



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)):

Machines for molding or forming pneumatic tires, numerically controlled, the foregoing not containing in a single housing the functional capability both to assemble tire components and to cure green 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 of such machines (provided for in subheading 8477.51.00, 8477.59.01, 8477.90.85, 8480.71.80 or 8480.79.90)

(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 essentially tire-building machines, curing presses for green tires, and molds for use in curing presses. The principal machines for forming or building tires assemble a green tire from components of steel cords and belts, various types of rubber sheets, and sidewall and tread materials, resulting in an unvulcanized tire. The subject molding machines are primarily curing presses that use heated molds to give the tire its final shape and impart designs into the tread and sidewalls of the tire. These curing presses subject the tires to a period of heat that vulcanizes the rubber, so that molecules of the different types of rubber become cross-linked to form one solid material mass. These machines are designed for the forming and molding of tires for automobiles, including cars and station wagons, and for light trucks. Parts of the subject products are also included within the proposed article description. The principal sources of U.S. imports of the subject machines are Japan, China, Germany, and Italy.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8477.51.00, 8477.59.01, 8480.71.80, 8480.79.90, 8477.90.85				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	1.65	1.65	1.65	1.65	1.65
Estimated value of <i>dutiable</i> imports (\$)	102,000,000	102,000,000	61,000,000	33,000,000	33,000,000
Customs revenue loss (\$)	1,683,000	1,683,000	1,006,500	544,500	544,500

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

The article description set forth above was modified for greater clarity and for added conformity with other HTS provisions covering tire-making machinery. The reference to machines for "processing rubber" was deleted, because such machines for the tires referenced in the product description in the bill as drafted are also the subject products in H.R. 5365. References were added to cover tire forming machinery of HTS subheading 8477.59.01, molds of HTS subheadings 8480.71.80 and 8480.79.90, and parts of the foregoing in HTS subheading 8477.90.85. The suggested article description in this bill is similar to the description in HTS heading 9902.84.10, which expired on December 31, 2009, and had covered machinery with the same functions when they were contained in a single housing. H.R. 5366 lists machinery functions as being accomplished by separate machines and their parts. HTS heading 9902.84.10 covered machines for making all types of tires, whereas H.R. 5366 is limited to tires for certain motor vehicles.

VI. Continuation

Estimated effect on customs revenue - continued:

HTS No. 8477.51.00 (3.1%)

2013 - 660,000
2014 - 660,000
2015 - 330,000
2016 - 82,500
2017 - 82,500

HTS No. 8477.59.01 (3.1%)

2013 - 495,000
2014 - 495,000
2015 - 247,500
2016 - 82,500
2017 - 82,500

HTS No. 8477.90.85 (3.1%)

2013 - 198,000
2014 - 198,000
2015 - 99,000
2016 - 49,500
2017 - 49,500

HTS No. 8480.71.80 (3.1%)

2013 - 165,000
2014 - 165,000
2015 - 165,000
2016 - 165,000
2017 - 165,000

HTS No. 8480.79.90 (3.1%)

2013 - 165,000
2014 - 165,000
2015 - 165,000
2016 - 165,000
2017 - 165,000

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	Bartell Machinery Systems, LLC Jerry Eisnehart	315-336-7600	No	No	No
3	Davis-Standard, LLC Joe Wnuk	860-599-1010	No	No	No
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 McNamara	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	330-896-2387	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

112TH CONGRESS
2D SESSION

H. R. 5366

To reduce temporarily the rate of duty on certain machinery for molding unvulcanized rubber for tires.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

Mr. DUNCAN of South Carolina 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 machinery for molding unvulcanized rubber for tires.

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 MACHINERY FOR MOLDING**
4 **UNVULCANIZED RUBBER FOR TIRES.**

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

“	9902.01.00	Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of radial tires, the foregoing not containing in a single housing both components for processing rubber, assembling tire components, and for curing green tires of subheading 4011.10.10 designed for use on motor cars (including stations wagons), such tires with rim diameters measuring 38.10 cm or more but not greater than 50.8 cm, and tires of subheading 4011.20.10 designed for use on on-highway light trucks, and parts thereof (provided for in subheading 8477.51.00)	1.45%	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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