



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)):

Fitness equipment designed for in-home use, each incorporating two independent treadles with separately moving belts that rotate around a mechanical treadle and simultaneously move up and down during use, designed to allow progressive amounts of resistance and combine the functions of a treadmill and a stair climber, whether or not with elliptical function (provided for in subheading 9506.91.00)

(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 product is exercise equipment patented by Nautilus Inc. and registered by that company under the trademark "TreadClimber" (it is now backed by Bowflex, according to the Web site of the interested entity). Nautilus introduced this line of equipment in 2003. The machines combine the functions of a treadmill and a stair stepper. This equipment combines several patented processes to increase the output of exercise and allows electronic monitoring of exercise value achieved and of vital signs. The machines are not produced in the United States, and Nautilus Inc. is the only legitimate importer. These exercise machines are assembled for Nautilus Inc. in China. A wide variety of in-home fitness equipment is manufactured by or for a number of firms, and consumers choose from among the available equipment depending on their ability, health, and exercise goals.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9506.91.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	4.6	4.6	4.6	4.6	4.6
Estimated value of <i>dutiable</i> imports (\$)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Customs revenue loss (\$)	460,000	460,000	460,000	460,000	460,000

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

The article description set forth above was modified with the intention of describing the interested entity's products more

closely. It is suggested that Customs officials be consulted to ascertain any concerns they may have; however, it is noted that Customs officers have trademark and patent registrations for such goods on file.

VI. Continuation

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	Nautilus, Inc. Rebekka Moen	360-859-8662 ext. 2662	No	No	No

112TH CONGRESS
2D SESSION

S. 3184

To suspend temporarily the duty on certain fitness equipment.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2012

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

A BILL

To suspend temporarily the duty on certain fitness equipment.

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 FITNESS EQUIPMENT.**

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	Fitness equipment designed for in-home use incorporating two independent treadles with separately moving belts that rotate around a mechanical treadle and that simultaneously move up and down with progressive amounts of resistance creating a fitness modality which simulates a treadmill and a stair climbing machine (provided for in sub-heading 9506.91.00)	Free	No change	No change	On or before 12/31/2015	”.
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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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