



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)):

Wire containing 99.9 percent or more by weight of gold and with dopants added to control wirebonding characteristics, having a diameter of 0.05 mm or less, for use in the manufacture of diodes, transistors or similar semiconductor devices or electronic integrated circuits (provided for in subheading 7108.13.70).

(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 is an ultra-fine diameter (0.05 millimeters or less), high-purity gold (99.9 percent or more by weight) wire, containing chemical dopants. The electronics industry utilizes this product in the wirebonding process to provide electrical connections between a die (an individually cut piece of silicon wafer onto which miniature electronic circuits are etched) and the leads of a semiconductor package, for the manufacture of integrated circuits, diodes, sensors, and other semiconductor devices.

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

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	7108.13.70				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	4.1	4.1	4.1	4.1	4.1
Estimated value of <i>dutiable</i> imports (\$)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Customs revenue loss (\$)	164,000	164,000	164,000	164,000	164,000

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

None

VI. Continuation

Interested entity (continued)--

The preliminary disclosure form lists Micron Technology Inc., Freescale Semiconductor Inc., and ON Semiconductor Corp. as entities importing the subject product under HTS heading 9902.71.08.

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	AMETEK Specialty Metal Products Inc. Vito Tanzi	201-791-4020	Yes	Yes	Yes
3	California Fine Wire Co. Thomas Bartley	805-489-5144	Yes	No	No
4	Freescale Semiconductor Inc. Roslyn Johnson	512-895-2000	No	No	No
5	Kulicke & Soffa Industries Inc. Mark Sullivan	215-784-6000	No	No	No
6	Materion (Microelectronics and Services) Corp. Amy Maundrell	716-446-2220	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. 5409

To extend the temporary suspension of duty on certain wire containing 99.9 percent or more by weight of gold and with dopants added to control wirebonding characteristics.

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 extend the temporary suspension of duty on certain wire containing 99.9 percent or more by weight of gold and with dopants added to control wirebonding characteristics.

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 WIRE CONTAINING 99.9 PERCENT OR**
4 **MORE BY WEIGHT OF GOLD AND WITH**
5 **DOPANTS ADDED TO CONTROL**
6 **WIREBONDING CHARACTERISTICS.**

7 (a) IN GENERAL.—Heading 9902.7108 of the Har-
8 monized Tariff Schedule of the United States (relating to

1 wire containing 99.9 percent or more by weight of gold
2 and with dopants added to control wirebonding character-
3 istics, having a diameter of 0.05 mm or less, for use in
4 the manufacture of diodes, transistors or similar semicon-
5 ductor devices or electronic integrated circuits) is amended
6 by striking the date in the effective period column and
7 inserting “12/31/2015”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from
10 warehouse for consumption, on or after the 15th day after
11 the date of the enactment of this Act.

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July 20, 2012

U.S. House of Representatives
Ways and Means Committee
Trade Subcommittee
Washington DC

re: 112th Congress, Miscellaneous Tariff Bill, H.R. 5409

To Whom It May Concern:

We have become aware that H.R. 5409 has been brought to the floor and is being considered. Coining, through its SPM brand, is a manufacturer of bonding wire in aluminum, copper and gold alloys. These products are manufactured in our Montvale, New Jersey facility and sold both domestically and internationally. We have been supporting the electronics industry with our wire for over 30 years. In that time, as the electronics industry and its supply chain has become more globalized we have seen increased competition from foreign competitors both here and abroad. We have done our best to increase our value to our customers to maintain our share of this business.

Internationally, we have lost considerable market share to entities in Singapore, Japan, Germany and now China, partly due to cost competitive issues, but also due to an imbalance within certain jurisdictions which impose import tariffs and duties on the very products that are being considered by H.R. 5409. Enabling this to continue places domestic suppliers like us at a global disadvantage because even though we may be on par with domestic business, our international competitiveness is at a disadvantage, making us weaker on the global stage. Gold wire is a volume business and if we cannot capture sufficient volumes our cost per unit produced increases.

In the interest of providing a "level playing field" globally, Coining respectfully requests H.R. 5409 not be passed into law. If there are any questions, I may be contacted at vito.tanzi@ametek.com.

Regards,

A handwritten signature in black ink, appearing to read "Vito Tanzi".

Vito Tanzi
Director of Sales
Coining
Ametek Specialty Metal Products

**Global Supplier of Soldering and Brazing Preforms,
Microstampings and Bonding Wire**