



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved August 23, 2012

I. Background

Bill number: H.R. 5367

Sponsor name: Mr. Jeff Duncan

Sponsor state: SC

Interested entity:

Name Bridgestone Americas

City Nashville

State TN

Other bills on product (112th Congress only): H.R. 4841 (Mr. Joe Wilson, SC); H.R. 5048 (Mr. Jeff Duncan, SC)

Nature of bill: Temporary duty reduction

Expiration date: December 31, 2015

Current or previous chapter 99 heading: None

Retroactive date: None

CAS number (if applicable): None

Industry analyst: Dennis Fravel

Telephone: 202-205-3404

Tariff Affairs contact: Jan Summers

Telephone: 202-205-2605

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 intended to be used in the production of tubeless radial tires designed for off-the-highway use, such tires with section widths measuring 68.86 cm or more but not exceeding 149.9 cm and a rim measuring 124.4 cm or more but not exceeding 160.02 cm as provided for in subheading 4011.94.40, and parts of such machines (provided for in subheading 8477.51.00, 8477.59.01 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 are essentially tire-building machines and curing presses for green tires. The principal tire-forming machines assemble a green tire from components of steel cords and belts, various types of rubber sheets, and sidewall and tread material to form 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 certain large, off-the-highway earthmover haulage vehicles. Parts of the subject products are also included within the product description. The principal sources of U.S. imports of these 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, 8477.90.85 | | | | |
| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
| Col.1-general rate of duty or percentage point reduction (%) | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Estimated value of <i>dutiable</i> imports (\$) | 44,000,000 | 30,000,000 | 11,000,000 | 7,000,000 | 7,000,000 |
| Customs revenue loss (\$) | 748,000 | 510,000 | 187,000 | 119,000 | 119,000 |

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 and for added conformity with other HTS provisions covering tire-making machinery. References were added to cover tire-forming machinery of HTS subheading 8477.59.01, and parts thereof provided for in HTS subheading 8477.90.85. The proposed article description in the bill as drafted is similar to the description in HTS heading 9902.84.10, which expired on December 31, 2009 and had covered products with some of the same machinery functions when contained in a single housing. HTS heading 9902.84.10 also covered machines for making all types of tires, whereas H.R. 5366 is limited to tires for certain motor vehicles.

H.R 4841 and H.R 5048 also cover the subject products in H.R. 5367.

VI. Continuation

Estimated effect on customs revenue - continued:

HTS No. 8477.51.00 (3.1%)

2013 - 425,000

2014 - 306,000

2015 - 85,000

2016 - 51,000

2017 - 51,000

HTS No. 8477.59.01 (3.1%)

2013 - 255,000

2014 - 136,000

2015 - 85,000

2016 - 51,000

2017 - 51,000

HTS No. 8477.90.85 (3.1%)

2013 - 68,000

2014 - 68,000

2015 - 17,000

2016 - 17,000

2017 - 17,000

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. 5367

To reduce temporarily the rate of duty on certain machinery for molding
unvulcanized rubber for tubeless radial 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 tubeless radial 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 TUBELESS RA-**
5 **DIAL TIRES.**

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 | Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of tubeless radial tires designed for off-the-highway earthmover (haulage) use, with section widths measuring 68.86 cm or more but not greater than 149.9 cm and rim diameters measuring 124.4 cm but not greater than 160.02 cm, such tires of a type classified in subheading 4011.94.40, and parts of such machinery (provided for in subheading 8477.51.00) | 1.4% | No change | No change | On or before 12/31/2015 | ”. |
|---|------------|---|------|-----------|-----------|-------------------------|----|

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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