



## 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/](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)):**

Extruders, numerically controlled, for use in the production of tires designed for on-highway use, such tires with a rim measuring 38.10 cm or more but not greater than 50.8 cm in diameter as provided for in subheadings 4011.10.10 and 4011.20.10, and parts thereof (provided for in subheading 8477.20.00 or 8477.90.85)

(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, extruders, are used to mix and form rubber in the tire manufacturing process. The rubber is inserted into the extruder barrel where it is pre-heated, blended, and pressurized. A large screw called a barrel screw moves the mixture forward through the barrel and continuously presses the material through a die attached to the output end of the barrel. The die imparts a cross-sectional shape to the rubber. Extruders are used to make the rubber tread and tire sidewall parts. Parts of the subject machines are classified under HTS subheading 8477.90.85. These machines are numerically controlled, which refers to a computer control system that adds fully automatic programmable positioning and feed rate control of the machine’s axis movement relative to the workpiece, as well as automatic control of other functions. These extruders would be used in the production of certain automobile tires, including those for cars, station wagons, and light-trucks. The principal sources of U.S. imports of the subject products are Germany, Austria, and Italy, Japan, and China. Opposition to this bill is noted below in the Contacts table.

**IV. Estimated effect on customs revenue**

Subject product HTS subheading(s)	8477.20.00, 8477.90.85				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.1	3.1	3.1	3.1	3.1
Estimated value of <i>dutiable</i> imports (\$)	50,000,000	41,000,000	23,000,000	23,000,000	23,000,000
Customs revenue loss (\$)	1,550,000	1,271,000	713,000	713,000	713,000

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**

The article description set forth above was modified for greater clarity. It also reflects that the subject products are classified in the referenced HTS subheading, 8477.20.00, and deletes the phrase "for processing rubber" to describe more closely the imported product. H.R. 5365 is identical to H.R. 5366, except for the referenced HTS subheading. Both bills as drafted cite a list of machinery that is not classified in the referenced subheadings.

## VI. Continuation

Estimated effect on customs revenue - continued:

HTS No. 8477.20.00 (3.1%)

2013 - 1,240,000

2014 - 961,000

2015 - 558,000

2016 - 558,000

2017 - 558,000

HTS No. 8477.90.85 (3.1%)

2013 - 310,000

2014 - 310,000

2015 - 155,000

2016 - 155,000

2017 - 155,000

## 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	Bridgestone Americas (Interested entity) Steven Akey	202-354-8220	No	No	No
2	Bartel Machinery Systems, LLC Jerry Eisnehart	315-336-7600	No	No	No
3	Davis-Standard, LLC Joe Wnuk	860-599-1010	Yes	Yes	Yes
4	Goodyear Tire & Rubber Co. Isabel Jasinowski	202-682-9250	No	No	No
5	King Machine Michael J. Wells	704-583-0486	No	No	No
6	Kobelco Stewart Bolling, Inc. David Sealfon	330-655-3113	No	No	No
7	McNeil & NRM, Inc. Bill McNamra	330-253-2525	No	No	No
8	Michelin North America, Inc. Stan Pech	864-458-6600	No	No	No
9	Northeast Tire Mold Stephanie Sipe	330-376-6107	No	No	No
10	Rogers Industrial Products, Inc. John R. Cole	330-535-3331	No	No	No
11	RJS Corp. Raymond Slezak	330-535-3331	No	No	No
12	RMS Equipment, LLC Greg Thewes	330-564-1360	No	No	No
13	RRR Development Co., Inc. Bob Irwin	330-966-8855	No	No	No
14	Spadone-Hypex, Inc. Jim Hasson	215-396-8005	No	No	No
15	Steelastic Co., LLC Brian Fetzer	330-633-0505	No	No	No