

Cong. Dave Camp, Chairman, and Cong. Sander Levin, Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

September 20, 2012

Dear Chairman Camp and Ranking Member Levin:

I am writing on behalf of Bose Corporation in support of H.R. 2627, a bill introduced by Reps. Markey, McGovern, and Neal to provide a temporary suspension of duty on certain electrical transformers rated at 40VA. An identical bill, S. 2805, has been introduced by Sen. Kerry in the Senate.

Section VII of the International Trade Commission (ITC) report on H.R. 2627 [[http://www.usitc.gov/tariff\\_affairs/documents/bill\\_reports/112c/hr2627.pdf](http://www.usitc.gov/tariff_affairs/documents/bill_reports/112c/hr2627.pdf)] lists “contacts with domestic firms/organizations,” including a spreadsheet citing “opposition noted” from two companies. We believe that the opposition to H.R. 2627 by these two companies is not legitimate.

The Miscellaneous Tariff Bill Process announced by the Senate Finance Committee and the House Ways and Means Committee on March 30, 2012 defines a domestic producer as “a person or firm who demonstrates production, or imminent production, of the article or a like or directly competitive article.” Bose Corporation is unaware of any domestic producers of the article described in H.R. 2627 and S. 2805, or of a like or directly competitive article. The two companies listed in the ITC report as objecting to H.R. 2627 did not demonstrate production, or imminent production, of the article or a like or directly competitive article.

In response to the ITC’s inquiry, Northlake Engineering responded by attaching an email from November 2009 objecting to a similar duty suspension bill as follows: “...this R-Core type of transformer is not one that we here at Northlake Engineering would build.” Northlake Engineering provided no evidence in 2009 that they or any other company had production or imminent production of this product in 2009, and no evidence that they have such production now.

The ITC inquired of a second company, Custom Magnetics, whether they “make the products described in the bills or a competing product.” Custom Magnetics did not respond to this direct question. Instead, they listed without comment the names of two other companies. Neither of those other companies objected to H.R. 2627. Neither has production or imminent production of the products covered by H.R. 2627 and S. 2805.

Bose Corporation is an engineering, manufacturing, and retail distributor of electronics and audio equipment with operations in Framingham, Stow, and Westborough, MA; Blythewood, SC; Yuma and Tolleson, AZ, and San Diego/Otay Mesa, CA.

Bose Corporation pays a duty of 6.6% on each transformer. The current tariff actually provides an incentive to manufacture overseas because the final Wave® Music System into which the transformer is placed can be imported into the U.S. duty free.

Thank you,

Sincerely,

BOSE CORPORATION

A handwritten signature in black ink, appearing to read "Mark E. Sullivan", written over the printed name.

Mark E. Sullivan  
General Counsel & Secretary

Cc: Cong. Edward J. Markey  
Cong. Jim McGovern  
Cong. Richard E. Neal