

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress**¹

[Date approved: March 26, 2008]²

Bill No. and sponsor: H.R. 444 (Mr. Marion Berry of Arkansas).

Proponent name,³ location: Sanyo Electric, Forrest City, AR.

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

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Plasma display panels (provided for in subheading 8529.90.53).

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:

Plasma display panels (PDPs) are flat panels for video displays in which tiny fluorescent lights are illuminated to form an image. Each panel is composed of hundreds of thousands of cells, each made up of three fluorescent lights--red, green, and blue. By varying the intensities of the separate lights within each cell, the plasma display can produce a full range of colors. The video display diagonals of PDPs currently range from approximately 42 inches to 150 inches. PDPs can be used to display video images for entertainment, military, or industrial purposes. The named HTS subheading covers such panel assemblies for monitors, projectors, and televisions.

PDPs can be used in the same fashion as direct-view cathode-ray tubes (CRT) or liquid crystal display (LCD) panels. PDPs are lighter, thinner, and consume less power than CRTs. PDPs are heavier and consume more power than comparably sized LCD panels, but offer higher contrast. PDPs are generally larger than LCD panels but manufacturers are striving to produce larger LCD panels (the largest as of early 2008 was 108 inches), so the ranges of size overlap. PDP and LCD display technologies also compete with digital light processing (DLP) and other emerging display technologies.

There are no U.S. producers of PDPs or LCD panels. Although there are no U.S. producers of CRT-based television receivers, there are producers of other goods that incorporate plasma and LCD panels. There are also U.S. producers of video projectors that use DLP technology. The CRT, LCD, or DLP goods also serve the same entertainment, military, or industrial purposes.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-2605).

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

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

Plasma display panels are produced in commercial quantities principally in Korea and Japan. In 2007, the major U.S. import sources were Korea, Hungary, and Japan.

Estimated effect on customs revenue:

HTS subheading: 8529.90.53					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty					
Col. 1-General rate of duty	2.9%	2.9%	2.9%	2.9%	2.9%
Estimated value <i>dutiable</i> imports	\$26,000,000	\$24,000,000	\$22,000,000	\$20,000,000	\$18,000,000
Customs revenue loss ⁴	\$754,000	\$696,000	\$638,000	\$580,000	\$522,000

Source of estimated dutiable import data: Commission estimates.

Contacts with domestic firms/organizations⁵ (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Sanyo Electric (Proponent) Joe Keeton, 870-633-5030 ext. 1244	12/03/2007	No	No	No
Amkotron 513-942-8999	01/24/2008	No	No	No
Consumer Electronics Association Sage Chandler, 703-907-5262	12/06/2007	No	No	No
Continental 575-382-0124	01/24/2008	No	No	No
ELMO USA Corp. Gilbert DeLiso, 516-501-1400 ext. 107	01/22/2008	No	Yes	No
LG Electronics John Taylor, 847-391-7982	12/13/2007	No	No	No
Panasonic/Matsushita Corp. of America Mary Alexander, 202-912-3800	11/21/2007	No	No	No
Pioneer Electronics North America Adam Goldberg, 202-623-3071	12/04/2007	No	No	No

⁴ Plasma displays account for the majority of goods imported in HTS 8529.90.53. It is unknown exactly what percent are plasma; these revenue loss estimates reflect an upper-bound scenario.

⁵ Where no specific contact within a firm is identified, the Commission directed its communication based on generally available directory or internet information.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Plasma Display Coalition James Palumbo, 201-970-2222	12/13/2007	No	Yes	No
Princeton Display Technologies Dr. Suprasad Baidyaroy, 609-430-0690	01/23/2008	No	Yes	No
Samsung John Godfrey, 202-887-5667	01/18/2008	No	No	No
Sony Electronics, Inc. Christina Mulvihill, 202-429-3653	11/20/2007	No	No	No
Syntax-Brilliant 602-389-8888	12/13/2007	No	No	No
Texas Instruments Cynthia Johnson, 202-628-3133	11/20/2007	Yes	Yes	Yes
Toshiba America 973-628-8000	12/13/2007	No	No	No
U.S. Display Consortium Mike Ciesinski, 408-993-8111	12/12/2007	No	No	No

Technical comments:⁶

The language of the bill's proposed article description, "plasma flat panel displays," is redundant in that all plasma display panels are flat; it is recommended that "flat" be dropped from the description and the description written as shown on page 1.

We note that the bill can only affect complete plasma display panels that incorporate the 3 major elements necessary for their function. In October 2006, U.S. Customs and Border Protection (CBP) determined that plasma display panels that did not incorporate all of three elements--the display module, drive electronics, and control electronics--should be classified under subheading 8529.90.89 as "[p]arts suitable for use solely or principally with the apparatus of heading 8525 to 8528: [o]ther: [o]ther: [o]f television receivers: [s]ubassemblies, for color television receivers, containing two or more printed circuit boards or ceramic substrates with components assembled thereon, except tuners or convergence assemblies: [o]ther [than the components enumerated in additional U.S. note 4 to this chapter]," and enter the United States free of general duty.⁷ Thus, only those panels that incorporate the three elements are currently subject to a duty (under the subheading named in the bill), and only those panels would benefit from a duty suspension.

⁶ 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 (CBP) is authorized to issue a binding ruling on this matter. The Commission believes that CBP should be consulted prior to enactment of the bill.

⁷ CBP, Customs Ruling Letter HQ W96763, October 12, 2006.

110TH CONGRESS
1ST SESSION

H. R. 444

To suspend temporarily the duty on certain plasma flat panel displays.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2007

Mr. BERRY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain plasma flat panel displays.

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 PLASMA FLAT PANEL DISPLAYS.**

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:

“	9902.85.01	Plasma flat panel displays (provided for in subheading 8529.90.53)	Free	No change	No change	On or before 12/31/2009	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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

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