



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/.
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.

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

Loudspeakers not mounted in their enclosures (provided for in subheading 8518.29.80), the foregoing which meet a performance standard of not more than 1.5 dB for the average level of 3 or more octave bands, when such loudspeakers are tested in a reverberant chamber according to Institute of Electronics and Engineers (IEEE) Standard 219-1975 and International Electrotechnical Commission (IEC) Standard 60268-5.

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

Loud speakers are devices that convert electrical signals transmitted from amplifiers into acoustical sound. Loudspeakers not mounted in their enclosures are not generally recognized as finished products. They are items used in the manufacture of a variety of consumer products. They may also be used in the manufacture of loudspeakers for commercial applications. The loudspeakers under consideration meet a performance specification that ensures they will reproduce sound with a minimum of distortion. China is the source of most U.S. imports of these goods.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8518.29.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%)	4.9	4.9	4.9	4.9	4.9
Estimated value of <i>dutiable</i> imports (\$)	16,000,000	17,100,000	18,200,000	19,500,000	20,800,000
Customs revenue loss (\$)	784,000	837,900	891,800	955,500	1,019,200

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

We note that the bill should replace the existing article description of heading 9902.85.20 with the description set forth in section II, above, rather than create a new heading in HTS chapter 99; the existing expiration date from heading 9902.85.20 should also be replaced. Customs must rely upon certification by the importer that subject goods meet the performance standard cited, as performance cannot be readily measured at the port of entry; it may be necessary to include such a requirement in the article description of the amended heading.

VI. Continuation

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.

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	Bose Corp. (interested entity) Steve Whitaker	202-734-8876	No	Yes	No
2	Altec Lansing	858-510-7400	No	No	No
3	Audiobahn, Inc.	714-452-1476	No	No	No
4	Consumer Electronics Association Sage Chandler	703-907-5262	No	No	No
5	D&M Holdings	503-802-2044	No	No	No
6	DEI Holdings, Inc. Christie Briggs	760-598-6200	No	Yes	No
7	Foster America, Inc. Gene Franczkowski	847-310-8200	No	No	No
8	Harman International Industries, Inc.	203-328-3500	No	No	No
9	JVC Corp. Jordan Matthews	973-317-5155	No	No	No
10	Kenwood USA Corp. Joe Glass	310-761-8326	No	No	No
11	Klipsch Audio Technologies Mike Klipsch	317-860-8100	No	No	No
12	Mitek Corp. Lloyd Ivey	888-800-4545	No	No	No
13	Onkyo USA Corp.	201-785-2610	No	No	No
14	Panasonic Corp. Madeline Kuflik	201-392-4649	No	No	No
15	Pioneer America Russ Johnston	310-952-2000	No	No	No
16	Sony Corp. Christina Mulvihill	202-429-3653	No	No	No
17	Stillwater Designs, Inc.	405-624-8510	No	No	No
18	Thiel Audio Kathy Gornik	859-254-9427	No	No	No

112TH CONGRESS
1ST SESSION

H. R. 2626

To suspend temporarily the duty on certain high-performance loudspeakers.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2011

Mr. MARKEY (for himself and Mr. MCGOVERN) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain high-performance
loudspeakers.

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 HIGH-PERFORMANCE LOUD-**
4 **SPEAKERS.**

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	Loudspeakers not mounted in their enclosures (provided for in subheading 8518.29.80), the foregoing which meet a performance standard of not more than 1.5 dB for the average level of 3 or more octave bands, when such loudspeakers are tested in a reverberant chamber according to Institute of Electronics and Engineers (IEEE) Standard 219-1975 and International Electrotechnical Commission (IEC) Standard 60268-5	Free	No change	No change	On or before 12/31/2014	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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