

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress ¹**

[Date approved: October 4, 2006]²

Bill No. and sponsor: S. 3312 (Mr. Charles Schumer of New York and Mrs. Hillary Clinton of New York).

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

Other bills on product (109th 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)):

Color video monitors each having a flat panel screen, BNC input connection and video loop-thru connector, the foregoing with a video display diagonal of either: 41.9 cm or more but not more than 44.5cm, or 47 cm or more but not more than 49.5 cm (provided for in subheading 8528.21.70).

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:

These products are video monitors with flat display panels designed for viewing live and recorded video signals from security cameras, video storage devices, and other closed-circuit television (CCTV) equipment. Unlike video monitors with LCD panels intended for consumer use, these monitors have BNC³ input connections and video loop-thru connectors to permit increased flexibility of video signal routing and connectivity. The subject monitors are usually used in applications requiring continuous operation and feature higher reliability than monitors intended for consumer use. These two products are differentiated by screen sizes—as having nominally 17-inch and 19-inch diagonal measurements. China is the principal source of these monitors.

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

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

³ A BNC connector is a “male” connector used to connect video components to coaxial cables. The name reportedly stands for British Naval Connector or Bayonet Nut Connector or Bayonet Neill-Concelman connector, according to various Internet sites.

Estimated effect on customs revenue:

Total Estimated Revenue loss for this Bill					
	2006	2007	2008	2009	2010
Customs revenue loss	\$37,000	\$39,000	\$41,000	\$43,000	\$45,000

Source of estimated dutiable import data: Industry and Commission estimates.

a) Color video monitors with a flat panel screen, with a video display diagonal of more than 41.9 cm but not more than 44.5cm, with BNC input connections and video loop-thru connectors (provided for in subheading 8528.21.70).

HTS subheading: 8528.21.70					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$370,000	\$390,000	\$410,000	\$430,000	\$450,000
Customs revenue loss	\$18,500	\$19,500	\$20,500	\$21,500	\$22,500

Source of estimated dutiable import data: Industry and Commission estimates.

b) Color video monitors with a flat panel screen, with a video display diagonal of more than 47 cm but not more than 49.5 cm, with BNC input connections and video loop-thru connectors (provided for in subheading 8528.21.70).

HTS subheading: 8528.21.70					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$370,000	\$390,000	\$410,000	\$430,000	\$450,000
Customs revenue loss	\$18,500	\$19,500	\$20,500	\$21,500	\$22,500

Source of estimated dutiable import data: Industry and Commission estimates.

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 Corporation (Proponent) Max Turnipseed, 225-338-0310	07/26/2006	No	No	No
American Video Equipment Alex Twyman, 281-443-2300	08/04/2006	No	No	No
Bosch Security Lori Brunke, 800-289-0096	08/04/2006	No	No	No
ELMO Gilbert DeLiso, 516-501-1400	08/04/2006	No	No	No
Panasonic Co. Mary Alexander, 202-912-3800	07/26/2006	No	No	No
Sony Co. Christina Tellalian, 202-429-3653	07/26/2006	No	No	No

Technical comments:⁴

It is suggested that the proposed article description be modified as shown on page 1. We have included what we believe to be the correct HTS subheading for these products. Also, the screen sizes set forth in the bill reflected a straight conversion from nominal 17-inch and 19-inch screen sizes to metric sizes, but we suggest including a range rather than single units of measure that would need to be reflected exactly in the entered products. As drafted, the bill did not specify any technical or physical features that would make a particular monitor “of a kind used” in security systems; the permanent tariff subheading likewise does not have separate statistical reporting numbers and definitions for various monitors by end use. Customs would likely be unable to distinguish between the products intended for use in a video security system, as described in the original bill, and those for other end uses, except on the basis of an importer certification or an “actual use” criterion. Each of these requirements would present certain costs and administrative problems. We defer to Customs to comment on the benefits or problems resulting from either type of additional requirement (which could be added to the description on page 1 and would likely reduce the volume of affected imports and resulting revenue losses).

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.

109TH CONGRESS
2D SESSION

S. 3312

To suspend temporarily the duty on certain color flat panel screen monitors.

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

A BILL

To suspend temporarily the duty on certain color flat panel
screen monitors.

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. COLOR FLAT PANEL SCREEN MONITORS.**

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:

“	9902.85.28	Color flat panel screen monitors, with a video display diagonal of 43.18 cm or 48.26 cm, of a kind used as analog display devices in video security systems (provided for in subheading 8528.12.72)	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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