



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Used gear boxes for the vehicles of subheading 8701.20 or heading 8704 (provided for in subheading 8708.40.11)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

Used motor vehicle components are not manufactured goods in the traditional sense, but are imported to be manufactured. During the remanufacturing process, used gear boxes are disassembled. The component parts are cleaned, repaired, or replaced prior to assembly to bring the gear boxes sound working condition. Gear boxes (commonly referred to as transmissions) multiply engine torque in motor vehicles through the use of shafts and gears. The subject engines are designed for use in particular motor vehicles; subheading 8701.20 covers road tractors for semi-trailers, and heading 8704 covers motor vehicles for the transport of goods. U.S. imports are from many countries.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8708.40.11				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.5	2.5	2.5	2.5	2.5
Estimated value of <i>dutiable</i> imports (\$)	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Customs revenue loss (\$)	112,500	112,500	112,500	112,500	112,500

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

Heading 9902.25.32 overlaps the coverage of the proposed provision in H.R. 4952, which would relate to new and used gear boxes for the above vehicles as well as for vehicles of headings 8702 and 8703. If H.R. 4952 is enacted, it would not be necessary to renew and retain heading 9902.25.32.

VI. Continuation

H.R. 4952, which would be extended by this bill, would suspend the duty on gear boxes for vehicles of subheading 8701.20 or headings 8702, 8703, or 8704, when such components are classified in subheading 8708.40.11.

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Caterpillar, Inc. (Interested entity) Christopher Myers	202-466-0671	No	No	No
2	Automotive Aftermarket Industry Association (AAIA) Paul Fiore	301-654-6664	No	No	No
3	Automotive Parts Remanufacturers Association (APRA) William C. Gager	703-968-2772	No	No	No
4	Cardone Industries, Inc. George Zauflik	215-912-3703	No	No	No
5	Cummins, Inc. Todd Wieland	812-377-3892	No	No	No
6	Detroit Diesel Remanufacturing LLC Stefan Kurschner	313-592-5851	No	No	No
7	Meritor Jerry Rush	248-435-7907	No	No	No
8	Motor and Equipment Remanufacturers Association (MERA) John Chalifoux	248-750-1281	No	No	No
9	Remy Power Products Jack Vollbrecht	405-419-4608	No	No	No

112TH CONGRESS
2D SESSION

H. R. 4619

To extend the temporary suspension of duty on certain used gear boxes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2012

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

A BILL

To extend the temporary suspension of duty on certain used
gear boxes.

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 USED GEAR BOXES.**

4 (a) **IN GENERAL.**—Heading 9902.25.32 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain used gear boxes) is amended by striking the date
7 in the effective period column and inserting “12/31/2015”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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