MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved: August 23, 2012

I. Background

Bill number: S. 2566
Sponsor name: Mrs. Dianne Feinstein
Sponsor state: CA

Interested entity:
Name: LeapFrog Enterprises, Inc.
City: Emeryville
State: CA

Other bills on product (112th Congress only): None

Nature of bill: Temporary duty suspension
Expiration date: December 31, 2015
Current or previous chapter 99 heading: None
Retroactive date: None
CAS number (if applicable): None

Industry analyst: Ralph Watkins
Telephone: 202-205-3492
Tariff Affairs contact: Jan Summers
Telephone: 202-205-2605

Note:
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)):

Plastic stylus pens, with or without attachment cords, such pens designed for use with hand-held electronic educational devices or electronic toys or games (provided for in subheading 8543.90.88)

(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 plastic stylus pens are used in conjunction with hand-held electronic educational devices or electronic toys. The educational devices are imported under subheading 8543.70.96 (other electrical machines and apparatus, having individual functions, not specified or included elsewhere in chapter 85), and the toys and games are classified in heading 9503 or 9504, respectively. Separate shipments of the stylus pens are treated as parts for these devices and are imported under statistical annotation 8543.90.8880 (other parts for other electrical machines and apparatus, not specified or included elsewhere in chapter 85). The bulk of such plastic stylus pens are imported from China.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)  8543.90.88

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Col.1-general rate of duty or percentage point reduction (%)</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Estimated value of dutiable imports ($)</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Customs revenue loss ($)</td>
<td>260</td>
<td>260</td>
<td>260</td>
<td>260</td>
<td>260</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Col.1-general duty rate (%)</th>
<th>Temporary rate (%)</th>
<th>Percentage point reduction (%)</th>
</tr>
</thead>
</table>

V. Technical comments

The article description set forth above was modified for greater clarity and to add the correct HTS number.

VI. Continuation
### VII. Contacts with domestic firms/organizations

<table>
<thead>
<tr>
<th>#</th>
<th>Firm/organization and contact name</th>
<th>Telephone number</th>
<th>Claims same or competing product made in the United States</th>
<th>Submission attached</th>
<th>Opposition noted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LeapFrog Enterprises (Interested entity) Robert Lattuga</td>
<td>510-596-3328</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>BJ's Wholesale Club Rachel Rowells</td>
<td>774-512-6554</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Target Heather Bovitz</td>
<td>763-405-0369</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Toys &quot;R&quot; Us Maureen Ford</td>
<td>973-617-5515</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>Wal-mart Casey Rector</td>
<td>479-277-0018</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
To suspend temporarily the duty on certain plastic stylus pens for use with toys.

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 suspend temporarily the duty on certain plastic stylus pens for use with toys.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. CERTAIN PLASTIC STYLUS PENS FOR USE WITH TOYS.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:
Plastic stylus pen with or without attachment cord designed for use with electronic drawing toys, electronic games or educational toys or devices (provided for as 'parts' in heading 8543, 9503 or 9504) ................................ Free No change No change On or before 12/31/2015 

(b) Effective Date.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.