

Congress of the United States
House of Representatives
Washington, DC 20515-2902

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April 2, 2014

The Honorable Dave Camp
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
House Committee on Ways and Means
1106 Longworth House Office Building
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

I am writing to object to the inclusion of heading 9902.05.35 (Section 2001, (a)(146)) in H.R. 2708, the U.S. Job Creation and Manufacturing Competitiveness Act of 2013, which reads as follows:

(146) Heading 9902.05.35 (relating to certain footwear consisting of an outer sole affixed to an incomplete or unfinished upper).

This tariff suspension violates the rules for the Miscellaneous Tariff Bill (MTB) process because it would harm my constituent footwear manufacturer, Genfoot, and other domestic footwear manufacturers. Genfoot, based in Littleton, NH, is one of only a handful of footwear companies that manufacture rubber and plastic footwear in the United States.

Specifically, this heading would allow for competitive, nearly-completed footwear with vulcanized rubber soles and any type of upper material to come into the United States without being assessed a tariff. As you know, imported rubber and plastic footwear that is sensitive—meaning it competes with “like” products made in the United States—is assessed a 37.5 percent tariff. Although the footwear under 9902.05.35 would technically be incomplete, the reality is that it would only require a very small alteration or addition at minimal cost in order to be sold.

Therefore, heading 9902.05.35 would effectively act as a loophole to circumvent protective tariffs, allowing imported rubber footwear that compete with every product Genfoot manufactures to enter the U.S. tariff-free. Given its broad scope, this would constitute a form of tariff engineering that would cause considerable harm to Genfoot and their more than 100 employees in Littleton, as well as to other domestic rubber and plastic footwear manufacturers.

I understand that heading 9902.05.35 was requested on behalf of a company that uses vulcanized rubber outsoles for hunting boots, and that it has been asserted that vulcanized rubber is distinct from mold injected rubber, which Genfoot uses in its products. This assertion is factually incorrect. Vulcanized rubber and mold injected rubber are commercially indistinguishable and therefore competitive. They look exactly the same and serve the same customer base.

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As you know, the governing philosophy of the MTB is that it should “do no harm” to domestic manufacturers. Moreover, the rules for the MTB process require that an MTB be “non-controversial.” In my view, heading 9902.05.35 violates both of these prerequisites. Therefore, I ask that you remove it from H.R. 2708 so that it is not included in this legislation when it is considered by either the Committee on Ways and Means or the full House. I also ask that the Committee reject any effort by the Senate to reinsert this heading into the bill before it passes Congress and is sent to the President. Thank you for your attention to this request and to the economic security of the constituents I represent.

Sincerely,



Ann McLane Kuster
Member of Congress