

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 4, 2005]²

Bill No. and sponsor: H.R. 2311 (Mr. Joe Wilson of South Carolina).

Proponent name, location: Bose Corporation, Framingham, MA.

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

Nature of bill: Extension of existing temporary duty suspension through Dec. 31, 2008.³

Retroactive effect: None.

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

Loudspeakers not mounted in their enclosures (provided for in subheading 8518.29.80), the foregoing which meet a performance standard of not more than 1.5 dB for the average level of 3 or more octave bands, when such loudspeakers are tested in a reverberant chamber.

Check one: Same as that in bill as introduced.⁴
 Different from that in bill as introduced (see Technical comments section).

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

Loudspeakers are devices that convert electrical signals transmitted from amplifiers into acoustical sound. These loudspeakers are normally sold for consumer use in enclosures, which are nonvibrating, generally rigid elements (usually cabinets of various types and sizes, whether or not totally enclosing other components) that control the divergence of the sound waves.

Loudspeakers not mounted in their enclosures are not generally recognized as finished products. They are used in the manufacture of a variety of consumer products, such as finished loudspeakers, home and car stereos, radios, televisions, electrical musical instruments, audible toys, and other products. As a finished product, loudspeakers are used in recording studios, concert halls, stadiums, theaters, and broadcast stations, and in many multimedia applications. The loudspeakers under consideration meet a performance specification that is designed to ensure they will reproduce sound with a minimum distortion.

Countries of origin for such loudspeakers are China, Malaysia, Taiwan, and Mexico.

¹ Industry analyst preparing report: Michelle Vaca-Senecal (202-205-3356); 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.

³ The subject products are eligible for duty-free entry under heading 9902.85.20 through December 31, 2006.

⁴ No change in the article description of HTS heading 9902.85.20 is suggested.

Estimated effect on customs revenue:

HTS subheading: <u>8518.29.80</u>					
	2005	2006	2007	2008	2009 ¹
Col. 1-General rate of duty	4.9%	4.9%	4.9%	4.9%	4.9%
Estimated value <i>dutiable</i> imports	\$8,900,000	\$8,700,000	\$8,600,000	\$8,600,000	\$8,600,000
Customs revenue loss ^{1/}	\$436,100	\$426,300	\$421,400	\$421,400	\$421,400

^{1/} The revenue loss data for 2005-2006 reflect the existing duty suspension under heading 9902.85.20 through December 31, 2006. The duty suspension was enacted in section 2220 of the Miscellaneous Trade and Technical Corrections Act of 1999 (Pub. L. 106-36 of June 25, 1999; 113 Stat. 127, 164).

Source of estimated dutiable import data: Industry and Commission staff 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?
Bose Corporation (Proponent) Walter Raheb, 202- 508-4092	9/01/2005	No	No	No
Acoustic Design Bart Young, 270- 444-0491 bart@acousticdesign.net	9/07/2005	Yes	Yes	Yes
American Loudspeaker Manufacturers' Assn. Andy McKinney, 703- 415-1500	9/07/2005	No	No	No
Boston Acoustics Debbie Ricker, 978- 538-5000 X5148	9/07/2005	No	No	No
Electronic Components, Assemblies, and Materials Association Ed Mikosh, 703- 907-8023 emikoski@ecaus.org	9/07/2005	No	No	No
Eminence Speaker Chris Rose, 502-845-5622 X336 chris.rose@eminence.com	9/15/2005	Yes	Yes	Yes
JBL Professional Ann Durand, 516- 682-6387	9/07/2005	No	No	No

MISCO, Dan Digre 612- 825-1010 ddigre@miscospeakers.com	9/21/2005	Yes	Yes	Yes
Mitek Corporation, Eileen Prather, 602- 707-5136	9/09/2005	No	No	No
Projected Sound, Inc. J. Hilligoss, 317-839-4111	10/04/2005	Yes	Yes	Yes

Technical comments:⁵ None.

⁵ 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. 2311

To extend the temporary suspension of duty on certain high-performance loudspeakers.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2005

Mr. WILSON of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on certain high-performance loudspeakers.

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 HIGH-PERFORMANCE LOUD-**
4 **SPEAKERS.**

5 (a) IN GENERAL.—Heading 9902.85.20 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 certain high-performance loudspeakers) is amended by
8 striking “12/31/2006” and inserting “12/31/2008”.

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 enactment of this Act.

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