



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)):

Light emitting diode (LED) lamp line modules, not tubular, each with multiple LED lamps mounted on a flat, linear carrier board and designed to be installed in linear light fixtures (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) line modules that use LEDs as the light source, as discussed below. These modules have LEDs mounted on a flat, linear carrier board and are installed in linear light fixtures, such as the recessed part of a wall in office buildings. The principal sources of dutiable imports of the subject products are likely China and Korea. 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, and may be designed to generate little or no heat.

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 (\$)	30,300,000	37,600,000	52,200,000	64,100,000	74,100,000
Customs revenue loss (\$)	1,181,700	1,466,400	2,035,800	2,499,900	2,889,900

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" the specified 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

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 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

David, Andrew

From: Wilfred Martis
Sent: Monday, June 25, 2012 1:59 PM
To: David, Andrew
Subject: Re: Temporary duty suspensions on LED and HID lamp components

Hi Andy,

Thanks a lot for the guidance last week.

I responded online to the House Ways & Means Committee on Friday with the Soraa position.

Below is what I sent them. Pls incorporate this position in any material your organization will be submitting.

Soraa opposes the selective removal of tariffs in Bills 5477, 5478, 5479, 5480, 5481, 5482, 5483 & 5484, because they seem preferential to certain LED/Lighting industry players, and could adversely affect Soraa's products & business if implemented as is. To help promote the US-based and funded research and development on Violet LED based products & subsystems and to ensure a leveled playing field, we recommend that tariffs be removed for these products & subsystems too.

Soraa, based in Fremont, California, is the world's leading developer of solid-state lighting technology built on pure gallium nitride substrates, commonly referred to as GaN on GaN™. Only Soraa uses a pure GaN crystal to create simply perfect light. Soraa's flagship product is the highest-performance LED MR16 halogenreplacement lamp on the market.

Pls let me know if you need additional info from me. I will also be sending this response to our local House member, Pete Stark (D), who happens to be a member of the Ways & Means Committee.

Thanks for all your help,
Wilfred

112TH CONGRESS
2D SESSION

H. R. 5481

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

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

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

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) LINE MODULES.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.01.00	Light emitting diode (LED) line modules (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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