



## 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)):

Light emitting diode (LED) lamp modules designed for use in goods of subheading 8418.50.00 (provided for in subheading 9405.40.80)

(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 products are light emitting diode (LED) lamp cooler modules. These modules use LEDs as the light source, as discussed below . They give off very little heat and are designed to be used in low temperature environments, limited by the "use" provision in the bill to products for freezers, food display cases, and similar devices. These modules tend to be long, thin products. A typical module, for example, might be 47 inches long, 2 inches wide, and 0.5 inches high. The principal sources of imports of the subject products are China, Mexico, and the European Union. Information was found on at least one internet site that suggests there may be domestic production of the subject goods (see continuation). Opposition to this bill is noted below in the Contacts table.

An LED module is a self-contained device that can function on its own or be plugged into a compatible fixture or device. LED modules may be used in a variety of energy-efficient LED lights. They include book lights, night lights, outdoor lighting, headlamps, and flashlights, as well as the multiple LED bulb units used in LED lighting fixtures. These units usually have at least one LED bulb (known as lamps for tariff purposes). Traditional light bulbs make light by using electricity to heat a thin piece of wire until it glows. This piece of wire is called a filament. Filament light bulbs blow out and cease function when the filament breaks, which can happen if a bump or blow is dealt to the bulb or its fixture. By contrast, LED bulbs have no filament, so they are more resistant to jostling, making LED a better bulb option for portable lighting fixtures. An LED module generally uses an electrified semiconductor as its light-emitting source

#### IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9405.40.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.9	3.9	3.9	3.9	3.9
Estimated value of <i>dutiable</i> imports (\$)	19,800,000	25,600,000	30,900,000	37,500,000	43,500,000
Customs revenue loss (\$)	772,200	998,400	1,205,100	1,462,500	1,696,500

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

The article description set forth above was revised for greater clarity and to begin to limit the product scope suggested in the bill as drafted. However, because of the variety of goods involved, no additional technical characteristics are proposed here. Thus, further information from importers might be demanded by Customs officials in order for them to ascertain which modules might be "designed for" freezers and similar products. Customs could be consulted in order to ascertain whether an "actual use" provision would be better suited to limiting the scope to particular imports, with awareness of the potential administrative burdens.

#### VI. Continuation

The Commission analyst's source of information regarding domestic production of the subject products is <http://www.ledtronics.com/Products/ProductsDetails.aspx?WP=2091>.

## 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	Philips Electronics North America Corp. (Interested entity) Randall B. Moorhead	202-962-8555	No	No	No
2	Acuity Brands Neil Egan	770-860-2957	No	No	No
3	Cree, Inc. Diana Semel Allen	919-407-5300	No	No	No
4	General Electric Co. Tim Richards	202-637-4407	No	No	No
5	Independence LED Charlie Szoradi	484-588-5401	No	No	No
6	Keystone Technologies Ira Greenberg	215-283-2600	No	No	No
7	LEDtronics Pervaiz Lodhie	310-534-1424	No	No	No
8	Lighting Science Group Brad Knight	321-779-5520	No	No	No
9	Lutron Electronics Co., Inc. Pekka Hakkarainen	610-282-6766	No	No	No
10	OSRAM SYLVANIA Pamela Horner	978-750-2563	No	No	No
11	Soraa Wilfred Martis	510-456-2200	No	Yes	Yes
12	Venture Lighting International Thomas Harding	440-836-7250	No	No	No

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5477

To suspend temporarily the duty on light emitting diode (LED) cooler modules (LCM).

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IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

Mr. REED 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 light emitting diode (LED) cooler modules (LCM).

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. LIGHT EMITTING DIODE (LED) COOLER MOD-**  
4        **ULES (LCM).**

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	Light emitting diode (LED) cooler modules (LCM) (provided for in subheading 9405.40.80) ....	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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