



## 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/](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)):**

Single-driver sound-isolating earphones, each with non-porous slow-recovery foam sleeves and detachable cable with formable wire, and with a repeatable operating range of 22 Hz to 19 kHz with a deviation of +/- 3dB (provided for in subheading 8518.30.20)

(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.)

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**

The earphones under consideration are used to listen to sound generated by a sound reproduction device or radio receiver. The earphones under consideration contain a single speaker or "driver" in each earpiece that meets a performance specification intended to ensure they will reproduce sound over a specific range of frequencies. The earphones are equipped with replaceable non-porous foam attachment sleeves that enter the ear canal in order to isolate the transmitted sound from extraneous noise. Included is a detachable extension cable that allows the earphones to be worn at a greater distance from the source instrument and that can be replaced should it become damaged.

The principal source of earphones is China, from which the United States imported \$934.9 million of the total \$1.1 billion in dutiable imports under HTS subheading 8518.30.20 in 2011.

**IV. Estimated effect on customs revenue**

Subject product HTS subheading(s)	8518.30.20				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	4.9	4.9	4.9	4.9	4.9
Estimated value of <i>dutiable</i> imports (\$)	7,400,000	7,800,000	8,200,000	8,500,000	8,800,000
Customs revenue loss (\$)	362,600	382,200	401,800	416,500	431,200

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**

An effort was made to clarify the article description, as set forth above. Some terms used in the proposed description would require interpretation by Customs officials, and without that interpretation the actual scope of the proposed heading cannot be known. For instance, the words "non-porous" and "slow-recovery" are not defined and are not used in the HTS with regard to such products, and it is not clear which products imported under subheading 8513.30.20 would be found eligible for the proposed heading. The referenced HTS subheading covering these goods also covers a range of other headphones and earphones, including other goods imported by the proponent and covered by other bills, making such interpretations more important in assessing the scope of the proposed heading.

**VI. Continuation**

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## 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	Shure, Inc. (Interested entity) Mark Brunner	847-600-2000	No	No	No
2	Bose Corp. Steve Whitaker	202-734-8876	No	No	No
3	Audiovox Corp. Pat Moffett	631-436-6499	No	No	No
4	Consumer Electronics Association Sage Chandler	703-907-5262	No	No	No
5	Harman International Industries, Inc. Jean Lépine	203-328-3500	No	No	No
6	Koss Corp. Marzena Pawlow	800-872-5677	No	No	No
7	Monster Cable Products, Inc. David Tognotti	877-800-8989	No	No	No
8	Panasonic Corp. Madeline Kuflik	201-392-4649	No	No	No
9	Sennheiser Electronic Corp. Lou deLaforcade	860-464-9190	No	No	No
10	Skullcandy Brooke Stevens	435-940-1545	No	No	No
11	Sony Electronics, Inc. Christina Mulvihill	202-429-3653	No	Yes	Yes
12	Yamaha Electronics Corp. Doan Hoff	714 522-9105	No	No	No

Michael T. Williams  
Executive Vice President  
& General Counsel

**SONY**

Sony Electronics Inc.  
16530 Via Esprillo, MZ 1105  
San Diego, California 92127  
Telephone (858) 942-7994  
Fax (858) 942-8170

June 20, 2012

The Honorable Dave Camp  
U.S. House of Representatives  
Chairman, Committee on Way and Means  
1102 Longworth House Office Building  
Washington, DC 20515

RE: Miscellaneous Trade Bill

Dear Chairman Camp:

I am writing to express my opposition to H.R. 4820, legislation which would temporarily suspend the 4.9 percent duty on imports of certain single-driver sound isolating earphones.

Sony Electronics Inc. manufactures a similar product which would be harmed by passage of this legislation, providing an unfair financial benefit to competitors.

Thank you in advance for your assistance.

Sincerely,



Michael T. Williams  
Executive Vice President and General Counsel  
Sony Electronics Inc.

112TH CONGRESS  
2D SESSION

# H. R. 4820

To suspend temporarily the duty on certain single-driver sound isolating earphones.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Ms. SCHAKOWSKY introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To suspend temporarily the duty on certain single-driver sound isolating earphones.

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 SINGLE-DRIVER SOUND ISOLATING**

4 **EARPHONES.**

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	Single-driver sound isolating earphones with skinned (non-porous) slow-recovery foam sleeves, detachable cable and a repeatable operating range of 22 Hz to 19 kHz with a deviation of +/- 3dB (provided for in sub-heading 8518.30.20) .....	Free	No change	No change	On or before 12/31/2015	”.
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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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