



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)):

Women's footwear with outer soles and uppers of rubber or plastics, covering the ankle, valued over \$6.50 but not over \$12/pair, the foregoing other than work footwear and other than tennis shoes, basketball shoes, gym shoes, training shoes and the like (provided for in subheading 6402.91.80)

(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 proposed description would cover women's footwear in a single residual statistical reporting number of the referenced HTS subheading (6402.91.8051). China is the leading supplier of imports of the subject footwear.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	6402.91.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	27.9	27.9	27.9	27.9	27.9
Estimated value of <i>dutiable</i> imports (\$)	1,575,000	1,600,000	1,625,000	1,650,000	1,675,000
Customs revenue loss (\$)	439,425	446,400	453,375	460,350	467,325

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 of the proposed heading was revised to make it consistent with current HTS headings in chapter 99.

VI. Continuation

Estimated effects on customs revenue -- continued:

The footwear products covered by the legislation are subject to a compound duty rate. In section IV, the ad valorem equivalent duty rate was calculated using 2011 import data to provide Customs revenue loss estimates.

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	Brown Shoe Company, Inc. (interested entity) Lance Frutiger	314-721-8500	No	No	No
2	American Apparel and Footwear Association Nate Herman	703-797-9062	No	No	No
3	Footwear Distributors and Retailers of America Matt Priest	202-737-5660	No	No	No
4	KEEN, Inc. Joel Much	503-273-2540	No	No	No
5	National Retail Federation Erik Autor	202-250-9580	No	No	No
6	New Balance Athletic Shoe, Inc. Kelly Callahan	978-725-2680	Yes	Yes	Yes
7	Outdoor Industry Association Alex Boian	303-444-3353	No	No	No
8	Red Wing Shoe Company, Inc. Stacey Nesseth	651-385-6708	No	No	No
9	Rubber and Plastic Footwear Manufacturers Association Jamie Hunter	202-857-6000	Yes	Yes	Yes
10	Warson Group, Inc. Jim Maritz	314-721-8500	No	No	No

June 7, 2012

Hello Laura:

Herb asked me to review and reply. Please let me know if you have any questions or need anything further.

NB objects to:

HR5164 - textile uppers, textile outsoles. While we don't make shoes with textile outsoles in the US, (we do make shoes with textile uppers/rubber/plastic outsoles) until Customs clarifies what their tests/standards for durable textile outsoles, we cannot be sure importers won't be able to slap textile on shoes comparable to our domestically made shoes and receive free duty treatment.

HR5166 - rubber/plastic uppers, textile outsoles. Same comment as above.

HR4897 - rubber/plastic uppers, non athletic footwear, over \$6.50, not over \$12 - NB makes shoes in this category in the US - our OTB Abyss boot.

HR4898 - rubber/plastic uppers, non athletic footwear, over \$12 - NB makes shoes in this category in the US - our OTB Abyss boot.

Regards,
Kelly Callahan
Logistics Manager
New Balance Athletic Shoe, Inc.

June 18, 2012

The Honorable Dave Camp
Chairman
House Committee on Ways and Means
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
House Committee on Ways and Means
Washington, DC 20515

Jamie Hunter

Government Relations Director
202.775.5752 DIRECT
202.857.6395 FAX
hunter.jamie@arentfox.com

Dear Chairman Camp and Ranking Member Levin:

On behalf of the Rubber and Plastic Footwear Manufacturers Association, which represents the domestic footwear manufacturing industry, I object to the following miscellaneous tariff bill:

H.R. 4897 – Rep. Carnahan (6402.91.80)

This bill conflicts with a product produced domestically by New Balance shoes.

Sincerely,
James A. Hunter
Government Relations Director
Arent Fox, LLP

112TH CONGRESS
2D SESSION

H. R. 4897

To suspend temporarily the duty on certain women's footwear with outer soles and uppers of rubber or plastics and valued over \$6.50 but not over \$12 per pair.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mr. CARNAHAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain women's footwear with outer soles and uppers of rubber or plastics and valued over \$6.50 but not over \$12 per pair.

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 WOMEN'S FOOTWEAR WITH OUTER**
4 **SOLES AND UPPERS OF RUBBER OR PLAS-**
5 **TICS AND VALUED OVER \$6.50 BUT NOT OVER**
6 **\$12 PER PAIR.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.01.00	Footwear with outer soles and uppers of rubber or plastics, covering the ankle, valued over \$6.50 but not over \$12/pair, other than tennis shoes, basketball shoes, gym shoes, training shoes, or the like, for women, other than work footwear (provided for in subheading 6402.91.80)	Free	No change	No change	On or before 12/31/2015	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

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