SHURE®
LEGENDARY
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November 20, 2009

Senator Max Baucus
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

Attention: MTB

Re: Comments in Support of Duty Suspension Bill;
S. 2468: Certain Sound-Isolating Earphones

Dear Chairman Baucus,

In accordance with the November 2, 2009 press release of the Senate Finance Committee, we are submitting the following comments in support of S. 2468, introduced by Senator John Cornyn, to temporarily suspend the duty on imports of certain sound-isolating earphones with multiple balanced armature speakers, detachable cable and a repeatable frequency response of 20Hz or more, but not more than 16kHz with a deviation of +/- 3db. Shure Incorporated ("Shure") imports these earphones for testing and packaging at its Texas facility and eventual sale to its U.S. consumers. We currently pay duty at a rate of 4.9% *ad valorem* for these items.

Founded in 1925, our Company is widely acknowledged as the world's leading manufacturer of microphones and audio electronics. Over the years, Shure has designed and produced many high-quality professional and consumer audio products that have become legendary for performance, reliability, and value. Shure's diverse product line includes world-class wired microphones and wireless microphone systems for performers and presenters, award-winning earphones and headsets for MP3 players and smartphones, and top-rated phonograph cartridges for professional DJs. Today, Shure products are the first choice whenever audio performance is a top priority.

Shure Incorporated
5800 West Touhy Avenue
Niles, IL 60714-4608 USA
Phone: 847-600-2000
Fax: 847-600-1212
www.shure.com

The current tariff on imports of sound-isolating, multiple driver earphones (classifiable under HTSUS Subheading 8518.30.2000) unnecessarily raises Shure's production and retail costs in the United States. The assessment of duties on this product raises our cost of production 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 and Texas at a time when it is sorely needed and will allow Shure to continue to compete in the international marketplace.

We are not aware of any U.S. manufacturers of these audio products and no direct substitute that is commercially available in the United States. The normal duty on these earphones 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.

In light of recent economic conditions, a duty suspension for these products will help keep these costs from being passed on to consumers and preserve jobs at our Texas and Illinois facilities. We have calculated the revenue impact of the proposed suspension to be less than $500,000 per year. We are aware of no domestic opposition to this proposal. Therefore, the bill should be treated as non-controversial for purposes of the Committee's consideration of miscellaneous tariff legislation.

For the above reasons, we strongly support the duty suspension proposed in the above-referenced bill. Should you have any questions or require additional information, please contact the undersigned.

Sincerely,

Mark Wawrzyniak
Director Financial Reporting
Shure Incorporated