



November 2012

Hon. Dave Camp, Chairman
Hon. Sander Levin, Ranking Member
House Committee on Ways and Means
1104 Longworth House Office Building
Washington, DC 20515

Re: MTB Comments

Dear Chairman Camp and Ranking Member Levin:

On behalf of E.S. Originals Inc., we are providing, for inclusion in the Committee's public comment repository, the attached document urging rejection of certain footwear-related Miscellaneous Tariff Bills (MTBs). Please contact the undersigned with any questions on this submission.

Sincerely,

John R. Magnus

Attachment

Three “New” Footwear Duty Suspensions Should Be Excluded from Any MTB Package Processed During the Lame Duck Session

A package of duty suspensions is being considered during the final, post-election stretch of the 112th Congress. Three of the new footwear MTB proposals – H.R. 4897 (Carnahan), H.R. 4898 (Carnahan), and H.R. 5564 (Blumenauer) – should be rejected as they do not meet the criteria for inclusion in an MTB package.

H.R. 4897

- **Products affected:** 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).
- **Reasons for rejecting:**
 - *Controversial* – opposed by domestic producers (RPFMA, New Balance)
 - *Giveaway of trading stock* that is important in TPP negotiation; also an undeserved giveaway to China
 - *Gerrymandered* – introduces new discrimination against like products that get no duty cut, thereby creating an apparent WTO-inconsistency

H.R. 4898

- **Products affected:** Same as H.R. 4897 but valued between \$12-\$20/pair (provided for in subheading 6402.91.90).
- **Reasons for rejecting:**
 - *Controversial* – opposed by domestic producers (RPFMA, New Balance)
 - *Exceeds maximum revenue impact* – scored over \$1.1M in each year by ITC
 - *Giveaway of trading stock* that is important in TPP negotiation; also an undeserved giveaway to China
 - *Gerrymandered* – introduces new discrimination against like products that get no duty cut, thereby creating an apparent WTO-inconsistency

H.R. 5564

- **Products affected:** Footwear with outer soles and uppers of rubber or plastics, other than house slippers, and other than such footwear for men or women, the foregoing with open toes or open heels, or of the slip-on type, that is held to the foot without the use of laces or buckles or other fasteners, except footwear of subheading 6402.99.33 and except footwear having a foxing or a foxing-like band wholly or almost wholly of rubber or plastics applied or molded at the sole and overlapping the upper (provided for in subheading 6402.99.49).
- **Reasons for rejecting:**
 - *Exceeds maximum revenue impact* – scored over \$3.7M in each year by ITC
 - *Giveaway of trading stock* that is important in TPP negotiation; also an undeserved giveaway to China
 - *Gerrymandered* – introduces new discrimination against like products that get no duty cut, thereby creating an apparent WTO-inconsistency