

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: January 11, 2007]<sup>2</sup>

**Bill No. and sponsor:** S. 3665 (Mrs. Dianne Feinstein of California).

**Proponent name, location:** Kyocera America, Inc., San Diego, CA

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Extends temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Knives having ceramic blades, such blades containing over 90 percent zirconia by weight (provided for in subheading 6911.10.80 or 6912.00.48).

**Check one:**     Same as that in bill as introduced.  
                   Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source of imports:**

The subject ceramic knives have blades made of zirconium oxide, an advanced ceramic material that is extremely hard, second only to diamond on the Mohs scale. The zirconium oxide raw material for ceramic blades comes in the form of white powder that is milled and mixed. The powder is put in molds in the shape of the knife and the molds are then pressed. The resulting blanks are heated to approximately 1,000 degrees C. The blades are ground and sharpened, inserted into handles and packaged.

Ceramic knives can be sharpened only with a powered diamond sharpening wheel. Knives with zirconium blades are designed to hold their edge longer than competing steel knives, and to resist rusting or staining. The ceramic knife made by Kyocera reportedly works best as a slicing knife and is not intended for cutting or chopping applications, due to the risk of chipping. Kyocera imports ceramic knives from Japan.

<sup>1</sup> Industry analyst preparing report: Vincent DeSapio (202-205-3435); Tariff Affairs contact: Janis Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>Total Estimated Revenue loss for this Bill</b>					
	2006	2007	2008	2009	2010
Customs revenue loss 1/	\$153,000	\$153,000	\$153,000	\$153,000	\$153,000

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.69.01 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

<b>HTS subheading: 6911.10.80</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	20.8%	20.8%	20.8%	20.8%	20.8%
Estimated value <i>dutiable</i> imports	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Customs revenue loss 1/	\$104,000	\$104,000	\$104,000	\$104,000	\$104,000

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.69.01 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

<b>HTS subheading: 6912.00.48</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	9.8%	9.8%	9.8%	9.8%	9.8%
Estimated value <i>dutiable</i> imports	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Customs revenue loss 1/	\$49,000	\$49,000	\$49,000	\$49,000	\$49,000

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.69.01 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry estimates.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Kyocera America, Inc. (Proponent) Chris Schons, 202-296-2400	09/29/2006	No	No	No
Cutco Cutlery Corporation/Alcas Corp. Brent Driscoll, 716-373-6148	09/29/2006	No	No	No
Dexter-Russell Co. Alan Peppel, 508-765-6601	10/05/2006	Yes	Yes	Yes
Lamson & Goodnow Corp. Karl Zanner, 413-774-9830	10/09/2006	No	No	No
World Kitchen Inc. Lindsey Withers, 703-456-4700	10/09/2006	No	No	No

**Technical comments:<sup>3</sup>**

The Commission notes that, in line 4 of the bill, the word “Subheading” should be deleted and the word “Heading” should be inserted in lieu thereof.

<sup>3</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS  
2D SESSION

# S. 3665

To extend temporarily the suspension of duty on certain ceramic knives.

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IN THE SENATE OF THE UNITED STATES

JULY 14, 2006

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To extend temporarily the suspension of duty on certain ceramic knives.

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 CERAMIC KNIVES.**

4       (a) IN GENERAL.—Subheading 9902.69.01 of the  
5       Harmonized Tariff Schedule of the United States (relating  
6       to knives having ceramic blades containing over 90 percent  
7       zirconia by weight) is amended by striking the date in the  
8       effective period column and inserting “12/31/2009”.

9       (b) EFFECTIVE DATE.—The amendment made by  
10       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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