



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)):

Electrothermic automatic drip coffee makers each with electronic clock and with self-contained coffee holding chamber, the foregoing designed to be used without separate carafe (provided for in subheading 8516.71.00)

(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 a "no carafe" automatic drip coffee maker with an electronic clock. It has a beverage holding tank within the product that dispenses coffee directly into a cup or mug. The use of a self-contained coffee-holding container eliminates the need for an external carafe, which is used in traditional household automatic drip coffee makers. By holding the coffee in this internal chamber, the coffee is not exposed directly to air, as it would be in a traditional automatic drip coffee maker with a carafe. Eliminating the open exposure found in a traditional auto drip coffee maker is intended to maintain coffee freshness longer. The principal supplier of U.S. imports of the subject product is China. Opposition to the bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8516.71.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.7	3.7	3.7	3.7	3.7
Estimated value of <i>dutiable</i> imports (\$)	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000
Customs revenue loss (\$)	647,500	647,500	647,500	647,500	647,500

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

Although this bill, H.R. 4810, is drafted correctly to change the expiration date for the existing HTS heading in chapter 99, S. 2361 was drafted to create a new heading covering merchandise now covered by headings 9902.23.46 and 9902.23.47. If the duty suspension is to continue, we suggest that the House bill's approach be adopted in order to avoid confusion and

the use of additional temporary heading numbers. There is a potential for overlapping product coverage among temporary headings if all of the bills on coffee makers were to be enacted.

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	Hamilton Beach Brands, Inc. (Interested entity) Tripp Dillard	804-418-7759	No	No	No
2	Breville USA Judy Chu	310-755-3000	No	No	No
3	Conair Corp. John Mayorek	609-426-1300	No	No	No
4	Focus Products Group, LLC Brian Beesley	866-290-1851	No	No	No
5	Green Mountain Coffee Roasters Tammy Hetrick	802-488-1545	No	Yes	Yes
6	Jarden Corp. Vic Michaels Don Stein	561-912-4397 202-530-8502	No	No	No
7	National Presto Industries Maryjo Cohen	715-839-2121	No	Yes	Yes
8	Spectrum Brands, Inc. Tracy Wrycha	608-275-4404	No	No	No
9	Whirlpool Corp. Luke M. Harms	202-639-9420	No	No	No

July 24, 2012

Dennis Fravel
 International Trade Analyst
 U.S. International Trade Commission
 500 E Street, SW
 Washington, DC 20436

Re: 2012 Miscellaneous Tariff Bills pertaining to the imports of coffee makers

Dear Mr. Fravel:

We produce products competitive to those covered by existing and proposed legislation found in the 2012 Miscellaneous Tariff Bills, specifically the following:

Bill No.	Action	Description	2012 HTS col. 1 rate of duty (%)
H.R. 4800	New suspension	Combination single serve and full pot automatic drip coffee makers (provided for in subheading 8516.71.00)	3.7
H.R. 4802	New suspension	Single serve 'automatic drip' coffee makers with permanent reusable ground coffee filter (provided for in subheading 8516.71.00)	3.7
H.R. 4803	New suspension	Single serve 'automatic drip' coffee makers with combination reusable ground coffee filter and holding area for pre-packaged coffee (provided for in subheading 8516.71.00)	3.7
H.R. 4810	Extends HTS 9902.23.47	Electrothermic automatic drip coffeemakers each with electronic clock and with self-contained coffee holding chamber, the foregoing designed to be used without separate carafe (provided for in subheading 8516.71.00)	3.7
H.R. 4811	Extends HTS 9902.23.46	Electrothermic automatic drip coffeemakers without electronic clock, each with self-contained coffee holding chamber and designed to be used without separate carafe (provided for in subheading 8516.71.00)	3.7
H.R. 5045	New suspension	Coffee brewers with milk frothing capacity with maximum latte capacity of 0.71 liters and a maximum unit weight of 3.0 kg (provided for in subheading 8516.71.00)	3.7
S. 2361	New reduction to 1.0%	Electrothermic automatic drip coffee makers, each capable of brewing multiple servings and incorporating a removable water tank with a handle (provided for in subheading 8516.71.00)	3.7

Preliminary conversations with Customs and Border Protection indicate that our products do not qualify for duty suspension under these bills as written. The language of these bills calls out specific features, (which have no bearing on producing auto-drip coffee), that may not apply to our products. Though we produce coffee makers with essentially the same characteristics as those above, from the same source countries as these importers (which are not FTA countries), the extreme specificity of these bills excludes our products. For example, H.R. 5045 contains the caveat "and a maximum weight of 3.0 kg." Our VUE brewer is a coffee maker with milk frother capacity of .71 liters, but weighs more than 3.0 kg.

Because these bills, as written, would put us at a competitive disadvantage to those benefiting from the provisions, we must object to their passage. However, we are willing to discuss with interested parties expansion of the language to include our products. If and when the language is expanded to include our products, we would reconsider support of the legislation.

Please let me know if you require anything further at this time.

