

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: July 22, 2008]²

Bill No. and sponsor: H.R. 5503 (Mr. Collin C. Peterson of Minnesota).

Proponent name,³ location: Arctic Cat, Inc., Thief River Falls, MN.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Spark-ignition reciprocating or rotary internal combustion piston engines, of a cylinder capacity exceeding 1,000 cc but not exceeding 2,000 cc, not used or rebuilt, to be installed in vehicles specifically designed for traveling on snow (provided for in subheading 8407.34.18).

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 products are new spark-ignition reciprocating or rotary internal combustion piston engines of a cylinder capacity exceeding 1,000 cubic centimeters (cc) but not exceeding 2,000 cc, imported for installation in vehicles specifically designed for traveling on snow, principally snowmobiles. According to the Explanatory Notes to Harmonized System heading 8407, these engines “are equipped with sparking plugs fitted into the cylinder head and with electrical devices (such as magnetos, coils and contact breakers) synchronized with the motor, for supplying high tension current.” They may have one or several cylinders. Most such engines are powered by gasoline, but some spark-ignition engines are powered by kerosene, alcohol, methane, or other substances; the fuel is burned inside the cylinder, and the expansion force is used to power the vehicle. The engines of interest to the proponent are imported from Japan. Dutiable U.S. imports under HTS subheading 8407.34.18 (a broader category than is covered by the bill) totaled about \$89.3 million, of which Japan accounted for about \$72.1 million in shipments.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-2605).

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

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

Estimated effect on customs revenue:

HTS subheading: 8407.34.18					
	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	\$17,300,000	\$17,300,000	\$27,200,000	\$27,200,000	\$27,200,000
Customs revenue loss	\$432,500	\$432,500	\$680,000	\$680,000	\$680,000

Source of estimated dutiable import data: Industry 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?
Arctic Cat, Inc. (Proponent) Dell Nelson (218) 681-9799	04/30/2008	No	Yes	No
Polaris Industries, Inc. Larry Keller, (651) 408-7253	04/30/2008	No	No	No
International Snowmobile Manufacturers Association Ed Klim, (517) 339-7788	04/29/2008	No	No	No

Technical comments:⁴

The proposed article description should be amended as shown on page 1, to clarify the coverage intended by the bill.

⁴ 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
2D SESSION

H. R. 5503

To suspend temporarily the duty on certain engines for snowmobiles.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2008

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

A BILL

To suspend temporarily the duty on certain engines for snowmobiles.

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. CERTAIN ENGINES FOR SNOWMOBILES.**

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.____	Spark-ignition reciprocating or rotary internal combustion piston engines to be installed in vehicles specifically designed for traveling on snow (provided for in subheading 8407.34.18)	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 articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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