



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.

112TH CONGRESS
2D SESSION

H. R. 5336

To reduce temporarily the rate of duty on certain forged ring gear components and certain other parts of crankshafts and connecting rods.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To reduce temporarily the rate of duty on certain forged ring gear components and certain other parts of crankshafts and connecting rods.

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 FORGED RING GEAR COMPONENTS**
4 **AND CERTAIN OTHER PARTS OF CRANK-**
5 **SHAFTS AND CONNECTING RODS.**

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

“	9902.01.00	Forged ring gear components between 12 and 25 inches in outer diameter and other parts of crankshafts and connecting rods, of iron or steel (provided for in subheading 7326.19.00)	1.5%	No change	No change	On or before 12/31/2015	”.
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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 2 subsection (a) applies to articles entered, or withdrawn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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II. Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Forged ring gear components each measuring 305 mm or more but not over 635 mm in outer diameter, designed for inclusion in drive axles, and forged engine crankshafts each measuring approximately 970 mm in length and 96 kg in weight, all the foregoing of iron or steel, certified by the importer as suitable for use in off-road self-propelled agricultural equipment and mowers for lawns, parks or sports grounds (provided for in subheading 7326.19.00).

(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

The subject products are forged steel components specifically designed for powering off-road mechanized agricultural equipment (including tractors, balers, harvesters, pickers, combines, etc.) and mowing equipment (i.e., large enough to be suitable for large fields of turf grass). Italy and the United Kingdom are the major foreign sources of these products.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	7326.19.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	1.4	1.4	1.4	1.4	1.4
Estimated value of <i>dutiable</i> imports (\$)	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
Customs revenue loss (\$)	336,000	336,000	336,000	336,000	336,000

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

In the suggested article description, the physical dimensions of the forged steel ring gears have been clarified and converted from the English units originally specified in the bill into equivalent metric units as used in the HTS. Dimension and weight specifications for the forged steel crankshafts and the end-use applications of both subject components were provided by the interested entity. Forged steel connecting rods originally specified in the bill have been excluded, at the request of the interested entity. The importer certification requirement was suggested because Customs would otherwise

be required to interpret whether each forged component is "suitable for use" in downstream equipment applications that vary by vehicle and change over time.

VI. Continuation

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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	John Deere & Co. (Interested entity) Sarah Dean	202-423-2286	No	No	No
2	AGCO Corp. Natascha Christoph	770-813-9200	No	No	No
3	CNH (Case & New Holland) Global N.V. Joseph Samora or Paul Weeks	202-737-7575	No	No	No
4	Forging Industry Association (FIA) Roy Hardy	216-781-6260	No	No	No