

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 110<sup>th</sup> Congress**<sup>1</sup>

[Date approved: May 6, 2008]<sup>2</sup>

**Bill No. and sponsor:** H.R. 4411 (Mr. Dave Camp of Michigan).

**Proponent name,<sup>3</sup> location:** Ford Motor Company, Dearborn, MI.

**Other bills on product (110<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of existing temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

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

Steering gear assemblies for single-pinion constant ratio electronic power assisted steering systems rated at 80 amperes at 12V, the foregoing designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8708.94.75).

**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:**

Steering gear assemblies, in general, convert the rotational motion of the steering wheel into the linear motion needed to turn the vehicle's wheels.<sup>4</sup> This movement is performed by a pinion gear that meshes with the teeth on the rack gear, transforming the rotary motion to a transverse movement of the rack gear. The subject component is specifically designed to interface with a hybrid vehicle to provide the output force and steering wheel "feel" for the driver. Electronic power assist steering (EPAS) is an electric system, in this case rated at 80 amperes at 12V, which uses a direct connection between an electronic motor and the steering system. Unlike conventional steering systems, EPAS does not require hydraulic fluid or power steering pumps and hoses.<sup>5</sup> This gear assembly is operable only with a companion power steering control module that provides an electrical assist to a gear assembly sensor. These assemblies are thought to be imported from Canada, China, India,<sup>6</sup> Japan, and Mexico.<sup>7</sup>

<sup>1</sup> Industry analysts preparing report: Linda White (202-205-3427) and Christopher Johnson (202-205-3488); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/](http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

<sup>4</sup> "How Stuff Works," found at <http://auto.howstuffworks.com/steering2.htm>.

<sup>5</sup> "Visteon 'Wires' Vehicles for Safety, Convenience and Performance," The Auto Channel, Oct. 11, 2000, found at <http://www.theautochannel.com/news/press/date/20001011/press027890.html>, retrieved Aug. 18, 2005.

<sup>6</sup> Products of India are eligible for duty-free entry under the Generalized System of Preferences (GSP); see HTS general note 4.

<sup>7</sup> Originating goods of Mexico are eligible for duty-free entry under the North American Free Trade Agreement (NAFTA); see HTS general note 12.

**Estimated effect on customs revenue:**

<b>HTS subheading: 8708.94.75</b>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Customs revenue loss 1/	\$0	\$50,000	\$50,000	\$50,000	\$50,000

1/ The estimated customs revenue loss for 2009 reflects the existing duty suspension under heading 9902.10.63 that is scheduled to expire on December 31, 2009.

Source of estimated dutiable import data: Official U.S. Government statistics and Commission 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?
Ford Motor Company (Proponent) J. T. Young, 202-962-5379	02/07/2008	No	No	No
Bosch Norm Johnson, norman.johnson@us.bosch.com	03/06/2008	No	No	No
B K Corporation Scott Orendagh, Fax: 989-777-5620	03/11/2008	No	No	No
Delphi Dina Vizzaccaro, dina.vizzaccaro@delphi.com	03/06/2008	No	No	No
Denso John Voorhorst, john_voorhorst@denso-diam.com	03/06/2008	No	No	No
General Motors Shirley Zebroski, shirley.zebroski@gm.com	03/06/2008	No	No	No
Honda Ed Cohen, edward_cohen@hna.honda.com	03/11/2008	No	No	No
Johnson Controls Mark Wagner, mark.f.wagner@jci.com	03/06/2008	No	No	No
Motor and Equipment Mfg. Assn. Meredith Tunick, mtunick@mema.org	03/06/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Nissan North America, Inc. Tracy Woodard, tracy.woodard@nmm.nissan-usa.com	03/10/2008	No	No	No
NSK Steering Systems America, Inc. Brian Wolfe, eda@nsk.com	03/10/2008	No	No	No
Visteon Lydia Allen, Lallen@visteon.com	03/06/2008	No	No	No
Toyota David Vennett, dvennett@tma.toyota.com	03/06/2008	No	No	No

**Technical comments:<sup>8</sup>**

Instead of creating a new HTS heading to continue to accord a duty suspension to this product, the bill should be amended to strike the proposed heading and to amend the expiration date of HTS heading 9902.10.63, by deleting "12/31/2009" from that heading and by inserting in lieu thereof "12/31/2011".

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<sup>8</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.

110TH CONGRESS  
1ST SESSION

# H. R. 4411

To suspend temporarily the duty on shield asy-steering gear.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

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

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## A BILL

To suspend temporarily the duty on shield asy-steering gear.

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. SHIELD ASY-STEERING GEAR.**

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:

“	9902.87.01	Steering gear assemblies for single-pinion constant-ratio electronic power assisted steering systems, rated at 80 amperes at 12 V, designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8708.99.73) .....	Free	No change	No change	On or before 12/31/2011	”.
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1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) applies to goods entered, or withdrawn from  
3 warehouse for consumption, on or after the 15th day after  
4 the date of enactment of this Act.

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