



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Adjustable metal lighting fixtures, each with a parabolic or ellipsoidal reflector, adjustable focus, and a color-media holder, with the lamp enclosure in a U-shaped mounting yoke allowing 360 degree rotation on an axis perpendicular to the projection path of the light, with plastic-covered locking handle and clutch mechanism intended to allow adjustment of the fixture in multiple directions and to lock the fixture for prolonged use, the foregoing whether designed for mounting with a c-clamp to a pipe or with any other suitable hanging mechanism for mounting to a fixed structure or surface capable of supporting the fixture (provided for in subheading 9405.40.60).

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

This duty suspension bill is intended to cover adjustable metal lighting fixtures meeting the criteria set forth in the article description. Such lighting includes parabolic aluminized reflector (PAR) spotlights, as well as Fresnel and ellipsoidal spotlights. Common uses include stage lighting to illuminate theatrical productions, rock concerts, and other performances taking place in live performance venues. They are also used to light television studios and sound stages.

China and Mexico are the leading suppliers of lighting fixtures of metal, including theatrical and studio lighting. China accounted for 58 percent (\$474 million) of total U.S. imports under HTS subheading 9405.40.60 (a broader category than is covered by the bill) and 81 percent of dutiable imports in 2011. Mexico accounted for 22 percent (\$181 million) of total U.S. imports, with 93 percent of the imports from Mexico entering free of duty under NAFTA.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9405.40.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%)	6	6	6	6	6
Estimated value of <i>dutiable</i> imports (\$)	1,280,000	1,344,000	1,411,000	1,482,000	1,556,000
Customs revenue loss (\$)	76,800	80,640	84,660	88,920	93,360

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, 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 is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

It is suggested that the article description be edited to read as shown in section II, above. We note that it is not possible to estimate the volume of imports for which retroactive application of the bill might be claimed, because the subject products are not separately identified in the HTS; moreover, Customs officials would need to apply the proposed description to each shipment for which such treatment is claimed and determine if the goods are covered by the proposed heading.

VI. Continuation

If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.

VII. Contacts with domestic firms/organizations

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Leviton Manufacturing Company, Inc. (Interested entity) Christopher Schodowski	619-205-8607	No	No	No
2	Altman Lighting Co., Inc. Brian Altman	914-476-7987	No	No	No
3	Arri Inc. Charles Davidson	845-353-1400	No	No	No
4	CVS Caremark Corporation Wendy Sussman	202-772-3517	No	No	No
5	Electronic Theatre Controls Fred Foster	608-831-4116	Yes	Yes	Yes
6	Lighting & Electronics Bob Partridge	845-297-1244	No	No	No
7	Philips Solid-State Lighting Michelle DeMoor	202-962-8551	Yes	Yes	No



May 4, 2012

Fred Foster
Electronic Theatre Controls, Inc.
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Middleton, WI 52562

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Ralph J. Watkins
Senior International Trade Analyst
Advanced Technology and Machinery Division
Office of Industries U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Dear Mr. Watkins,

I am writing on behalf of Electronic Theatre Controls, Inc., to express our strenuous objection to the proposal to suspend temporarily the duty on "certain adjustable metal lighting fixtures" that is contained in the bill H.R. 3621 introduced by Congressman Steve Israel (NY). The specific description of the theatrical spotlights contained in the bill directly describes products that are manufactured in our factory in Middleton, Wisconsin.

Electronic Theatre Controls, Inc. (ETC) is a privately-held Wisconsin corporation that employs more than 750 people around the world, with 630 of those employees resident in the United States. The company is a global leader in the supply of entertainment and architectural lighting products, with approximately 30% of our revenue resulting from the export of goods manufactured in the United States. Our products include theatrical and architectural lighting control systems, dimmers, theatrical rigging machinery, and theatrical spotlights. Essentially, all of our lighting products are manufactured in our facilities in Middleton, WI, and that has been the case for the 36 years we have been in business.

Specifically, 100% of the theatrical spotlights that fit the description contained in this proposed legislation are manufactured in Middleton. These products constitute roughly 25% of our global revenue and result in the direct full-time employment of more than 50 full-time workers at ETC and contribute to the employment of many more US-based employees in roles including



customer service, sales, logistics, etc. The Source Four® spotlight has been developed and produced by ETC for more than 20 years. This product family includes ellipsoidal reflector spotlights as well as parabolic reflector spotlights as can be seen in the attached pages from ETC's 2012 Product Catalog. In 2011, ETC sold more than 190,000 of these types of Source Four® spotlights globally, with two-thirds of those sold into our domestic US market.

