

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: September 27, 2006]²

Bill No. and sponsor: S. 3315 (Mr. Charles Schumer of New York et al).

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)):

Black and white or other monochrome monitors with cathode-ray tubes, the foregoing each with a video display diagonal of either: 21.6 cm or more but not more than 24.1cm, 29.2 cm or more but not more than 31.8 cm or 41.9 cm or more but not more than 44.5 cm (provided for in subheading 8528.22.00).

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 black and white video monitors with cathode-ray tube displays designed for displaying video signals from security cameras, video storage devices, and other closed-circuit television equipment. Unlike video monitors with cathode-ray tubes intended for consumer use, these monitors commonly have BNC input connections and video loop-thru connectors to permit increased flexibility of video signal routing and connectivity. They are used in applications requiring continuous operation and feature higher reliability than monitors intended for consumer use. These three monitors are differentiated by screen sizes--nominally given as 9-inch, 12-inch, and 17-inch diagonal measurements. China is the principal import 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.

Estimated effect on customs revenue:

Total Estimated Revenue loss for this Bill					
	2006	2007	2008	2009	2010
Customs revenue loss	\$36,750	\$39,750	\$41,250	\$42,750	\$44,250

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

a) Black and white or other monochrome monitors with cathode-ray tubes, with a video display diagonal of more than 21.6 but not more than 24.1cm (provided for in subheading 8528.22.00).

HTS subheading: 8528.22.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$245,000	\$265,000	\$275,000	\$285,000	\$295,000
Customs revenue loss	\$12,250	\$13,250	\$13,750	\$14,250	\$14,750

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

b) Black and white or other monochrome monitors with cathode-ray tubes, with a video display diagonal of more than 29.2 but not more than 31.8cm (provided for in subheading 8528.22.00).

HTS subheading: 8528.22.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$245,000	\$265,000	\$275,000	\$285,000	\$295,000
Customs revenue loss	\$12,250	\$13,250	\$13,750	\$14,250	\$14,750

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

c) Black and white or other monochrome monitors with cathode-ray tubes, with a video display diagonal of more than 41.9 but not more than 44.5cm (provided for in subheading 8528.22.00).

HTS subheading: 8528.22.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$245,000	\$265,000	\$275,000	\$285,000	\$295,000
Customs revenue loss	\$12,250	\$13,250	\$13,750	\$14,250	\$14,750

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:³

We suggest modifying the article description as shown on page 1, but we defer to Customs to indicate if this presentation would result in problems of administration. If amendments are deemed useful, one option would be to craft three chapter 99 headings, each covering one of the monitor display diagonal ranges. A second would be to consider if adding criteria about the types of input connections or other technical features, whether to one tariff heading or three, might be helpful in distinguishing these monitors from other black and white monitors in the same chapter 85 subheading. Such information would need to be obtained from industry sources regarding all monochrome monitors designed for security system applications. A third would be an importer certification about the intended use of the monitors. Customs would likely be unable to distinguish between products intended for use in a video security system, as described in the original bill proposal, and other end uses, except by means of a certification of the importer; the bill does not set forth any technical feature that would make a particular monitor “of a kind used in” security systems. Such certifications impose certain administrative and cost burdens on Customs.

³ 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. 3315

To suspend temporarily the duty on certain black and white 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 black and white
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. BLACK AND WHITE 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:

“	9902.85.30	Black and white monitors, with a video display diagonal of 22.86 cm or 30.48 cm or 43.18 cm, of a kind used as analog display devices in video security systems (provided for in subheading 8528.22.00)	Free	No change	No change	On or before 12/31/2009	”.
---	------------	---	------	-----------	-----------	----------------------------	----

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.

○