



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)):

Backpacks with outer surface of man-made fibers, valued over \$30 each, each having wheels, a telescoping handle, stowable shoulder straps and a removable separate backpack or daypack attached by zipper or other means, with the main interior compartment capacity not exceeding 85 liters and the removable separate backpack or daypack capacity not exceeding 26 liters (provided for in subheading 4202.92.30)

(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 travel goods with detachable daypacks or backpacks and other specialized features, intended for rugged traveling and/or outdoor use, imported under HTS statistical reporting number 4202.92.3020. The majority of U.S. imports are from China, followed by smaller amounts from Vietnam and the Philippines. Opposition to this bill is noted in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	4202.92.30				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	17.6	17.6	17.6	17.6	17.6
Estimated value of <i>dutiable</i> imports (\$)	6,000,000	6,010,000	6,040,000	6,070,000	6,100,000
Customs revenue loss (\$)	1,056,000	1,057,760	1,063,040	1,068,320	1,073,600

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

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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	Outdoor Industry Association (Interested Entity) Alex Boian	303-327-3509	No	No	No
2	American Manufacturing Trade Action Coalition Sara Beatty	202-452-0866	No	No	No
3	SEAMS, The National Association for the Sewn Products Industry Sarah Friedman	803-772-5861	No	No	No
4	National Council of Textile Organizations Sarah Pierce	202-822-8026	No	No	No
5	American Apparel & Footwear Association Nate Herman	703-797-9062	No	No	No
6	Columbia Sportswear Jeff Tooze	503-985-4039	No	No	No
7	American Recreation Products Geoff O'Keefe	303-262-4789	No	No	No
8	Mountainsmith Tom Pope	303-279-5930	No	No	No
9	Osprey Packs Tom Barney	970-564-5900	No	No	No
10	Eagle Creek Candyce Johnson	760-431-6400 x 6133	No	No	No
11	Leather Specialty Company Michael Korchmar	513-884-7228	Yes	Yes	Yes
12	The North Face Patrick Fox	714-889-6133	No	No	No
13	REI Bruce Klein	253-437-7881	No	No	No
14	Eagle Industries Eric Rohlfig	888-343-7547	No	No	No
15	Sagebrush Elaine Garrett	907-785-3329	No	No	No
16	London Bridge Trading Company Mike Rosenstein	757-498-0207	No	No	No
17	Savannah Luggage Works Allen Rice	912-537-3016	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 HR5636 and wanted to express my objection to the bill. I realize that the time for comment closed on June 22 but was hoping you could still try to get 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.

My company and our employees will most certainly be adversely impacted by passing HR 5636 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
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Naples, FL 34110
513 884 7228

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