In addition to investing millions of dollars to develop and tool these products, ETC has expended hundreds of thousands of dollars to enforce and defend our patents against foreign produced clones and infringing products. Reducing or eliminating the tariffs for these products would have an immediate and definite negative impact on ETC's success, profits, and employment. Any benefit would only flow to foreign manufacturers and importers by allowing copycat products to be sold at lower prices in direct competition to ETC and other US-based manufacturers of similar products.

There is little accurate market data available to determine the size of the import market for these products. While ETC is the market leader in the field of entertainment lighting equipment, several other U.S. based manufacturers of equipment meet the description contained in this proposed legislation. Some of these include:

Altman Lighting Co. Inc.
57 Alexander Street
Yonkers, NY 10701
www.altmanltg.com

Lighting and Electronics, Inc.
91 McKinley Street
Market Street Industrial Park
Wappingers Falls, NY 12590
www.le-us.com

Mole-Richardson Company
937 North Sycamore Avenue
Hollywood, CA 90038
www.mole.com



In conclusion, I would like to reiterate ETC's strong opposition to the proposed legislation contained in H.R. 3621 that would eliminate the import tariffs on these specific products. The unfortunate result of this change would be to threaten or eliminate jobs in US-based manufacturing of theatrical lighting equipment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred Foster', written in a cursive style.

Fred Foster
CEO
Electronic Theatre Controls, Inc.

Enclosures:

- 1) 2012 Electronic Theatre Controls, Inc. Product Catalog, pages 48-55
- 2) Copy of 112th Congress 1st Session H.R. 3621

Cc: Congressman Steve Israel - NY
Congresswoman Tammy Baldwin - WI
Senator Herb Kohl - WI

From: Demoor, Michelle <michelle.a.demoor@philips.com>
Sent: Monday, April 30, 2012 12:07 PM
To: Watkins, Ralph
Cc: Anderson, Michael G.
Subject: RE: Legislation for temporary duty suspension for night lights (HR 2039) and stage lighting (HR 3621)

Hi Ralph. Here is Philips response:

HR 2039--we do not make or sell nightlights. We do not object.
HR 3621--Philips makes theatrical lighting in the US that meets the product description in the bill. However, we do NOT object to this bill. I'm told that ETC out of Madison, WI also makes this product in the US.

Best regards,
Michelle

Michelle A. DeMoor
Sr. Director, International Policy
Philips Electronics North America
1050 K Street, NW, Suite 900
Washington, DC 20001
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112TH CONGRESS
1ST SESSION

H. R. 3621

To suspend temporarily the duty on certain adjustable metal lighting fixtures.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2011

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

A BILL

To suspend temporarily the duty on certain adjustable metal lighting fixtures.

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 ADJUSTABLE METAL LIGHTING FIX-**
4 **TURES.**

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:

“	9902.01.00	Adjustable metal lighting fixtures, with a parabolic or ellipsoidal reflector, each capable of being focused and with a color-media holder, the lamp enclosure in a U-shaped mounting yoke allowing 360 degree rotation on an axis perpendicular to the projection path of the light and with plastic-covered locking handle and clutch mechanism intended to allow adjustment of the fixture in multiple directions and to lock the fixture for prolonged use, the foregoing whether for mounting with a c-clamp to a pipe or with any other suitable hanging mechanism for mounting to a structurally sound surface capable of supporting the fixture (provided for in subheading 9405.40.60)	Free	No change	No change	On or before 12/31/2014	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

5 (c) RETROACTIVE APPLICATION.—Notwithstanding
6 section 514 of the Tariff Act of 1930 (19 U.S.C. 1514)
7 or any other provision of law, upon proper request filed
8 with U.S. Customs and Border Protection before the 90th
9 day after the date of the enactment of this Act, any entry,
10 or withdrawal from warehouse for consumption, of any ar-
11 ticle—

12 (1) that was made on or after January 1, 2011,
13 and before the 15th day after the date of the enact-
14 ment of this Act, and

1 (2) with respect to which there would have been
2 no duty if the amendment made by subsection (a)
3 applied to such entry or withdrawal,
4 shall be liquidated or reliquidated as if such amendment
5 applied to such entry or withdrawal.

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