

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 27, 2006]²

Bill No. and sponsor: S. 3308 (Mr. Charles E. Schumer of New York).

Proponent name, location: Nikon Corp., Mellville, NY.

Other bills on product (109th 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)):

Lenses designed for digital cameras, the foregoing with focal length 55 mm or more but not over 200 mm and not exceeding 255.2 g in weight (provided for in subheading 9002.11.90).

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 lenses for digital cameras described in the subject bill are optical camera lenses optimized for use with digital single lens reflex (DSLR) cameras, which can accept a variety of interchangeable lenses with differing lengths, widths, weights, or other characteristics to enable the user to perform different photographic functions. The lenses covered by the proposed heading are normally referred to as zoom lenses, which permit the user to enlarge the image by bringing it in closer (zooming in) or minimize the image by moving out farther (zooming out), and frame the image as desired, by extending or retracting the focal length of the lens. The specific lenses subject to the bill enable the user to extend the focal length of the lens, expressed in terms of equivalent³ focal lengths of traditional optical single lens reflex (SLR) cameras, up to a maximum of 200 mm and reduce the focal length to as low as 55 mm. These capabilities provide flexibility to meet the user's needs in framing the desired picture. These lenses are imported primarily from Japan and China.

¹ Industry analyst preparing report: Christopher Johnson (202-205-3488); 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 focal length of optical lenses optimized for use with DSLR cameras is usually expressed in terms of equivalent focal length of traditional SLR cameras rather than the true focal length of DSLR camera lenses. Lenses optimized for use with DSLR cameras, while operating on the same basic optical principles as those for SLR cameras, are shorter than the equivalent SLR lens producing the same visual effect or image; each serves as the eye of the respective type of camera. This difference results from the relationship of lens size to the photographic image. The DSLR camera has a smaller electronic sensor compared to the standard 35 mm film frame of optical SLR cameras.

Estimated effect on customs revenue:

HTS subheading: 9002.11.90					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	2.3%	2.3%	2.3%	2.3%	2.3%
Estimated value <i>dutiable</i> imports	\$8,654,300	\$8,654,300	\$8,654,300	\$8,654,300	\$8,654,300
Customs revenue loss	\$199,049	\$199,049	\$199,049	\$199,049	\$199,049

Source of estimated dutiable import data: Industry 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)		
Nikon Corp. (Proponent) John Gilliland, 202-626-1466 Zachary Paulsen, 202-626-5921	08/18/2006	No	No	No
Canon U.S.A., Inc. John Montoya, 516-328-5000	08/23/2006	No	No	No
Pentax U.S.A., Inc. Kathy Tartar, 800-877-0155	08/23/2006	No	No	No
Sigma Corporation of America Thomas Scobey, 631-585-1144	08/23/2006	No	Yes	Yes ⁴
Tamron USA Inc. 631-858-8400	08/23/2006	No	No	No

Technical comments:⁵

It is suggested that the proposed description be modified as shown on page 1, to be consistent with normal drafting practices in the HTS (which use metric units of measurement). We note that this provision was drafted as an “actual use” heading, which would require Customs verification of the eventual use of the good in the United States within three years of entry and therefore presents additional costs and burdens to Customs and the importer.

⁴ The submission covers S. 3306-3310; a separate paragraph pertains to S. 3308.

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.

-----Original Message-----

From: Tom Sobey [mailto:tsobey@sigmaphoto.com]
Sent: Wednesday, September 06, 2006 10:45 AM

To: Johnson, Christopher

Subject: RE: Req by USITC for assistance in analyzing 5 Senate bills proposing temporary suspension of customs duties for various camera lenses

Dear Christopher

Your e-mail was forwarded to me by Stacie. Thank you for opportunity to review and comment on, the proposed legislation. Like any manufacturer or importer, we would welcome the possibility of having the duties waived, on some of the products we import. Sigma Corporation does manufacture digital camera lenses, and in fact we do import products similar to those described in most of the bills. However, we have noticed that in each bill, as it is currently written, very specific focal length and weight requirements must be met, in order for the product to qualify for the waiver, which effectively creates a "class of one", in each category. In all five cases that have been submitted, the exact requirements can be met only by the products of one manufacturer. If, the bills are passed as currently written, this one manufacturer will have a competitive advantage over all other manufacturers who import similar, but not identical, products.

Sigma Corporation of America imports products similar to those described in the proposed legislation, but which do not quite meet the very specific focal length and weight requirements described therein.

For example (RE: S.3307) Sigma imports digital camera lenses with focal range of 18-200mm, but its weight of about 14.3 ounces, falls outside the bill's 18 ounce minimum and 20 ounce maximum weight range. The lens is, in fact, lighter than required, but would be excluded.

Also, (RE: S.3308) Sigma imports digital camera lenses, with focal range of 55-200mm, but their weight is about 10.9 ounces, exceeding the bill's 9 ounce maximum weight requirement.

Also, (RE: S.3309) Sigma imports three digital camera lenses, two 18-50mm and one 17-70mm lenses, whose focal lengths are similar to, but don't exactly meet, the 17-55mm focal length requirements, and whose weights, 8.8 ounces, 15.7 ounces and 16.0 ounces respectively, are easily below the specified maximum.

Also, (RE: S.3310) Sigma imports a 12-24mm lens whose weight (21 ounces) exceeds the 18 ounce weight requirement, but this lens can be used with 35mm SLR film cameras, as well as all digital SLR cameras.

As you can see, Sigma imports lenses for digital SLR cameras, which are very similar to those described in the proposed legislation, but which would be excluded from the waiver of duty because of the very narrow focal length and weight parameters set forth in the bills. Please see Sigma's Lens Chart http://www.sigma-photo.com/lenses/lenses_chart.asp for full specifications of these and other current Sigma lenses. Other manufacturers/importers may also import similar products, but which would be similarly excluded. This has the effect of giving one specific manufacturer/importer a competitive advantage over the other manufacturers/importers. We believe this would be an unfair advantage, for that one favored manufacturer/importer. Therefore, Sigma could not support the proposed legislation, as currently written.

I hope this information is helpful to you, in your analysis. If you have any questions or comments, or need additional information, please feel free to contact me by e-mail tsobey@sigmaphoto.com, telephone (631)585-1144 or FAX (631)585-1895. Thank you again.

Very truly your

Sigma Corporation of America

Thomas Sobey

Marketing Manager

109TH CONGRESS
2D SESSION

S. 3308

To suspend temporarily the duty on lightweight digital camera lenses.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

A BILL

To suspend temporarily the duty on lightweight digital
camera lenses.

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. LIGHTWEIGHT DIGITAL CAMERA LENSES.**

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:

“	9902.11.01	Lightweight lenses for digital cameras with focal length between 55 mm and 200 mm inclusive, and not exceeding 9 oz. in weight (provided for in subheading 9002.11.90)	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.

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