

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: April 23, 2010]²

Bill No. and sponsor: S. 2646 (Mr. Jim Bunning of Kentucky).

Proponent name,³ location: Hitachi Automotive Products Inc., Harrodsburg, KY.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty reduction through December 31, 2011.⁴

Retroactive effect: None.

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

Direct injection fuel injectors (solenoid valves) (provided for in subheading 8481.80.90) designed to inject gasoline/ethanol fuel blends directly into the combustion chamber of a spark-ignition combustion piston engine in a high-pressure non-port injection system in a motor vehicle.

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, direct injection fuel injectors (solenoid valves⁵), are designed to inject fuel blends of gasoline and ethanol in proper proportions directly into the combustion chamber of an internal combustion engine in a motor vehicle. The subject injectors are designed to operate in a high pressure environment compared to those in port injection systems. The fuel injectors or solenoid valves control the flow of fuel to the combustion chamber of an engine by spraying fuel to make small particulate clouds or vapor. The subject products inject the fuel directly into the combustion chamber of a vehicle, unlike other motor-vehicle fuel injector systems that inject the fuel into a manifold leading to the combustion chamber. The direct injection system improves engine efficiency, gas mileage, and hydrocarbon and ethanol emissions. The subject components control the flow of fuel in flex fuel vehicles, which are designed to run on more than one type of fuel (typically gasoline and ethanol blends). The principal import source of the proponent's direct injection fuel injector (solenoid valves) is Japan.

¹ Industry analyst preparing report: Ruben Mata (202-205-3403); 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 and additional beneficiaries of this bill.

⁴ The title of the bill indicates that it is a duty suspension bill.

⁵ A solenoid valve is an electromechanical valve for use with liquids or gases in which an electric current through the solenoid controls the valve's operation. In general, fuel injectors are designed to mix fuel and air in an internal combustion engine.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8481.80.90:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2%	2%	2%	2%	2%
Estimated value <i>dutiable</i> imports ^a	\$38,500,000	\$38,500,000	\$73,000,000	\$73,000,000	\$73,000,000
Customs revenue loss ^{b c}	\$385,000	\$385,000	\$730,000	\$730,000	\$730,000

a/ Dutiable import estimates were provided by industry sources.

b/ The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 2 percent ad valorem to 1 percent ad valorem, a reduction of 1 percentage point.

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

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 Automotive Products Inc. (Proponent) Doug Bowling, 859-734-8087	12/14/2009	No	No	No
Cosma International Tom Skudutis, 905-726-2462	12/21/2009	No	No	No
Delphi Corp. Karen Healy, 248-813-2000	12/21/2009	No	No	No
Visteon Corp. Terrence Gohl, 734-710-5800	12/21/2009	No	No	No

Technical comments:⁶

It is suggested that the article description in the proposed heading be amended to read as shown on page 1, for greater clarity in understanding the classification and nature of the subject goods. The appropriate HTS subheading reference was moved so that it would immediately follow the product of interest (injectors) to clarify that this subheading applies to the subject goods and not to the end-use product. The duty rate in the general rates of duty column should appear as “1%” rather than as “1.0%” to conform to HTS usage.

We note that the title of the bill (which has no legal significance) states that it is a bill to suspend temporarily the duty on the subject product. However, the proposed new heading is drafted to provide a duty reduction to 1 percent ad valorem, which would be a reduction of 1 percentage point. The customs

⁶ 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.

revenue loss shown in the table above was obtained based upon the bill as drafted. The bill's title could be modified if the new HTS heading is enacted as drafted, to reduce confusion.

111TH CONGRESS
1ST SESSION

S. 2646

To suspend temporarily the duty on injection fuel injector.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2009

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

A BILL

To suspend temporarily the duty on injection fuel injector.

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. DIRECT INJECTION FUEL INJECTOR.**

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:

“	9902.01.00	Direct injection fuel injectors (solenoid valves) for injecting gasoline/ethanol fuel blends directly into the combustion chamber of a spark-ignition combustion piston engine in a high pressure non-port injection system (provided for in subheading 8481.80.90)	1.0%	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 the enactment of this Act.

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