

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: November 4, 2005]²

Bill No. and sponsor: H.R. 1877 (Mr. Dave Camp of Michigan).

Proponent name, location: Ford Motor Company, Dearborn, MI.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Hydraulic control units designed for use in braking systems of hybrid motor vehicles of heading 8703 (provided for in subheading 9032.89.60).

Check one: 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 subject product is an automatic control unit for the hydraulic braking function of a vehicle classified as a hybrid. This product is described by the proponent as being unique in design, compatibility, and performance, in that it must be able to implement a unique brake-by-wire function which is required for hybrid vehicles. The units are imported from Germany.

¹ Industry analyst preparing report: Linda White (202-205-3427); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: <u>9032.89.60</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	1.7%	1.7%	1.7%	1.7%	1.7%
Estimated value <i>dutiable</i> imports	\$6,998,830	\$6,998,830	\$6,998,830	\$6,998,830	\$6,998,830
Customs revenue loss ³	\$118,980	\$118,980	\$118,980	\$118,980	\$118,980

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

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
			(Yes/No)	
Ford Motor Company (proponent) Mr. James (J.T.) Young, Phone: 202-962-5379	6/29/2005	No	No	No
Brake Manufacturers Council Ms. Stephanie Brown, Fax: 919-406-1306	8/17/2005	No	No	No
Cequent Electric Products (Tekonsha) Ms. Becky Briggs, Fax: 517-767-4707	8/17/2005	No	No	No
Continental Teves, Inc. Mr. Philip Headley, Phone: 248-393-5300	8/17/2005	No ⁴	Yes	No
Measurement, Control & Automation Assoc. Ms. Cynthia A. Esher, Phone: 757-258-3100	8/17/2005	No	No	No
Teleflex Automotive Group Inc. Ann (in purchasing), Phone: 604-270-6899	8/17/2005	No	No	No

³ Both Toyota and Nissan have announced plans to start manufacturing hybrid vehicles in the United States in 2006. Ford plans to add three hybrid models to its current hybrid line-up by 2008. The estimated import value and revenue loss provided in this report do not reflect any increase in imports that may result from this future production. However, the value of U.S. imports – and consequently the revenue loss – may increase if these manufacturers import components that are classified within this proposed subheading for their U.S. hybrid vehicle production.

⁴ Continental Teves reportedly produces the subject product in Germany, not in the United States, and supplies it to Ford.

Technical comments:⁵

We suggest inserting “for use” so that the phrase reads “designed for use in” in order to conform to ordinary tariff usage.

⁵ 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.

109TH CONGRESS
1ST SESSION

H. R. 1877

To suspend temporarily the duty on hydraulic control units.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

A BILL

To suspend temporarily the duty on hydraulic control units.

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. HYDRAULIC CONTROL UNITS.**

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:

“	9902.90.01	Hydraulic control units designed for braking systems of hybrid motor vehicles of heading 8703 (provided for in subheading 9032.89.60) ..	Free	No change	No change	On or before 12/31/2008	”.
---	------------	--	------	-----------	-----------	-------------------------	----

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

○