

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: March 25, 2010]²

Bill No. and sponsor: S. 2468 (Mr. John Cornyn 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 multiple balanced armature speakers having a repeatable frequency response of 20Hz or more but not over 16kHz with a deviation of approximately 3dB, the foregoing with skinned foam sleeves that enter the ear canal and 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. These earphones contain multiple balanced armature speakers that meet a performance specification that ensures they will reproduce sound with only a certain specified degree of distortion. They are equipped with replaceable, nonporous, slow-recovery, black foam attachment sleeves that enter the ear canal in order to isolate the transmitted sound from extraneous noise. Included is a detachable extension cable that allows the earphones to be worn at a greater distance from the source instrument.

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	\$4,100,000	\$4,100,000	\$4,100,000	\$4,100,000	\$4,100,000
Customs revenue loss ^b	\$200,900	\$200,900	\$200,900	\$200,900	\$200,900

a/ Dutiable import estimates were provided by proponent and 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	11/13/09	No	No	No
Audio-Technica U.S., Inc. Philip Cajka, 330-686-2600	11/25/09	No	No	No
Audiovox Corp. Pat Moffett, 631-436-6499	11/23/09	No	No	No
Consumer Electronics Association Sage Chandler, schandler@ce.org	11/24/09	No	No	No
Koss Corp. Marzena Pawlow, 800-872-5677	11/30/09	No	No	No
Panasonic Corp. Madeline Kuflik, 201-392-4649	11/16/09	No	No	No
Plantronics Janice Walton, 831-426-5858	11/25/09	No	No	No
Sennheiser Electronic Corp. 860-464-9190	11/24/09	No	No	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

Several terms used in the proposed description are not currently used or defined in the HTS or in Customs rulings to date; thus, the scope of the proposed provision is unclear. These terms include “sound-isolating,” “non-porous,” and “slow-recovery.” The type of foam is likewise not specified. The modified article description shown on page 1 would match normal HTS usage more closely, but proponents have not supplied sufficient information to allow added clarification.

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. 2468

To suspend temporarily the duty on sound-isolating earphones.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To suspend temporarily the duty on sound-isolating
earphones.

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. SOUND-ISOLATING EARPHONES.**

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	Sound-isolating earphones with multiple balanced armature speakers, each with nonporous slow-recovery black foam attachment sleeves, detachable cable, and with a repeatable frequency response of 20Hz or more but not over 16kHz with a deviation of +/- 3dB (provided for in sub-heading 8518.30.20)	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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