

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: August 3, 2010]²

Bill No. and sponsor: S. 1896 (Mr. Robert P. Casey, Jr. of Pennsylvania).

Proponent name,³ location: Hitachi Metals America Limited, Purchase, NY; Novi, MI; and Wellsboro, PA.

Other bills on product (111th 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)):

Single-piece exhaust gas manifolds of cast stainless steel, suitable for use solely or principally with spark-ignition internal combustion engines and certified by the importer as capable of withstanding exhaust gas temperatures of 900 degrees C or higher (provided for in subheading 8409.91.50).

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:

An exhaust gas manifold is the component of a motor vehicle's exhaust system that accumulates engine exhaust gas. The exhaust manifold, which is attached to the engine's cylinder heads, directs the accumulated exhaust gas from the engine cylinders through the exhaust ports to an exhaust pipe via a network or series of pipes. An engine has one exhaust manifold for each bank of cylinders. Linear engines generally have one exhaust manifold, whereas V-shaped engines are fitted with two exhaust manifolds. This component is generally made of cast iron or stainless steel.

The product covered under the proposed legislation is of a single-piece, stainless steel construction, which is the only type of exhaust manifold reportedly able to withstand engine exhaust gas temperatures greater than 900 degrees C. Increasingly, environmental regulations have resulted in greater use of high performance engines that produce higher exhaust gas temperatures. These manifolds are designed and manufactured for specific spark-ignition internal combustion engine applications. The subject exhaust gas manifolds are sourced from Japan.

¹ Industry analyst preparing report: Deborah McNay (202-205-3425); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

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

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8409.91.50:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports ^a	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000
Customs revenue loss ^{b,c}	\$875,000	\$875,000	\$875,000	\$875,000	\$875,000

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

c/ The proponent has also suggested that the bill could be amended to provide a temporary duty reduction on the general rate of duty from 2.5 percent ad valorem to 1 percent ad valorem (a reduction of 1.5 percentage points), which would result in annual customs revenue loss of \$525,000 through 2014.

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?
		(Yes/No)		
Hitachi Metals America Limited (Proponent) Tomo Furusawa, 248-465-6026	11/16/2009	No	No	No
American Honda Motor Company, Inc. Toni Harrington, toni_harrington@hna.honda.com	11/23/2009	No	No	No
Chrysler Group LLC Kathleen Hennessey, 202-414-6707	11/25/2009	No	No	No
Ford Motor Company J. T. Young, jyoung134@ford.com	11/23/2009	No	No	No
General Motors Company Victoria Barnes, victoria.barnes@gm.com	11/23/2009	No	No	No
Hitchiner Manufacturing Co., Inc. Matthew Wallis, 603-673-1100	11/19/2009	No	No	No
Motor & Equipment Manufacturers Association Catherine Boland, cboland@MEMA.ORG	11/27/2009	No	No	No
Nissan North America Yuko Hanada, yuko.hanada@Nissan-Usa.com	11/24/2009	No	No	No
Toyota Motor Sales U.S.A., Inc. David Vennett, dvennett@tma.toyota.com	11/23/2009	No	No	No
Wecast Industries Inc. ⁴ 586-323-2278	11/19/2009	No	No	No

⁴ No specific official was identified at this firm.

Technical comments:⁵

The Commission staff suggests that the proposed article description be amended as shown on page 1 of this report, to conform more closely with standard HTS 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.

111TH CONGRESS
1ST SESSION

S. 1896

To suspend temporarily the duty on stainless steel single-piece exhaust gas manifolds.

IN THE SENATE OF THE UNITED STATES

OCTOBER 26, 2009

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on stainless steel single-piece exhaust gas manifolds.

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. STAINLESS STEEL SINGLE-PIECE EXHAUST GAS**

4 **MANIFOLDS.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.01.00	Cast stainless steel single-piece exhaust gas manifolds, suitable for use solely or principally with spark-ignition internal combustion engines and certified by the importer as capable of withstanding exhaust gas temperatures of 900 degrees Centigrade or higher (provided for in subheading 8409.91.50)	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.

