

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. 2650 (Mr. Jim Bunning of Kentucky).

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

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)):

Stator/rotor parts (provided for in subheading 8503.00.95) designed for use in a combined generator/electric motor with motor function rated at 100 kW, the foregoing certified by the importer for use in hybrid electric vehicles.

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:

Stator/rotor parts are used in a machine comprising a generator and electric motor combined into one unit. The stator/rotor dimensions, magnet properties, and winding configuration enable this unit to serve as a generator and 100 kW motor, specifically designed for the end customer's patented two-mode front wheel drive hybrid electric vehicle (HEV) transmission. This product is thought to be unique because Hitachi Ltd. holds a patent on the subject product, which was designed to meet the end customer's HEV packaging and performance specifications. The proponent's stator/rotor parts will be imported from Japan.

¹ Industry analyst preparing report: Linda White (202-205-3427); 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 8503.00.95:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3%	3%	3%	3%	3%
Estimated value <i>dutiable</i> imports ^a	\$10,000,000	\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000
Customs revenue loss ^b	\$300,000	\$750,000	\$750,000	\$750,000	\$750,000

a/ Dutiable import estimates were based on industry information.

b/ 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 Parts (USA), Inc. (Proponent) Doug Bowling, 859-734-8087	02/08/2010	No	No	No
Chrysler Group LLC Kathleen Hennessey, kmh17@chrysler.com	01/21/2010	No	No	No
Delphi Automotive LLP Dina Vizzaccaro, dina.vizzaccaro@delphi.com	01/21/2010	No	No	No
Denso International America, Inc. Bill Steffan, bill_steffan@denso-diam.com	01/21/2010	No	No	No
Ford Motor Company J. T. Young, jyoun134@ford.com	01/21/2010	No	No	No
General Motors Company Tori Barnes, victoria.barnes@gm.com	01/21/2010	No	No	No
American Honda Motor Company, Inc. Toni Harrington, toni_harrington@hna.honda.com	01/21/2010	No	No	No
Motor & Equipment Manufacturers Association Catherine Boland, cboland@MEMA.ORG	01/21/2010	No	No	No
Nissan North America Yuko Hanada, yuko.hanada@Nissan-Usa.com	01/21/2010	No	No	No
Regal Beloit Corporation Paul Lin, paul.lin@regalbeloit.com	02/19/2010	Yes	Yes	Yes
Robert Bosch LLC Norman Johnson, norman.johnson@us.bosch.com	01/21/2010	No	No	No
Toyota Motor Sales, USA, Inc. David Vennett, dvennett@tma.toyota.com	01/21/2010	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Visteon Corp. Lydia Brennan, lbrennan@visteon.com	01/21/2010	No	No	No

Technical comments:⁴

It is suggested that the proposed article description be amended to read as shown on page 1. The appropriate HS subheading reference was moved so that it would immediately follow the product of interest (stator/rotor parts) to clarify that the HS subheading applies to stator/rotor parts and not to the end-use product (hybrid electric motor vehicles).

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.

111TH CONGRESS
1ST SESSION

S. 2650

To suspend temporarily the duty on stator/rotor.

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 stator/rotor.

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. STATOR/ROTOR.**

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	Stator/rotor parts designed for use in a combined generator/electric motor, with motor function rated at 100kW, the foregoing certified by the importer for use in hybrid electric vehicles (provided for in subheading 8503.00.95)	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 the enactment of this Act.

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