

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: July 24, 2006]²

Bill No. and sponsor: S. 2574 (Mr. John Kerry of Massachusetts).

Proponent name, location: Acushnet Co., Fairhaven, MA.

Other bills on product (109th Congress only): S. 2575, S. 2576, S. 2577, and S. 2578.³

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

Retroactive effect: None.

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

Golf club driver heads of titanium, each with an aluminum hosel insert and a plasma welded face plate, and with 10.5 degree loft (provided for in subheading 9506.39.00).

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:

The subject golf club driver heads are used to produce finished golf clubs, specifically drivers. A golf club driver's main use is in making longer shots off the tee or down the fairway. A driver consists of three major integral parts: the club head (at the bottom of the club), the shaft, and grip. Club heads are usually made of hollow steel, titanium or composite materials. The shaft enters the head at the top corner nearest to the player through a hollow tube known as a hosel in such a way that the face of the head is roughly at a right angle to one side of the shaft. A typical driver head is somewhat spherical in shape with a slightly bulging club face and a flattened sole; the subject heads have plasma welded face plates and a 10.5 degree loft. Driver club heads are each designed with a face having differing loft (the angle between a vertical plane and the club face when the club is at rest). The loft of a club head face (not the upward direction of a golf swing) makes a golf ball leave the ground on an ascending outward trajectory.

The principal import source of these driver heads is China.

¹ Industry analyst preparing report: Ruben Mata (202-205-3403); 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 S. 2575 covers particular fairway heads, while the other three bills cover other driver heads.

Estimated effect on customs revenue:

| HTS subheading: 9506.39.00 | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Col. 1-General rate of duty | 4.9% | 4.9% | 4.9% | 4.9% | 4.9% |
| Estimated value <i>dutiable</i> imports | \$4,547,500 | \$4,547,500 | \$4,547,500 | \$4,547,500 | \$4,547,500 |
| Customs revenue loss | \$222,828 | \$222,828 | \$222,828 | \$222,828 | \$222,828 |

Source of estimated dutiable import data: Industry and Commission estimates.

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) | |
| Acushnet Co. (Proponent) Roland Giroux, 508-979-3661 | 5/12/2006 | No | No | No |
| Callaway Golf Mike Dow, 690-930-5101 | 5/12/2006 | Yes | Yes | Yes |
| Cleveland Golf Gary Marion, 714-889-1306 | 5/12/2006 | No | No | No |
| FocusGolf Michael Johnson, 864-527-7862 | 05/31/2006 | No | No | No |
| Dunlop Golf Michael Johnson, 864-271-0201 ext. 209 | 5/19/2006 | No | No | No |
| Golfsmith International, Inc. David Varney, 512-821-4841 | 5/19/2006 | No | No | No |
| Mizuno USA, Inc. Chuck Couch, 770-441-5553 | 5/23/2006 | No | No | No |
| Nickent Golf Eric Yang, 888-642-5368 ext. 101 | 5/12/2006 | No | No | No |
| Nike, Inc. Scott Mohr, 503-671-6005 | 5/12/2006 | No | No | No |
| Ping, Inc. Chris Bowen, 602-687-5346 | 5/12/2006 | No | Yes | Yes |
| Sonartec Golf Co. Kathy Blasey, 760-930-2454 ext. 109 | 5/12/2006 | No | No | No |

| | | | | |
|--|-----------|----|-----|-----|
| Tad Moore Golf Tad Moore, 706-884-6113 | 5/17/2006 | No | No | No |
| TaylorMade Golf Co., Inc. Catherine Weeks, 760-918-6058 | 5/12/2006 | No | Yes | Yes |
| Wilson Sporting Goods Co. Aileen Callahan, 800-662-0444 ext. 6566 | 5/12/2006 | No | No | No |

Technical comments:

It may be difficult for CBP to administer this provision, because it can be hard to tell upon visual inspection whether a plasma weld was done at the foreign factory. If other golf club head bills are also enacted, it may be hard to know if an importer is using the correct provision for a given shipment.

109TH CONGRESS
2D SESSION

S. 2574

To suspend temporarily the duty on certain golf club driver heads.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2006

Mr. KERRY (for himself and Mr. KENNEDY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on certain golf club driver heads.

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 GOLF CLUB DRIVER HEADS.**

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:

| | | | | | | | |
|---|------------|--|------|-----------|-----------|----------------------------|----|
| “ | 9902.95.12 | Golf club driver heads of titanium, each with an aluminum hosel insert and a plasma welded face plate, and with 10.5 degree loft (provided for in subheading 9506.39.00) | Free | No Change | No Change | On or before 12/31/2009 | ”. |
|---|------------|--|------|-----------|-----------|----------------------------|----|

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 enactment of this Act.

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