

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 20, 2006]²

Bill No. and sponsor: S. 791 (Mr. Santorum)

Proponent name, location: Sony Electronics, Inc.
Mount Pleasant, PA

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

Nature of bill: Temporary duty suspension through December 31, 2008

Retroactive effect: None.

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

Plasma display panels for use in plasma flat panel screen televisions (provided for in subheading 8529.90.53)

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:

Plasma display panels (PDPs) are flat panels for video display in which tiny fluorescent lights are illuminated to form an image. Each panel is composed of hundreds of thousands of cells, each made up of three fluorescent lights - red, green, and blue. By varying the intensities of the separate lights within each cell, the plasma display can produce a full range of colors. The video display diagonal of plasma display devices currently range from approximately 30 inches to 60 inches.³ PDPs can be used to display video images for entertainment, military, or industrial purposes. PDPs can be used in the same fashion as a cathode-ray tube-based display, but they are lighter, thinner, and consume less power.

Plasma display panels are currently produced in commercial quantities only in Japan.

Estimated effect on customs revenue:

The proponent, Sony, has advised that it has discontinued the production of plasma screen television receivers in the United States and has no further comment on this legislation. There are no other known

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at <http://www.usitc.gov/billrpts.htm>.

³ <http://electronics.howstuffworks.com/plasma-display.htm/printable>, May 21, 2003.

U.S. producers of plasma screen television receivers. Thus, the Commission is unable to identify import data for these goods.

HTS subheading: 8529.90.53					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty (AVE) <u>1/</u>	2.9%	2.9%	2.9%	2.9%	2.9%
Estimated value <i>dutiable</i> imports <u>2/</u>	\$0	\$0	\$0	\$0	\$0
Customs revenue loss	\$0	\$0	\$0	\$0	\$0

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.

2/ As noted, the Commission is unable to identify import data for these goods.

Source of estimated dutiable import data: Commission estimates based on industry information.

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)		
Sony Electronics, Inc., Mt. Pleasant, PA (Proponent) Christina Tellalian, 202-429-3653	05/31/2005	No	No	No
Panasonic/Matsushita Corp. of America Mary Alexander, 202-912-3800	05/31/2005	No	No	No
Sanyo Manufacturing 870-633-5030	06/11/2005	No	No	No
Texas Instruments Contact: Cynthia Johnson, 202-628-3133	05/31/2005	Yes	Yes	Yes
U.S. Display Consortium Robert Pinnel, 408-277-2400	05/31/2005	No	No	No

Technical comments:⁴ None.

⁴ 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.

June 22, 2005

John W. Kitzmiller
International Trade Analyst
Electronic Technology and Equipment Branch
Electronic and Transportation Division
Office of Industries
U.S. International Trade Commission
500 E. St., SW
Washington, D.C. 20436

Dear Mr. Kitzmiller:

I am writing in response to your telephone call to Dale Zimmerman of Texas Instruments regarding the above referenced legislation. TI has reviewed the legislation. For the reasons stated below, TI opposes the legislation.

The legislation would suspend duties on various components used in displays for TVs. TI, a US corporation headquartered in Dallas Texas, manufactures a display technology which could be competitively disadvantaged if these competing display components enjoyed duty free treatment. If all competing display technologies including those incorporating TI digital mirror devices or DMDs were given duty free treatment than TI would not oppose the legislation.

Texas Instruments has been one of the key innovators in the home entertainment area through our Digital Light Processing™ or DLP™ Products Division. At the heart of TI DLP technology is the Digital Micromirror Device optical semiconductor chip. The DMD switch has an array of over 2,000,000 hinged, microscopic mirrors which act as optical switches to create a high resolution, full color image. Today, TI supplies DLP subsystems to almost all of the world top projection and display manufacturers.

As you may be aware large screen TVs are a growing market. Market projections forecasts for large screen TVs are for 4,600,000 in 2005, 5,600,000 in 6 and 6,800,000. Vastly improved picture quality, thinner form factors and the increasing availability of digital broadcasts are all driving the market for DTVs. Liquid crystal displays, plasma, high definition CRTs and DLP technologies are all competing for DTV market share. DLP based sets represent approximately eighteen percent of the US market of large screen microdisplay TVs today. We believe that we can greatly increase that percentage in the near term. However we will not be able to do so if DMDs or DMD assemblies are burdened with a tariff rate which is higher than the applicable rate for competing technologies.

Thank you for this opportunity to comment on the legislation. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Chalkley". The signature is written in a cursive style with a large, looping initial "G".

Greg Chalkley
Manager, Logistics and Business Services
DLP™ Products
Texas Instruments Incorporated

109TH CONGRESS
1ST SESSION

S. 791

To suspend temporarily the duty on plasma flat panel screen assemblies for use in televisions.

IN THE SENATE OF THE UNITED STATES

APRIL 14, 2005

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

A BILL

To suspend temporarily the duty on plasma flat panel screen assemblies for use in televisions.

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. PLASMA FLAT PANEL SCREEN ASSEMBLIES.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.85.44	Plasma flat panel screen assemblies for use in televisions (provided for in subheading 8529.90.53)	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 this section applies with respect to goods entered, or with-
3 drawn from warehouse for consumption, on or after the
4 15th day after the date of the enactment of this Act.

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