

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: October 11, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3311 (Mr. Charles Schumer and Mrs. Hillary Clinton of New York et al).

**Proponent name, location:** Honeywell Corporation, Morristown, NJ.

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

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

**Retroactive effect:** None.

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

Electrical transformers having a power handling capacity less than 40VA (provided for in subheading 8504.31.40).

**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(s) of imports:**

Household electrical power is supplied at 120 volts alternating current (VAC). Transformers “step down” the 120 VAC household current to the lower levels needed to power household appliances and equipment. The majority of these transformers currently are sourced from China.

**Estimated effect on customs revenue:**

<b>HTS subheading: 8504.31.40</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.6%	6.6%	6.6%	6.6%	6.6%
Estimated value <i>dutiable</i> imports	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000	\$23,000,000
Customs revenue loss	\$1,518,000	\$1,518,000	\$1,518,000	\$1,518,000	\$1,518,000

Source of estimated dutiable import data: Commission estimates and industry information. No separate data are available on total imports of such goods intended for use in burglar alarms or fire alarms.

<sup>1</sup> Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan 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).

**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)		
Honeywell Corp. (Proponent) Art Simonetti, 202-662-2671	07/28/2006	No	No	No
Altronix Corp. Paul Rizzuto, 718-567-8181	08/23/2006	No	No	No
Bosch Security Lori Brooking, 800-289-0096	08/04/2006	No	No	No
National Electrical Manufacturers Association 703-841-3200	08/23/2006	No	No	No
Transformer Association William Chambers, 508-979-5935	08/24/2006	No	No	No

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

CBP would likely be unable to distinguish between the products intended for burglar or fire alarms, as described in the bill as drafted, and those for other end uses. It may be possible to add a requirement for certification by the importer of the intended use of the goods to narrow the scope of coverage; such a requirement may discourage claims for duty treatment under a chapter 99 provision by importers of similar goods for other uses. If that criterion is to be added, the article description would be worded as follows:

“Electrical transformers having a power handling capacity less than 40VA, certified by the importer as intended for use in burglar alarms or fire alarms (provided for in subheading 8504.31.40)”.

<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. 3311

To suspend temporarily the duty on certain electrical transformers.

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IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

Mr. SCHUMER (for himself and Mrs. CLINTON) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on certain electrical  
transformers.

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. ELECTRICAL TRANSFORMERS.**

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:

“	9902.85.05	Electrical transformers, of a kind used for the primary source of power for burglar or fire alarms and similar apparatus of subheading 8531.10.00 (provided for in subheading 8504.31.40) .....	Free	No change	No change	On or before 12/31/2009	”.
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1       (b) **EFFECTIVE DATE.**—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of the enactment of this Act.

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