



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)):

Electric cooktops each measuring approximately 66 cm or more but not over 91.44 cm in width, weighing approximately 10.3 kg or more but not more than 20.9 kg, having either a coil electric cooking element or a smooth cooking surface with incorporated elements with either 4 or 5 burners (provided for in subheading 8516.60.60)

(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 appliance placed into a home kitchen counter top, then wired to the household electrical system underneath the counter. The cooktop has controls for adjusting the heat for cooking up or down in an area away from the cooking elements. In newer induction cooktops, the controls may be activated by touching certain areas of the cooktop, thus eliminating the need for knobs or dials. The cooking elements usually will work with various sizes of cookware. The principal sources of the subject product are China and Mexico. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8516.60.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.7	2.7	2.7	2.7	2.7
Estimated value of <i>dutiable</i> imports (\$)	12,000,000	13,000,000	14,000,000	15,000,000	18,000,000
Customs revenue loss (\$)	324,000	351,000	378,000	405,000	486,000

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

The article description set forth above was edited slightly to clarify the requirements for the two types of cooking surfaces.

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	Electrolux North America (Interested entity) David Chromy	980-236-2665	No	No	No
2	General Electric Veronica Nosko	202-637-4000	No	No	No
3	Sub-Zero Inc. Richard F. Topping	608-271-2233	Yes	Yes	Yes
4	Whirlpool Corp. Luke Harms	202-639-9420	Yes	Yes	Yes
5	Viking Range Corporation Sherry Brady	662-455-1200	No	No	No

Fravel, Dennis

From: Mata, Ruben
Sent: Monday, July 23, 2012 2:52 PM
To: Fravel, Dennis
Subject: FW: HR 5721

From: Richard Topping [<mailto:rtopping@rftopping.com>]
Sent: Monday, July 23, 2012 2:28 PM
To: Mata, Ruben
Subject: HR 5721

Dear Mr. Mata:

Thank you for returning my call concerning HR 5721. We understand the proponent, Electrolux, is requesting a five year temporary duty suspension for electric cooktops measuring from 66 cm (26 in) to 91.44 cm (36 in) in width and weighing from 10.3 kg (22.7 lbs) to 20.9 kg (46 lbs). Further, we understand that requests of this type are typically made when domestically manufactured products are unavailable. Please be advised that Sub Zero Inc. manufactures products that meet this description under the Wolf brand in the United States. Therefore we are opposed to HR 5721 and a temporary duty suspension.

Sub Zero is a family-owned company that has been headquartered in Madison, Wisconsin for over 65 years. While technically not a small business, we are significantly smaller than the majority of major appliance manufacturers located both in the U.S, and worldwide. Sub Zero developed the niche market for customized built-in refrigerators and manufactures these, as well as Wolf cooking products, solely in the U.S., in Wisconsin and in Phoenix, Arizona.

Please feel free to contact me if you need additional information.

Very truly yours,

Richard F. Topping
Government Relations



701 Pennsylvania Avenue, NW ▪ Suite 750 ▪ Washington, DC 20004

LUKE M. HARMS
Manager, Government Relations

June 22, 2012

Ms. Jenna Leary
International Trade Analyst
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

RE: H.B. 5721 – Opposition to legislation to suspend temporarily the duty on certain electric cooktops

VIA ELECTRONIC MAIL

Dear Ms. Leary:

Whirlpool Corporation produces electric cooktops at its manufacturing facility located in Cleveland, Tennessee. Electric cooktops, as defined within H.B. 5721, compete directly with electric cooktops produced by Whirlpool Corporation in the United States. As such, we believe H.B. 5721 fails to meet the criteria outlined in guidance¹ established by the Ways and Means Committee of the U.S. House of Representatives.

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of approximately \$19 billion in 2011, 68,000 employees, and 66 manufacturing and technology research centers around the world. The company markets *Whirlpool, Maytag, KitchenAid, Jenn-Air, Amana, Brastemp, Consul, Bauknecht* and other major brand names to consumers in nearly every country around the world.

The House guidance specifically states that bills should be non-controversial and that the Miscellaneous Tariffs Bill is “designed to boost the competitiveness of U.S. manufacturers by lowering the cost of imported inputs without harming domestic firms that produce competing products.”

The guidance further states that a “bill will be considered controversial if, for instance, another Member objects to the bill or if a domestic producer objects to the bill.”

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Luke Harms".

Luke M. Harms
Manager, Government Relations

¹ See http://waysandmeans.house.gov/UploadedFiles/MTB_Procedures_FINAL.pdf

112TH CONGRESS
2D SESSION

H. R. 5721

To suspend temporarily the duty on certain electric cooktops.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2012

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

A BILL

To suspend temporarily the duty on certain electric cooktops.

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 ELECTRIC COOKTOPS.**

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	Electric cooktops each measuring approximately 66 cm or more but not over 91.44 cm in width, weighing approximately 10.3 kg or more but not more than 20.9 kg, having either a coil electric cooking element or smooth cooking surface with incorporated element with either 4 or 5 burners (provided for in subheading 8516.60.60)	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.

