



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)):

Educational devices (provided for in subheading 8543.70.96)

(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 bulk of the educational devices imported under subheading 8543.70.96 (other electrical machines and apparatus, having individual functions, not specified or included elsewhere in chapter 85) are designed for the education of children. For the most part, they are hand-held electronic devices that can entertain children at the same time that the devices help educate the children, but their chief purpose is not amusement. The bulk of such devices are imported from China. Educational devices imported with a reduced duty under heading 9902.85.43 accounted for 5 percent of total imports under subheading 8543.70.96 (a provision which is broader in scope than the chapter 99 heading) in 2011.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8543.70.96				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	1	1	1	1	1
Estimated value of <i>dutiable</i> imports (\$)	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
Customs revenue loss (\$)	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000

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

Although no changes to existing heading 9902.85.43 are suggested, we note that the title of the bill indicates that it is an extension of a temporary duty suspension, when in fact it is an extension of a temporary duty reduction. It would avoid confusion if the title could be corrected.

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	LeapFrog Enterprises (Interested entity) Robert Lattuga	510-596-3328	No	No	No
	2	BJ's Wholesale Club Rachel Rowells	774-512-6554	No	No	No
	3	Target Heather Bovitz	763-405-0369	No	No	No
	4	Toys "R" Us Maureen Ford	973-617-5515	No	No	No
	5	Walmart Casey Rector	479-277-0018	No	No	No

112TH CONGRESS
2D SESSION

S. 2561

To extend the temporary suspension of duty on certain educational toys or devices.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2012

Mrs. FEINSTEIN 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 educational toys or devices.

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 EDUCATIONAL TOYS OR DEVICES.**

4 (a) IN GENERAL.—Subheading 9902.85.43 of the
5 Harmonized Tariff Schedule of the United States (relating
6 to certain educational toys or devices) is amended in the
7 effective period column, by striking “12/31/2011” and in-
8 serting “12/31/2015”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 subsection (a) apply to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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