

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: September 27, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3287 (Ms. Dianne Feinstein of California).

**Proponent name, location:** Hitachi America, Ltd., Brisbane, CA.

**Other bills on product (109<sup>th</sup> 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)):**

Color digital video television cameras, each with 10 power or 16 power optical zoom (provided for in subheading 8525.30.90).

**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 products are color digital video television cameras with either 10 power or 16 power optical zoom, and are designed for use in a security system. Japan and China are the leading suppliers.

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

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>Total Estimated Revenue loss for this Bill</b>					
	2006	2007	2008	2009	2010
Customs revenue loss	\$1,260,000	\$1,260,000	\$1,260,000	\$1,260,000	\$1,260,000

Source of estimated dutiable import data: Industry and Commission estimates. The proponent contends that imports of the products described in the bill as drafted are approximately \$6.5 million per year, leading to an annual revenue loss of \$273,000; this figure cannot be verified. See technical comments.

a) Cameras with 10x optical zoom.

<b>HTS subheading: 8525.30.90</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	2.1%	2.1%	2.1%	2.1%	2.1%
Estimated value <i>dutiable</i> imports	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
Customs revenue loss	\$630,000	\$630,000	\$630,000	\$630,000	\$630,000

Source of estimated dutiable import data: Industry and Commission estimates. The proponent contends that imports of the products described in the bill as drafted are approximately \$6.5 million per year, leading to an annual revenue loss of \$136,500; this figure cannot be verified. See technical comments.

b) Cameras with 16x optical zoom.

<b>HTS subheading: 8525.30.90</b>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	2.1%	2.1%	2.1%	2.1%	2.1%
Estimated value <i>dutiable</i> imports	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
Customs revenue loss	\$630,000	\$630,000	\$630,000	\$630,000	\$630,000

Source of estimated dutiable import data: Industry and Commission estimates. The proponent contends that imports of the products described in the bill as drafted are approximately \$6.5 million per year, leading to an annual revenue loss of \$136,500; this figure cannot be verified. See technical comments.

**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)		
Hitachi America, Ltd. (Proponent) Max Turnipseed, 225-338-0310	07/26/2006	No	No	No
American Video Eqpt. Alex Twyman, 281-443-2300	08/04/2006	No	No	No
Bosch Security Lori Brunke, 800-289-0096	08/04/2006	No	No	No
ELMO Gilbert DeLiso, 516-501-1400	08/04/2006	No	No	No
Panasonic Co. Mary Alexander, 202-912-3800	07/26/2006	No	No	No
Sony Co. Christina Tellalian, 202-429-3653	07/26/2006	No	No	No

**Technical comments:<sup>3</sup>**

As drafted, the bill would create a chapter 99 heading with elaborate technical criteria that are not separately specified even at the statistical level under subheading 8525.30.90. Given the information available to them from entry documents, or even from visual inspection of shipments at the ports, Customs would likely be unable to distinguish between the products described in the heading as drafted and other color video cameras. There is no industry-wide definition of the terms “wide range,” “high sensitivity,” “high resolution,” “camera module,” or “360° viewing radius.” Notwithstanding the lack of industry-wide definitions, CBP would find it difficult to test such products to determine whether they matched the specified criteria. Accordingly, if it is desired that duty-free treatment be accorded, we suggest that a broader and more administrable provision would be preferable. We note that, if the new heading imposed a duty rate of 1.27 percent ad valorem rather than a rate of free, the projected customs revenue loss would drop to \$498,000 annually.

<sup>3</sup> 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.

109TH CONGRESS  
2D SESSION

# S. 3287

To suspend temporarily the duty on wide-range high sensitivity color zoom digital security camera.

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IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

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## A BILL

To suspend temporarily the duty on wide-range high sensitivity color zoom digital security camera.

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. WIDE-RANGE HIGH SENSITIVITY COLOR ZOOM**

4 **DIGITAL SECURITY CAMERA.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of  
6 the Harmonized Tariff Schedule of the United States is  
7 amended by inserting in numerical sequence the following  
8 new heading:

“	9902.85.25	Wide-range high sensitivity high resolution color zoom digital security camera module with 360 viewing radius and custom designed digital signal processor (DSP) chip for automatic focus functions; 380,000 to 470,000 pixels image sensor, optical lens zoom power 10x and 16x magnification (provided for in sub-heading 8525.30.90) .....	Free	No change	No change	On or before 12/31/2009	”.
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1           (b) **EFFECTIVE DATE.**—The amendment made by  
 2 subsection (a) applies to goods entered, or withdrawn from  
 3 warehouse for consumption, on or after the 15th day after  
 4 the date of the enactment of this Act.

