

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: September 12, 2005]²

Bill No. and sponsor: H.R. 1997 (Mr. Manzullo)

Proponent name, location: Clinton Electronics Corp.
Rockford, IL.

Other bills on product (109th Congress only): None.

Nature of bill: Permanent change to the article description of subheading 7011.20.40; other conforming changes.

Retroactive effect: None.

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

The bill appears to state correctly the various modifications to chapter 70 and chapter 99 that would be needed to accomplish the intended result.

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

A glass envelope for a cathode ray tube (CRT) is a single unit consisting of a glass faceplate joined to a glass funnel. The envelope forms a housing for the electronic component of the CRT. The faceplate serves as the CRT display screen. CRTs are most commonly used as television picture tubes and computer monitor display tubes. The primary source of imports is China. The tariff provision that would be changed by this bill was proclaimed as part of the implementation of the Uruguay Round of multilateral tariff negotiations and became effective as of January 1, 1995. According to the proponent, the proposed changes would simplify Customs' administration of the provision and would reduce compliance costs for importers, in keeping with the absence of domestic production. Because of the broadening of the scope of the existing provision proposed by the bill, which would likely then encompass some products now imported under subheading 7011.20.80, the bill correctly proposes redesignating both existing provisions in order to reflect the altered product coverage.

¹ Industry analyst preparing report: Vincent DeSapio (202-205-3435); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

The bill would affect two provisions, subheadings 7011.20.40 and 7011.20.80, with the end result that all monochrome class envelopes for cathode-ray tubes that are designed for use in computer monitors for data or graphics displays would fall into subheading 7011.20.40, redesignated as 7011.20.45 (if certified by the importer for that purpose). The glass envelopes that now do not meet the technical criteria of subheading 7011.20.40, but are still certified by the importer as intended for this use, would shift into the modified 7011.20.45. The table below presents estimated data concerning those goods now covered by subheading 7011.20.80 that would likely be covered by modified subheading 7011.20.45. The bill would also delete the expired duty suspension provision for monochrome glass envelopes, which had been afforded under heading 9902.70.01 through the close of 2003.

HTS subheading: 7011.20.80					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	5.2%	5.2%	5.2%	5.2%	5.2%
Estimated value <i>dutiable</i> imports <u>2/</u>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Customs revenue loss	\$52,000	\$52,000	\$52,000	\$52,000	\$52,000

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available. Total dutiable imports under subheading 7011.20.80 were about \$146 million in 2003 and \$127 million in 2004.

Source of estimated dutiable import data: Industry estimates.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Clinton Electronics Corp.	6/30/2005	No	No	No
Sony Electronics, Inc., Mt. Pleasant, PA	6/30/2005	No	No	No
Thomson Consumer Electronics, Circleville, OH	6/29/2005	No	No	No
Techneglas Inc.	6/30/2005	No	No	No
Lancaster Glass Corp.	6/30/2005	Yes	No	Yes <u>1/</u>

1/ Lancaster Glass indicates it makes a product similar to the subject goods. However, Clinton

Electronics disputes this statement and claims that it cannot use the product produced by Lancaster Glass.

Technical comments:³ None.

³ 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
1ST SESSION

H. R. 1997

To amend the Harmonized Tariff Schedule of the United States to clarify the article description relating to certain monochrome glass envelopes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. MANZULLO introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Harmonized Tariff Schedule of the United States to clarify the article description relating to certain monochrome glass envelopes, and for other purposes.

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 MONOCHROME GLASS ENVELOPES.**

4 (a) AMENDMENT TO SUBHEADING 7011.20.40 OF
5 HTSUS.—The article description of subheading
6 7011.20.40 of the Harmonized Tariff Schedule of the
7 United States is amended to read as follows: “Mono-
8 chrome glass envelopes, the foregoing certified by the im-

1 porter as being for actual use in automatic data processing
2 machine data or graphic display cathode ray tubes”.

3 (b) CONFORMING AMENDMENTS.—(1) Subheading
4 7011.20.40 of the Harmonized Tariff Schedule of the
5 United States, as amended by subsection (a), is redesign-
6 nated as subheading 7011.20.45.

7 (2) Subheading 7011.20.80 of such Schedule is redess-
8 igned as subheading 7011.20.85.

9 (3) Subchapter II of chapter 99 of such Schedule is
10 amended by striking heading 9902.70.01.

11 (c) STAGED RATE REDUCTIONS.—Any staged rate
12 reduction of a rate of duty proclaimed by the President
13 before the date of the enactment of this Act, that—

14 (1) would take effect on or after such date of
15 enactment; and

16 (2) would, but for the amendment made by sub-
17 section (b)(2), apply to subheading 7011.20.80 of
18 the Harmonized Tariff Schedule of the United
19 States,

20 applies to the corresponding rate of duty set forth in sub-
21 heading 7011.20.85 of such Schedule (as added by sub-
22 section (b)(2)).

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