



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)):

Lenses designed for digital cameras, the foregoing with focal length 17 mm or more but not over 55 mm and not exceeding 765.5 g in weight (provided for in subheading 9002.11.90)

(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 optical camera lenses optimized for use with digital single lens reflex (DSLR) cameras. These cameras can accommodate a variety of interchangeable lenses with differing lengths, widths, weights, or other characteristics to enable the user to perform different photographic functions. The subject lenses are normally referred to as "zoom lenses," which permit the user to enlarge the image (zooming in) or minimize the image (zooming out) and frame the image as desired by extending or retracting the focal length of the lens. These capabilities provide flexibility to meet various demands of the user in framing the desired picture. The subject lenses are imported primarily from Japan and China. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9002.11.90				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	2.3	2.3	2.3	2.3	2.3
Estimated value of <i>dutiable</i> imports (\$)	3,000,000	3,100,000	3,150,000	3,200,000	3,300,000
Customs revenue loss (\$)	69,000	71,300	72,450	73,600	75,900

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

None

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	Nikon U.S.A., Inc. (Interested entity) Welles Orr	202-626-1481	No	No	No
	2	Canon U.S.A., Inc. Danny Wong	516-328-5000	No	No	No
	3	Pentax U.S.A., Inc. Susie Jordan	888-267-6422	No	No	No
	4	Sigma Corp. of America Mark Amir	800-877-0155, x1225	No	Yes	Yes
	5	Tamron Co., Ltd. Eugene Dyas	631-585-1144, x1019	No	No	No

SIGMA CORPORATION of America

15 Fleetwood Court, Ronkonkoma, NY 11779 (631) 585-1144, Fax (631) 585-1895

www.sigma-photo.com, e-mail : info@sigmaphoto.com

July 17, 2012

To: Mr. Mihir Torsekar

From: SIGMA Corporation of America
15 Fleetwood Court
Ronkonkoma, NY 11779
Tel. 631-585-1144
Fax. 631-585-1895

Subject: Temporary suspension of duty on certain digital camera lenses
S. 2412
S. 2408

Dear Mr. Torsekar:

Thank you for the opportunity to express SIGMA's strong objection to the proposed suspension of duty on specific digital camera lenses.

SIGMA is a world leading manufacturer of photographic products such as lenses, flashes and digital cameras. We have provided the highest quality products and value to consumers for more than 40 years. All of our products are designed and manufactured in Japan, and are available worldwide through various SIGMA sales, service and distribution subsidiaries. SIGMA is a privately owned company.

The proposed legislation seeks a temporary suspension of duty on specific digital camera lenses on the following bills:

- S. 2412:** lenses designed for digital cameras specified on Heading 9902.23.51 with a focal length of 17mm or more but not over 55 mm and weighing not more than 765.5 grams.
- S. 2408:** lenses designed for digital cameras with a focal length measuring approximately 55mm or more and not over 300mm and weighing not more than 590 grams.

It is clear from the very specific limitation on focal length and weights of lenses, that only SIGMA's competitor, Nikon, has products that would benefit from these bills because only Nikon's products meet the very specific qualifications indicated. SIGMA sells lenses that are similar and competitive from the consumer's perspective, yet which are not covered by these proposals, and therefore these proposals would give Nikon an unfair pricing advantage.

Nikon would therefore have an unfair ability to reduce prices because its lenses would be subject to reduced duty obligations, where its competitors' similar lenses would not, Consumers would not obtain the benefit of fair price competitiveness from other manufacturers such as SIGMA. This will provide an unfair final cost advantage to Nikon, Inc. and render similar SIGMA products less competitively priced, to the detriment of consumers and a fair marketplace for competition.

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www.sigma-photo.com, e-mail : info@sigmaphoto.com

We hope that you will incorporate this analysis in your report, and conclude that the proposals would result in an unfair and biased market situation which does not provide consumers with better choice and value.

Please let me know if we can provide further information.

Sincerely,

Mark Amir-Hamzeh
President
SIGMA Corporation of America
Tel. 631-585-1144 ext.1019
Fax. 631-585-1895
Email: mamirhamzeh@sigmaphoto.com

112TH CONGRESS
2D SESSION

S. 2412

To extend the temporary suspension of duty on certain digital camera lenses not exceeding 765.5 grams in weight.

IN THE SENATE OF THE UNITED STATES

APRIL 26, 2012

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

A BILL

To extend the temporary suspension of duty on certain digital camera lenses not exceeding 765.5 grams in weight.

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 DIGITAL CAMERA LENSES NOT EX-**
4 **CEEDING 765.5 GRAMS IN WEIGHT.**

5 (a) IN GENERAL.—Heading 9902.23.51 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 certain digital camera lenses not exceeding 765.5 grams
8 in weight) is amended by striking the date in the effective
9 period column and inserting “12/31/2015”.

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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