

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 5, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2086 (Ms. Amy Klobuchar of Minnesota).

**Proponent name,<sup>3</sup> location:** Best Buy Purchasing LLC, Richfield, MN.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

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

Radiobroadcast band receivers not capable of operating without an external source of power, combined in the same housing with detachable 2-way speakers, the foregoing receivers each having a total power output of 250 W (125 W per channel into 6 ohms at 1 kHz, 10 percent total harmonic distortion) and containing a 5-disc compact disc changer; a docking station for an MP3 player and dual audiocassette decks, with one deck capable of sound reproducing only and the other deck capable of sound recording and reproducing (provided for in subheading 8527.91.50).

**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 receivers are compact audio systems that contain an AM/FM radiobroadcast receiver. The new heading would also require a 5-disc compact disc changer; a docking station for an MP3 player, such as an iPod; and dual cassette decks that permit dubbing from a prerecorded audiocassette to a blank audiocassette, playing prerecorded audiocassettes, and recording from any of the other sources (radio, iPod, or CD). These receivers would need to be capable of putting out 250 watts of power (125 watts per each of 2 channels) to two 2-way speakers with no more than 10 percent total harmonic distortion.

Malaysia and China accounted for over 90 percent of 2008 imports of goods under HTS subheading 8527.91.50. Dutiable imports account for virtually all imports under this subheading.

<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://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8527.91.50:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss <sup>b</sup>	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500

a/ Dutiable import estimates were based on Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**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)		
Best Buy Purchasing LLC (Proponent) Blake Hanlon, 612-291-6294	11/17/2009	No	No	No
Audiovox Corp. Pat Moffett, 631-436-6499	11/23/2009	No	No	No
Consumer Electronics Association Sage Chandler, schandler@ce.org	11/24/2009	No	No	No
JVC Americas Corp. Tom St. Maxens, 202-966-9000	11/16/2009	No	No	No
Panasonic Corp. Madeline Kuflik, 201-392-4649	11/16/2009	No	Yes	No
Sony Electronics, Inc. Christina Tellalian, 202-429-3653	11/19/2009	No	No	No
Yamaha Electronics Corp. Doan Hoff, dhoff@yamaha.com	11/25/2009	No	No	No

**Technical comments:<sup>4</sup>**

It is suggested that the article description be worded as shown on page 1, to conform more closely to normal HTS usage and to add clarity to the description without using undefined terminology such as “mini stereo system.”

<sup>4</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.

111TH CONGRESS  
1ST SESSION

# S. 2086

To suspend temporarily the duty on certain mini component stereo systems.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Ms. KLOBUCHAR 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 mini component stereo systems.

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 MINI COMPONENT STEREO SYSTEMS.**

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:

“	9902.01.00	(2009 HTS # 8527.91.5000) mini stereo system with 5- disc multiplay changer, AM/ FM tuner, docking station, 250W total power, dual cas- sette decks, 2-way speaker system, etc. ....	Free	No change	No change	On or before 12/31/2011	”.
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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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