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July 30, 2012

The Honorable Dave Camp
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Attention: MTB

Re: Response to Objection Letters Filed by Sony Electronics, Inc. concerning H.R. 4821:
Certain Self-Contained, Single-Element Unidirectional (Cardioid) Dynamic Microphones

Dear Chairman Camp,

On June 14, 2012 we filed with the Committee a letter in support of H.R. 4821, a bill which proposes to temporarily suspend the duty on imports of certain self-contained, single-element unidirectional (cardioid) dynamic microphones incorporating a copper coil, neo-dymium magnet, steel mesh grille, zinc die-cast handle (zamak 3 or equivalent), a frequency response between 60 Hz to 15 kHz and less than 10 dB deviation across frequency range. Shure Incorporated ("Shure") currently pays duty at a rate of 4.9% *ad valorem* for these items.

It has come to our attention that Sony Electronics Inc. ("Sony") has filed a letter in opposition to H.R. 4821. In its letter dated June 20, 2012, Sony alleges that it "manufactures a similar product which would be harmed by passage of this legislation, providing an unfair financial benefit to competitors."

We wish to provide clarification to the Committee with regard to this allegation. First, as indicated in our June 14, 2012 letter to the Committee and in our discussions with Congresswoman Schakowsky's office and the U.S. International Trade Commission, we are **not** aware of any current or imminent production in the United States of the articles specified in H.R. 4821 or any like or directly competitive product.

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Next, we have been advised by staff at the International Trade Commission that Sony does not have any manufacturing or assembling facilities located in the United States. Sony's objection letter fails to provide any specific information concerning what allegedly competing articles it manufactures and whether those articles are manufactured in the United States or abroad. As a result, we are not aware of any U.S. jobs which would be harmed by the passage of H.R. 4821. Rather, we strongly believe that passage of a duty suspension concerning these products would help to preserve current U.S. jobs at Shure's Texas and Illinois facilities.

The bill requirements set forth by the House Ways and Means Committee for the Miscellaneous Tariff Bill (MTB) Process are straightforward and clearly provide 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 (A domestic producer is a person or firm who demonstrates production, or imminent production, of the article or a like or directly competitive article)*. The Committee will consider concerns raised by relevant parties." *Miscellaneous Tariff Bill Process Requirements*, Section II, ¶ 8 (emphasis added). Therefore, the Committee shall only give weight to objections filed by valid domestic producers and because no domestic production of the articles included in H.R. 4821 or any like or directly competitive article has been identified, Sony's objection does not render the bill "controversial".

The current tariff on imports of self-contained, single-element unidirectional (cardioid) dynamic microphones (classifiable under HTSUS Subheading 8518.10.8000) unnecessarily raises Shure's production and selling costs in the United States, without benefiting the United States or the consumer. Duty-free access by Shure to this product will support the profitability of our Company, strengthen jobs in Illinois, Tennessee and Texas at a time when it is sorely needed and will allow Shure to continue to compete in the international marketplace.

As noted in our June 14, 2012 letter and reiterated above, we are not aware of any U.S. manufacturers of these audio products, and no direct substitute that is commercially available and made in the United States. The normal duty on these microphones does not protect any domestic producer or industry, and the current regular tariff rate (4.9% *ad valorem*) does not benefit any member of the audio products industry. Consequently, continued imposition of the regular tariff serves only to increase unnecessarily costs to our U.S. consumers.

For the above reasons, we support H.R. 8420 and strongly urge the Committee to disregard the objection letter filed by Sony. Should you have any questions or require additional information, please contact the undersigned.

Sincerely,

Mark Wawrzyniak
Director of Financial Reporting
Shure Incorporated