



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)):

Solder spheres each containing 2 percent or more by weight of silver, for use in mounting semiconductor or electronic integrated circuit packages (provided for in subheading 7115.90.40).

(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 subject product, sometimes referred to as "silver solder balls," consists of precisely shaped spheres measuring in tenths of a millimeter in diameter, designed for specialized soldering techniques (i.e., ball grid array (BGA), chip scale packages (CSP), and flip chip bumping) to surface mount an integrated circuit package (consisting of a semiconductor material), in which the solder joints form individual electrical connection leads.

The predominant U.S. dutiable import sources of this product are Japan, Taiwan, the Philippines, and China.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	7115.90.40				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3	3	3	3	3
Estimated value of <i>dutiable</i> imports (\$)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Customs revenue loss (\$)	150,000	150,000	150,000	150,000	150,000

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

We note that the article description set forth above would add a specified application for the subject product, and that as written it would require post-entry verification by Customs. Such verification can present administrative burdens to Customs and the importers, but this language--or an alternative type of characteristic that might be suggested in conversations between the interested entity and Customs--was offered as a way to confine the product scope to the goods imported by the interested entity. These solder spheres (or balls) contain silver alloyed with either tin (e.g., eutectic tin-silver

solder) or with tin and either lead (eutectic tin-lead-silver solder) or copper (industry standard lead-free solder). The specified silver content (2 percent or more by weight) meets the criteria in note 5(c) to chapter 71 of the HTS, so that this product is classified as an alloy of silver. However, adding further such physical characteristics could present technical issues for the enforcement of the proposed heading.

Dutiable import values are estimated from compilation of 2011 CNIF importers of record who were identified as electronics products manufacturers or suppliers to the electronics products industry.

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	Micron Technology Inc. (Interested entity) Matthew Koehl	208-363-1041	No	No	No
2	Alpha Advanced Materials (Cookson Electronics Co.)	678-475-6900	No	No	No
3	AMETEK Specialty Metal Products Inc. Vito Tanzi	201-791-4020	Yes	No	No
4	Freescale Semiconductor Inc. Roslyn Johnson	512-895-2000	No	No	No
5	Henkel Corp. Doug Dixon	714-368-8000	No	No	No
6	Indium Corp. of America Mary Beth Coholan	315-853-4900	Yes	No	No
7	ON Semiconductor Corp. Daryl Hatano	602-244-6600	No	No	No
8	Semiconductor Equipment and Materials International (SEMI) Jamie Girard	202-289-0440	No	No	No
9	Semiconductor Industry Association (SIA) Ian Steff	202-446-1700	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5405

To suspend temporarily the duty on solder spheres containing 2 percent or more, by weight, of silver.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on solder spheres containing 2 percent or more, by weight, of silver.

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. SOLDER SPHERES CONTAINING 2 PERCENT OR**

4 **MORE, BY WEIGHT, OF SILVER.**

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	Solder spheres containing 2 percent or more, by weight, of silver (provided for in subheading 7115.90.40)	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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