



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)):

Magnetic snap-fasteners valued over 20 cents per dozen pieces or parts (provided for in subheading 9606.10.80)

(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 subject products are snap-fasteners, a type of closure device commonly used on apparel, luggage, handbags, and purses. Most snap-fasteners are made of metal, but they are not primarily magnetic. Magnetic snaps are typically used in the manufacture of leather goods. Italy, China, Japan, and Mexico are the leading suppliers of snap-fasteners. However, because China produces most of the world supply of the rare earth metals needed to make magnetic snap-fasteners, most magnetic snap-fasteners are imported from China.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9606.10.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.7	2.7	2.7	2.7	2.7
Estimated value of dutiable imports (\$)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Customs revenue loss (\$)	67,500	67,500	67,500	67,500	67,500

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 was revised to clarify that the temporary duty suspension applies only to those magnetic snap-fasteners valued over 20 cents per dozen pieces or parts, and to remove any reference to the end use of the imported snap-fasteners. The description as originally proposed in the bill would likely present administrative problems for Customs.

VI. Continuation

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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	Romag Fastners, Inc. (Interested entity) Howard Reiter	203-877-8049	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5035

To suspend temporarily the duty on certain magnetic snaps.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

A BILL

To suspend temporarily the duty on certain magnetic snaps.

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 MAGNETIC SNAPS.**

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

“	9902.96.06	Magnetic snaps used as a component part of finished leather goods (provided for in subheading 9606.10.80)	Free	No change	No change	On or before 12/31/2015	”.
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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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