

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. 2324 (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)):

120 volt/60 Hz electrical transformers, each with dimensions of 86 mm by 71 mm by 91 mm , containing a layered and uncut round core with two balanced bobbins, the foregoing rated at 40VA (provided for in subheading 8504.31.40).

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:

Transformers are used to reduce or to increase alternating electrical current (AC). The subject R-core transformers are very compact and generate very low levels of “electrical noise”, and are used in certain compact radios and radio/CD combinations. Specifically, the subject transformers are used to reduce standard household electrical voltages (110-120 volts AC) to several other lower voltages that power various components within the above-mentioned consumer audio products. The source of most of these imports is reported to be China.

¹ Industry analyst preparing report: Karen Taylor (202-708-4101); 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 did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8504.31.40:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	6.6%	6.6%	6.6%	6.6%	6.6%
Estimated value <i>dutiable</i> imports ^a	\$2,757,576	\$2,757,576	\$2,757,576	\$2,757,576	\$2,757,576
Customs revenue loss ^{b c d}	\$182,000	\$182,000	\$182,000	\$182,000	\$182,000

a/ Dutiable import estimates were provided by industry sources.

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 Corp. (Proponent) Mark Finnerty, Mark_Finnerty@bose.com	12/01/2009	No	No	No
Northlake Engineering, Inc. Lorna Klein, Lklein@northlake-eng.com	12/01/2009	Yes	Yes	Yes
Custom Magnetics Kirti Shah, 260-982-8508	12/03/2009	Yes	Yes	Yes

Technical comments:⁴

It should be noted that three other duty suspension provisions have been in effect for similar products of slightly different physical dimensions and classifiable in the same HTS subheading. These three provisions expired at the end of 2009. If the proponent does not plan to import the transformers now covered by duty suspensions, one or more of these three provisions—9902.85.04, 9902.85.05 and 9902.85.06—could be deleted from the HTS.

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. 2324

To suspend temporarily the duty on 120 volt/60 Hz electrical transformers.

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 120 volt/60 Hz electrical transformers.

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. 120 VOLT/60 HZ ELECTRICAL TRANSFORMERS.**

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	120 volt/60 Hz electrical transformers, each with dimensions of 86 mm by 71 mm by 91 mm, containing a layered and uncut round core with two balanced bobbins, the foregoing rated at 40VA (provided for in subheading 8504.31.40)	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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