

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: August 26, 2008]²

Bill No. and sponsor: H.R. 5196 (Mrs. Ellen O. Tauscher of California).

Proponent name,³ location: Applied Materials, Inc., Santa Clara, CA.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

350 V insulated cables of copper, each with 8 conductors, electromagnetic interference shielding and polyvinyl chloride insulation, with an outside diameter of approximately 8.9 mm (provided for in subheading 8544.49.30).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

According to the proponent, the subject product is cable composed of 8 copper conductors, shielded from electromagnetic interference (EMI), with polyvinyl chloride (PVC) insulation, and with a diameter of 8.9 mm. The cable is used to interconnect computers, data transmission and office equipment, process controls, and other instrumentation, where additional EMI protection is required. The braided wire shield helps to minimize external influences. Germany and China are the principal import sources reported for these cables. Dutiable U.S. imports under HTS subheading 8544.49.30 (a broader category than is covered by this bill) totaled \$54.2 million in 2007, with Germany accounting for about \$14.1 million and China \$10 million in shipments.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-3387).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

HTS subheading: 8544.49.30					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	5.3%	5.3%	5.3%	5.3%	5.3%
Estimated value <i>dutiable</i> imports	\$54,200,000	\$54,200,000	\$54,200,000	\$54,200,000	\$54,200,000
Customs revenue loss	\$2,872,600	\$2,872,600	\$2,872,600	\$2,872,600	\$2,872,600

Source of estimated dutiable import data: Official U.S. Government statistics.⁴

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Applied Materials (Proponent) Joe Pasetti, 202-638-4434	06/03/2008	No	No	No
3M Co. Megan Ivory, mmivory@mmm.com	06/10/2008	No	No	No
American Insulated Wire Corp. Suren Shah, 508-964-1438	06/18/2008	Yes	Yes	Yes
American Wire Producers Association Kimberly Korbel, 703-299-4434	06/03/2008	No	No	No
Corning, Inc. Debra Waggoner, 202-661-4157	06/06/2008	No	No	No
KLA-Tencor Corp. Meggan Powers, 408-875-3000	06/05/2008	No	No	No
National Electrical Manufacturers Association John Meakem, 703-841-3243	06/03/2008	No	No	No
Nor-Cal Products, Inc. David Stone, davidstone@n-c.com	06/05/2008	No	No	No
Novellus Systems, Inc. P. Prasad, Pushpita.prasad@novellus.com	06/05/2008	No	Yes	No
Qioptiq Imaging Solutions J. Gebhardt, John.gebhardt@ny.qioptiq.com	06/06/2008	No	No	No
SAES Pure Gas, Inc. C. Landoni, cristian_landoni@saes-group.com	06/05/2008	No	No	No
Semiconductor Equipment and Materials, IntlKen Schramko, kschramko@semi.org	06/05/2008	No	No	No

⁴ Estimated import data based on the proposed revised product description were not provided by the proponent for its imports. It is likely that the figures shown for imports and customs revenue loss overstate the potential actual imports and revenue loss for the products concerned, but more precise information is unavailable.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
T&M Service Mike Brooker, mbrooker@tandmservice.com	06/05/2008	No	No	No
W.L. Gore and Associates Mike Ratchford, mratchfo@wlgore.com	06/06/2008	No	No	No
Xandex, Inc. N. Manoochehri, nmanoochehri@xandex.com	06/05/2008	No	No	No

Technical comments:⁵

Little specific information was provided by the proponent. At a minimum, the proposed product description should be amended as shown on page 1, to conform with other nomenclature usage in the HTS; the HTS cannot contain part numbers or other company-specific criteria as shown in the bill as drafted. The product description may present some enforcement burdens for Customs and Border Protection at the time of importation, by specifying features such as PVC insulation and the exact voltage capacity for the cable, given that the permanent tariff category is broader than the product of interest and has a significant duty. Because the inclusion of precise physical dimensions may pose a burden to the administration of this provision by Customs and Border Protection and might operate to minimize the range of goods actually afforded the benefit of an enacted provision, the word “approximately” has been inserted in the recommended revision. We note as well that, although the cable is rated at 350 V, product literature indicates that the cable is capable of handling power up to 1,000 V; thus, we cannot verify the tariff classification of the subject goods. We are available to work with the proponent and with Customs to try to arrive at a better description of the goods in question.

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS
2D SESSION

H. R. 5196

To suspend temporarily the duty on UNITRONIC LIYCY-type 350-volt Multi-conductor copper cable, PVC (Polyvinylcarbonate) insulation, 8.9 millimeter diameter.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on UNITRONIC LIYCY-type 350-volt Multi-conductor copper cable, PVC (Polyvinylcarbonate) insulation, 8.9 millimeter diameter.

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. UNITRONIC LIYCY-TYPE 350-VOLT MULTI-CON-**
4 **DUCTOR COPPER CABLE, PVC**
5 **(POLYVINYLCARBONATE) INSULATION, 8.9**
6 **MILLIMETER DIAMETER.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.01.00	UNITRONIC LIYCY-type 350-volt Multi-conductor cop- per cable, PVC (Polyvinylcarbonate) insula- tion, 8.9 millimeter diameter. LAPP Part Number 34608 (provided for in subheading 8544.49.30)	Free	No change	No change	On or before 12/31/2011	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to articles entered, or withdrawn
 5 from warehouse for consumption, on or after the 15th day
 6 after the date of the enactment of this Act.

