

# SPC&B Update

*June 30, 2015 - In This Issue:*

**Tariff Legislation Update**  
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## **Congress Finally Passes Tariff Legislation -- Good News, for the Most Part**

By now you will have heard that after years of inaction, Congress finally passed legislation extending the Generalized System of Preferences (GSP) until 2017, and the African Growth & Opportunity Act (AGOA) and Haiti tariff preferences until 2025. The GSP extension was made retroactive to entries made on and after August 1, 2013. The legislation, which was signed by the President, also provides a reduced duty rate of 20% for certain protective 'specialized athletic footwear' that is water repellent due to a coated or laminated textile fabric upper, from 37.5%. That is the good news.

The bad news is that in an attempt to provide special breakouts for certain 'recreational performance outerwear' (and eventually lower duty rates for such merchandise), Congress inadvertently raised rates in most instances, for many such garments that previously qualified for the water resistant provisions in Chapter 62 of the Harmonized Tariff Schedules (HTS). Apparently it was well known that the legislation contained these errors, but in the last ditch effort to have the bill passed, the errors were not corrected. Instead, the bill was amended to render the effective date of the new provisions 180 days after enactment. At this point, it is our understanding that Congress will now try to fix the errors in the context of the Customs bill, which is still being considered, before the new higher duty rates go into effect.

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If you would like more information on the specific provisions of the tariff bill, please contact Gail T. Cumins at [gcumins@spcblaw.com](mailto:gcumins@spcblaw.com), Alli Baron at [abaron@spcblaw.com](mailto:abaron@spcblaw.com), or Donna Shira at [dshira@spcblaw.com](mailto:dshira@spcblaw.com), or call us at 212-425-0055.

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