Regards,



Tammy Flanders Hetrick
International Trade Compliance Manager
Green Mountain Coffee Roasters, Inc.
33 Coffee Lane
Waterbury, Vermont 05676
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(M) 802.782.2520
Tammy.Hetrick@GMCR.com

Fravel, Dennis

From: Anderson, Michael G.
Sent: Monday, June 11, 2012 10:49 AM
To: Parcan, Alexander (Intern)
Cc: Fravel, Dennis
Subject: Fw: Bill Reports (HR.4812 -HR.4815)

Hi Alex,

A response/opposition for four bills you're working on.

Michael-

----- Original Message -----

From: Maryjo Cohen - National Presto <mjc@gopresto.com>
To: Anderson, Michael G.
Sent: Mon Jun 11 10:26:27 2012
Subject: Re: Bill Reports (HR.4812 -HR.4815)

Dear Mr. Anderson:

Thank you the opportunity to comment on each of the bills referenced in your email.

As I stated on the phone, unless Congress removes the duty on ALL electric appliances coming from China, we are opposed to all of these bills, regardless of whether we make the product or not. Please understand that the categories listed are very narrow, yet they compete with other items - some of which are in the same class (e.g., grills with floating locks compete with our electric grills, griddles and skillets) and in some cases against the entire class of small appliances, e.g., a customer like Sam's or Costco does not carry a full line of electrical appliances, so that each appliance effectively competes with the other for limited shelf space devoted to kitchen appliances. If one is dutiable while another is not, that provides an unfair advantage to the dutiable item. At this point, all of these products are being manufactured in China - no one makes them in the U.S.

Accordingly, I'd recommend that the duties either be maintained or all duties on Chinese-made kitchen appliances be dropped.

Per your request, I will leave a comment to the above effect on each bill using the HR web site prior to the June 22, comment deadline period.

Mj

On Mon, 4 Jun 2012 11:36:26 -0400

<Michael.Anderson@usitc.gov> wrote:

> Dear Ms. Cohen,

>

> As per our phone conversation, I am with the U.S. International Trade Commission (the Commission), an independent agency in the U.S. Government, which, among other things, provides advice to the President and Congress on all matters

of international trade. I am writing to request your input on Congressional legislation related to tariff suspensions or reductions for certain vehicle parts.

>
> I have included more details on the bills in the following table and specific question on the legislation below the table.

>
> Bill

>
> Product

>
> Link to bill

>
> HR. 4812

>
> Open-top electric grills designed for indoor use

>
> <http://www.gpo.gov/fdsys/pkg/BILLS-110hr4812ih/pdf/BILLS-110hr4812ih.pdf>

>
> HR. 4813

>
> Electromechanical juice extractors, each with a self-contained 2-speed electric motor rated at 800 W or higher

>
> <http://www.gpo.gov/fdsys/pkg/BILLS-112hr4813ih/pdf/BILLS-112hr4813ih.pdf>

>
> HR. 4814

>
> Electromechanical juice extractors, each with a self-contained 2-speed electric motor rated over 300 W but not over 400 W

>
> <http://www.gpo.gov/fdsys/pkg/BILLS-112hr4814ih/pdf/BILLS-112hr4814ih.pdf>

>
> HR. 4815

>
> Dual-grid electric sandwich grillers, each with lock and floating upper lid

>
> <http://www.gpo.gov/fdsys/pkg/BILLS-112hr4815ih/pdf/BILLS-112hr4815ih.pdf>

>
>
> The Commission prepares reports on legislation concerning duty suspensions for the Ways and Means and Senate Finance Committees. As a part of this process, the Commission attempts to identify and contact domestic firms and associations that may have an interest in the subject legislation.

>
> We would appreciate it very much if you could please advise us in regard to:

>
> * Do you have an interest in the proposed duty suspension legislation and, if so, do you support, oppose, or are you neutral to each of the bills?

>
> * Do you make any of the products described in the bills or competing products in the United States? Is there other U.S. manufacturing of the products described in the bills or competing products? If so, could you provide the names of the firms that make these products?

- >
- > * Do you import the products described in these bills? If so, what countries are the major sources of imports for each of these products?
- >
- > * Will you benefit from this bill? If so, can you provide me an estimate of the value of imports that will benefit from this bill in each of the next five years?
- >
- >
- > Please provide separate responses for each Bill noted above
- >
- > If you are opposed to the bill please submit comments to the House Ways and Means Committee (see <http://waysandmeans.house.gov/mtb/>) and send us a copy of the submission.
- >
- > Please provide us with any input on this legislation by Monday, June 11. Thank you for your time.
- >
- >
- > Thank you,
- > Michael Anderson
- > 202-205-3249

112TH CONGRESS
2D SESSION

H. R. 4810

To extend the temporary suspension of duty on self contained, carafe-less automatic drip coffeemaker with electronic clock.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2012

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

A BILL

To extend the temporary suspension of duty on self contained, carafe-less automatic drip coffeemaker with electronic clock.

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. SELF CONTAINED, CARAFE-LESS AUTOMATIC**
4 **DRIP COFFEEMAKER WITH ELECTRONIC**
5 **CLOCK.**

6 (a) IN GENERAL.—Heading 9902.23.47 of the Har-
7 monized Tariff Schedule of the United States (relating to
8 self contained, carafe-less automatic drip coffeemaker with
9 electronic clock) is amended by striking the date in the
10 effective period column and inserting “12/31/2015”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of enactment of this Act.

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