

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: March 5, 2010]²

Bill No. and sponsor: S. 2325 (Mr. John Kerry of Massachusetts et al.).

Proponent name,³ location: Bose Corporation, Framingham, MA.

Other bills on product (111th 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)):

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 according to Institute of Electronics and Engineers (IEEE) Standard 219-1975 and International Electrotechnical Commission (IEC) Standard 60268-5.

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:

Loudspeakers are devices that convert electrical signals transmitted from amplifiers into acoustical sound; the enclosures are nonvibrating, generally rigid elements (usually cabinets of various types and sizes, whether or not totally enclosing the other components) that control the divergence of the sound wave. Loudspeakers not mounted in their enclosures are not generally recognized as finished products. They are instead seen as items to be 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 theaters, and broadcast stations, and in many multimedia applications. The loudspeakers under consideration meet a performance specification that ensures they will reproduce sound with a minimum of distortion.

The principal source of loudspeakers not mounted in enclosures is China, from which the United States imported \$334.9 million of \$478.4 million in total dutiable imports under HTS subheading 8518.29.80 in 2008 and \$251.3 million of \$351.5 million of total dutiable imports in 2009.

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://www.usitc.gov/tariff_affairs/congress_reports/.

³ 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 8518.29.80:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4.9%	4.9%	4.9%	4.9%	4.9%
Estimated value <i>dutiable</i> imports ^a	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Customs revenue loss ^b	\$392,000	\$392,000	\$392,000	\$392,000	\$392,000

a/ Dutiable import estimates provided by proponent.

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)	
Bose (Proponent) Mark Finnerty, 508-766-7000	11/16/09	No	No	No
Altec Lansing LLC 866-570-5702	11/24/09	No	No	No
American Loudspeaker Manufacturers Association Zarina Bhimani, 617-314-6977	12/02/09	Yes	No	No
Consumer Electronics Association Sage Chandler, schandler@ce.org	11/24/09	No	No	No
Eminence Speaker, LLC Christopher E. Rose, 502-845-5622	11/25/09	Yes	Yes	Yes
Harman International 203-328-3500	11/24/09	No	No	No
Panasonic Corp. Madeline Kuflik, 201-392-4649	11/16/09	No	Yes	No
Sony Electronics, Inc. Christina Tellalian, 202-429-3653	11/19/09	No	No	No
Yamaha Electronics Corp. Doan Hoff, dhoff@yamaha.com	11/25/09	No	No	No

Technical comments:⁴

The HTS contains a duty suspension provision for the subject goods which expired at the end of 2006. It is suggested that the proposed bill be rewritten to amend the article description of existing heading 9902.85.20 to match the language shown on page 1, and that the expiration date of “12/31/2006” now shown in the HTS be replaced with the desired expiration date. The new description would clarify the intended standard for the reverberant chamber that appears in the existing provision.

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.

111TH CONGRESS
1ST SESSION

S. 2325

To suspend temporarily the duty on loudspeakers not mounted in their enclosures.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. KERRY (for himself, Mr. KIRK, and Mr. GRAHAM) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on loudspeakers not mounted in their enclosures.

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. LOUDSPEAKERS NOT MOUNTED IN THEIR EN-**

4 **CLOSURES.**

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

“	9902.01.00	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 according to Institute of Electronics and Engineers (IEEE) Standard 219-1975 and International Electrotechnical Commission (IEC) Standard 60268-5	Free	No change	No change	On or before 12/31/2011	”.
---	------------	---	------	-----------	-----------	-------------------------	----

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.

○