



## MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

### I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. 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/).
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

112TH CONGRESS  
2D SESSION

# H. R. 5313

To suspend temporarily the duty on certain parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

Mr. SESSIONS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To suspend temporarily the duty on certain parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537.

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 PARTS SUITABLE FOR USE SOLELY**  
4 **OR PRINCIPALLY WITH THE APPARATUS OF**  
5 **HEADING 8535, 8536 OR 8537.**

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

“	9902.01.00	Parts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537, with metal contacts (provided for in subheading 8538.90.60) .....	Free	No change	No change	On or before 12/31/2015	”.
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1           (b) **EFFECTIVE DATE.**—The amendment made by  
 2 subsection (a) applies to articles entered, or withdrawn  
 3 from warehouse for consumption, on or after the 15th day  
 4 after the date of the enactment of this Act.

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## II. Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Metal contacts suitable for use solely or principally with the apparatus of heading 8535, 8536 or 8537 (provided for in subheading 8538.90.80)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same  
 Different (see Technical Comments section)

## III. Other product information, including uses/applications and source(s) of imports

The subject products are used to ground, carry current and signals, and interconnect boards and devices. Metal contacts can be used in the manufacture of passive electrical connectors for eventual use in a variety of industries including but not limited to oil well drilling, telecommunications, commercial, military aircraft, and missiles. Metal contacts can be made from raw materials such as copper alloy, tin, and so forth. They can be different lengths and sizes. They may be custom made for the ordering entity or come in prefabricated shapes, sizes, and materials. Because of the variety of product specifications, it may be impossible to identify the products of specific interest to the interested entity. The principal sources of U.S. imports are Switzerland, China, and Japan.

## IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8538.90.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.5	3.5	3.5	3.5	3.5
Estimated value of <i>dutiable</i> imports (\$)	171,000,000	171,000,000	171,000,000	171,000,000	171,000,000
Customs revenue loss (\$)	5,985,000	5,985,000	5,985,000	5,985,000	5,985,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce  
 Provided by industry sources  
 Industry information  
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction  
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%)  Temporary rate (%)  Percentage point reduction (%)

## V. Technical comments

The product description and HTS classification were modified as set forth above after further consultation with the interested entity. The bill as written described the product as "Parts suitable for use solely or principally with the apparatus of heading 8535, 8536, 8537, with metal contacts, (provided for in subheading 8538.90.60)." The suggested product

description would cover only the goods of interest that are imported under the non-legal HTS statistical reporting number 8538.90.8040.

**VI. Continuation**

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**VII. Contacts with domestic firms/organizations**

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	AirBorn, Inc. (Interested entity) Donna Logan	972-931-2903	No	No	No
2	National Electrical Manufacturers Association (NEMA) Craig Updyke Kyle Pitsor	703-841-3274	No	No	No