

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 23, 2010]²

Bill No. and sponsor: S. 2597 (Mrs. Kay Bailey Hutchison of Texas).

Proponent name,³ location: Shure, Inc., Niles, IL.

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)):

Earphones, with each earpiece having a single speaker with a repeatable frequency response of 20 Hz or more but not over 16 kHz and a “skinned” (nonporous) foam sleeve that enters the ear canal, such earphones presented with a detachable extension cable (provided for in subheading 8518.30.20).

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:

The earphones under consideration are used to listen to sound generated by a sound reproduction device or radio receiver. The earphones contain a single speaker in each earpiece that meets a performance specification that ensures they will reproduce sound over a specific range of frequencies. The earphones are equipped with replaceable “skinned” (produced so as to prevent contamination from ear wax), non-porous foam attachment sleeves that enter the ear canal in order to isolate the transmitted sound from extraneous noise. Each set of earphones must include a detachable extension cable that allows the earphones to be worn at a greater distance from the source device.

The principal source of earphones is China, from which the United States imported \$527.8 million of \$681.3 million in total dutiable imports under HTS subheading 8518.30.20 in 2008.

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 8518.30.20:

	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	\$4,500,000	\$9,000,000	\$9,000,000	\$9,000,000	\$9,000,000
Customs revenue loss ^b	\$220,500	\$441,000	\$441,000	\$441,000	\$441,000

a/ Dutiable import estimates were provided by proponent and 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)		
Shure, Inc. (Proponent) Mark Brunner, Brunner_mark@shure.com	11/13/2009	No	No	No
Audio-Technica U.S., Inc. Philip Cajka, 330-686-2600	11/25/2009	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
Koss Marzena Pawlow, 800-872-5677	11/30/2009	No	No	No
Panasonic Corp. Madeline Kuflik, 201-392-4649	11/16/2009	No	No	No
Plantronics Janice Walton, 831-426-5858	11/25/2009	No	No	No
Sennheiser Electronic Corp. 860-464-9190 ⁴	11/24/2009	No	No	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:⁵

“Sound-isolating” earphones are not defined in the HTS or in Customs rulings to date, nor are the terms “non-porous” and “slow-recovery” so defined. The type of foam used with the subject goods is not specified. As a result of these ambiguities, there may be interpretive issues relating to the scope of this proposed heading. The article description should be modified as shown on page 1 to match common

⁴ No precise contact point could be identified based on available information.

⁵ 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.

nomenclature more closely, based on information currently available from the proponent, and the tariff reference was changed from subheading "8518.30.20" to "8518.30.2000" to conform to HTS practice, referencing the legal provision rather than a non-legal statistical reporting number.

111TH CONGRESS
1ST SESSION

S. 2597

To suspend temporarily the duty on certain sound isolating earphones with detachable cable.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

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

A BILL

To suspend temporarily the duty on certain sound isolating earphones with detachable cable.

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 SOUND ISOLATING EARPHONES WITH**

4 **DETACHABLE CABLE.**

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	Single-driver sound isolating earphones with skinned (non-porous) slow-recovery foam sleeves, detachable cable and repeatable operating range of 20 Hz to 16 kHz (provided for in subheading 8518.30.2000)	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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