



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)):

Lenses designed for digital cameras, the foregoing with a focal length measuring approximately 55 mm or more but not over 200 mm and weighing 329 g or more but not over 339 g (provided for in subheading 9002.11.90).

(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 optical camera lenses optimized for use with digital single lens reflex (DSLR) cameras. These cameras can accommodate a variety of interchangeable lenses with differing lengths, widths, weights, or other characteristics to enable the user to perform different photographic functions. The subject lenses are normally referred to as "zoom lenses," which permit the user to enlarge the image (zooming in) or minimize the image (zooming out) and frame the image as desired by extending or retracting the focal length of the lens. These capabilities provide flexibility to meet various demands of the user in framing the desired picture. The subject lenses are imported primarily from Japan and China. Opposition to this bill is noted below in the Contacts Table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9002.11.90				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	2.3	2.3	2.3	2.3	2.3
Estimated value of <i>dutiable</i> imports (\$)	38,050,000	38,050,000	38,050,500	38,060,500	38,160,000
Customs revenue loss (\$)	875,150	875,150	875,162	875,392	877,680

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 was modified slightly with respect to the lens weight to be consistent with normal HTS usage.

S. 2411 is nearly identical to H.R. 5435; the only difference is that S. 2411 would expire on December 31, 2015.

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	Nikon U.S.A., Inc. (Interested entity) Welles Orr	202-626-1481	No	No	No
	2	Canon U.S.A., Inc. Danny Wong	516-328-5000	No	No	No
	3	Pentax U.S.A., Inc. Susie Jordan	888-267-6422	No	No	No
	4	Sigma Corp. of America Mark Amir	800-877-0155, x1225	No	Yes	Yes
	5	Tamron Co., Ltd. Eugene Dyas	631-585-1144, x1019	No	No	No

SIGMA CORPORATION of America

15 Fleetwood Court, Ronkonkoma, NY 11779 (631) 585-1144, Fax (631) 585-1895

www.sigma-photo.com, e-mail : info@sigmaphoto.com

June 22, 2012

To: Mr. Mihir Torsekar

From: SIGMA Corporation of America
15 Fleetwood Court
Ronkonkoma, NY 11779
Tel. 631-585-1144
Fax. 631-585-1895

Subject: Temporary suspension of duty on lightweight digital camera lenses
H.R. 5433
H.R. 5434
H.R. 5435

Dear Mr. Torsekar:

Thank you for the opportunity to express SIGMA's strong objection to the proposed suspension of duty on specific digital camera lenses.

SIGMA is a world leading manufacturer of photographic products such as lenses, flashes and digital cameras. We have provided the highest quality products and value to consumers for more than 40 years. All of our products are designed and manufactured in Japan, and are available worldwide through various SIGMA sales, service and distribution subsidiaries. SIGMA is a privately owned company.

The proposed legislation seeks a temporary suspension of duty on specific digital camera lenses on the following bills:

- H.R. 5433:** lenses designed for digital cameras with a focal length measuring approximately **10mm or more and not over 24mm** and weighing between **455 and 465 grams**.
- H.R. 5435:** lenses designed for digital cameras with a focal length measuring approximately **55mm or more and not over 200mm** and weighing between **329 and 339 grams**.
- H.R. 5434:** lenses designed for digital cameras with a focal length measuring approximately **70mm or more and not over 200mm** and weighing between **1,535 and 1,545 grams**.

It is clear from the very specific limitation on focal length and weights of lenses, that only SIGMA's competitor, Nikon, has products that would benefit from these bills because only Nikon's products meet the very specific qualifications indicated. SIGMA sells lenses that are similar and competitive from the consumer's perspective, yet which are not covered by these proposals, and therefore these proposals would give Nikon an unfair pricing advantage. For example, SIGMA sells lenses in the 10mm to 24 mm focal range category, but which are between 475 and 520 grams and therefore do not meet the criteria set forth by the proposed legislation. However, the differences in weight between these directly competitive lenses - SIGMA's lenses and Nikon's lenses - are generally not noticed by consumers.

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www.sigma-photo.com, e-mail : info@sigmaphoto.com

Nikon would therefore have an unfair ability to reduce prices because its lenses would be subject to reduced duty obligations, where its competitors' similar lenses would not, Consumers would not obtain the benefit of fair price competitiveness from other manufacturers such as SIGMA. This will provide an unfair final cost advantage to Nikon, Inc. and render similar SIGMA products less competitively priced, to the detriment of consumers and a fair marketplace for competition.

We hope that you will incorporate this analysis in your report, and conclude that the proposals would result in an unfair and biased market situation which does not provide consumers with better choice and value.

Please let me know if we can provide further information.

Sincerely,

Mark Amir-Hamzeh
President
SIGMA Corporation of America
Tel. 631-585-1144 ext.1019
Fax. 631-585-1895
Email: mamirhamzeh@sigmaphoto.com

112TH CONGRESS
2^D SESSION

H. R. 5435

To suspend temporarily the duty on lightweight digital camera lenses measuring approximately 55 mm or more but not over 200 mm.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on lightweight digital camera lenses measuring approximately 55 mm or more but not over 200 mm.

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. LIGHTWEIGHT DIGITAL CAMERA LENSES MEAS-**
4 **URING APPROXIMATELY 55 MM OR MORE BUT**
5 **NOT OVER 200 MM.**

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

“	9902.01.00	Lenses designed for digital cameras, the foregoing with a focal length measuring approximately 55 mm or more but not over 200 mm and weighing between 329 grams to 339 grams (provided for in sub-heading 9002.11.90)	Free	No change	No change	On or before 12/31/2014	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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