## MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109<sup>th</sup> Congress <sup>1</sup>

[Date approved: July 24, 2006]<sup>2</sup>

Bill No. and sponsor: S. 2577 (Mr. John Kerry of Massachusetts).

Proponent name, location: Acushnet Co., Fairhaven, MA.

**Other bills on product (109th Congress only):** S. 2574, S. 2575, S. 2576, and S. 2578.<sup>3</sup>

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

#### Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Golf club driver heads of titanium, each with an aluminum hosel insert and a plasma welded face plate, the foregoing with 7.5, 8.5, or 11.5 degree loft (provided for in subheading 9506.39.00).

**Check one:**  $\underline{X}$  Same as that in bill as introduced.

Different from that in bill as introduced (see Technical comments section).

#### **Product information, including uses/applications and source(s) of imports:**

The golf club driver heads described in the proposed legislation are used to produce finished golf clubs, specifically drivers. A golf club driver's main use is in making longer shots off the tee or down the fairway. A driver consists of three major integral parts: the club head (at the bottom of the club), the shaft, and grip. Club heads are usually made of hollow steel, titanium or composite materials. The shaft enters the head at the top corner nearest to the player through a hollow tube known as a hosel in such a way that the face of the head is roughly at a right angle to one side of the shaft. A golf club driver head has a face that contacts the ball during the stroke. A typical golf club head is somewhat spherical in shape with a slightly bulging club face and a flattened sole; the subject goods have a plasma welded face plate with 7.5, 8.5, or 11.5 degree loft. Driver club heads are each designed with a face having differing loft (the angle between a vertical plane and the club face when the club is at rest). The loft of a club head face (not the upward direction of a golf swing) makes a golf ball leave the ground on an ascending outward trajectory.

The principal import source of these driver heads is China.

<sup>&</sup>lt;sup>1</sup> Industry analyst preparing report: Ruben Mata (202-205-3403); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>&</sup>lt;sup>2</sup> Access to an electronic copy of this memorandum is available at <u>http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</u>.

<sup>&</sup>lt;sup>3</sup> S. 2575 covers particular fairway heads, while the other three bills cover other driver heads.

## **Estimated effect on customs revenue:**

HTS subheading: <u>9506.39.00</u>							
$\searrow$	2006	2007	2008	2009	2010		
Col. 1-General rate of duty	4.9%	4.9%	4.9%	4.9%	4.9%		
Estimated value <i>dutiable</i> imports	\$4,659,200	\$4,659,200	\$4,659,200	\$4,659,200	\$4,659,200		
Customs revenue loss	\$228,301	\$228,301	\$228,301	\$228,301	\$228,301		

Source of estimated dutiable import data: Industry and Commission staff estimates.

## Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Acushnet Co. (Proponent) Roland Giroux, 508-979-3661	5/12/2006	No	No	No
Callaway Golf Mike Dow, 690-930-5101	5/12/2006	No	No	No
Cleveland Golf Gary Marion, 714-889-1306	5/12/2006	No	No	No
Dunlop Golf Michael Johnson, 864-271-0201 ext. 209	5/19/2006	No	No	No
FocusGolf Michael Johnson, 864-527-7862	05/31/2006	No	No	No
Golfsmith International, Inc. David Varney, 512-821-4841	5/19/2006	No	No	No
Mizuno USA, Inc. Chuck Couch, 770-441-5553	5/23/2006	No	No	No
Nickent Golf Eric Yang, 888-642-5368 ext. 101	5/12/2006	No	No	No
Nike, Inc. Scott Mohr, 503-671-6005	5/12/2006	No	No	No
Ping, Inc. Chris Bowen, 602-687-5346	5/12/2006	No	Yes	Yes
Sonartec Golf Co. Kathy Blassey, 760-930-2454 ext. 109	5/12/2006	No	No	No
Tad Moore Golf Tad Moore, 706-884-6113	5/17/2006	No	No	No

TaylorMade Golf Co. Inc. Catherine Weeks, 760-9198-6058	5/12/2006	No	Yes	Yes
Wilson Sporting Goods Co. Aileen Callahan, 800-662-0444 ext. 6566	5/12/2006	No	No	No

#### **Technical comments:**<sup>4</sup>

It may be difficult for CBP to administer this provision, because it can be hard to tell upon visual inspection whether a plasma weld was done at the foreign factory. If other golf club head bills are also enacted, it may be hard to know if an importer is using the correct provision for a particular shipment.

<sup>&</sup>lt;sup>4</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

## <sup>109TH CONGRESS</sup> <sup>2D SESSION</sup> S. 2577

To suspend temporarily the duty on certain golf club driver heads with plasma welded face plate.

### IN THE SENATE OF THE UNITED STATES

April 6, 2006

Mr. KERRY (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Finance

# A BILL

To suspend temporarily the duty on certain golf club driver heads with plasma welded face plate.

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 GOLF CLUB DRIVER HEADS WITH 4 PLASMA WELDED FACE PLATE.

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:

		2				
 9902.95.17	Golf club driver heads of ti- tanium, each with an alu- minum hosel insert and a plasma welded face plate, the foregoing with 7.5, 8.5, or 11.5 degree loft (provided for in subheading 9506.39.00)	Free	No Change	No Change	On or before 12/31/2009	".

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

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