lamar	703-797-9041	No	No	No
3	American Trade Manufacturing Action Coalition Sara Beatty	202-452-0866	No	No	No
4	Fashion Accessories Shippers Association Nate Herman	703-797-9062	No	No	No
5	The Leather Specialty Company Michael Korchmar	513-884-7228	No	Yes	Yes
6	National Council of Textile Organizations Mike Hubbard	704-215-4540	No	No	No
7	National Textile Association David Trumbull	617-542-8220	No	No	No
8	Travel Goods Association Nate Herman	703-797-9062	No	No	No

Committee on Ways and Means
U.S. House of Representatives
1104 Longworth House Office Building
Washington, DC 20515

To Whom It May Concern:

Late last week I was made aware of MTB HR 5784 and wanted to express by objection to the bill. I would appreciate your placing my comments in the public record.

My name is Michael Korchmar I am the 3rd generation owner and operator of my families 95-year-old manufacturing company, The Leather Specialty Company, and also serve on ITAC 13. We still own and operate factories that produce custom bags and travel goods made from textile, vinyl, plastic and leather materials in the USA and in

The Dominican Republic. We employ over 300 people and, based off of the descriptions provided, feel we are very capable of manufacturing the products listed in this bill and have the capacity to produce this article for which temporary duty free status is being requested. We believe we could produce domestically in our Naples, Florida plant or in our DR facility. (Items produced in our DR facility would already be eligible for duty free status under DR-CAFTA)

I can assure you that maintaining a US and Western Hemisphere manufacturing presence and the jobs so related has been extremely difficult over the last few decades and the last thing we domestic manufacturers need is our Government provided duty free status on products we can produce. If companies are claiming that the products cannot be purchased

domestically they are either simply not looking very hard or are unwilling to pay to have these items made outside of Asia.

Passing HR 5784 could adversely impact my company and our employees and we would ask that you communicate our objections.

Many thanks in advance for any help you can lend.

Sincerely,

Michael Korchmar
President, The Leather Specialty
Company
1088 Business Lane
Naples, FL 34110
513 884 7228

MICHAEL KORCHMAR

mkorchmar@korchmar.com

112TH CONGRESS
2D SESSION

H. R. 5784

To suspend temporarily the duty on certain textile device covers and stands.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2012

Ms. WATERS introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain textile device
covers and stands.

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 TEXTILE DEVICE COVERS AND**
4 **STANDS.**

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	Covers with an exterior surface of textile materials (provided for in subheading 6307.90.98) that convert to a stand and incorporate a frame to hold portable electronic devices of a kind classified in headings 8470, 8471, 8543 and 8517	Free	No change	No change	On or before 12/31/2015	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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