



## 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)):

Tools of carbide steel, for use in punching holes or cavities in printed circuit board materials (provided for in subheading 8207.30.60)

(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 carbide punches for punching holes or cavities in printed circuit board materials, such as multi-layer glass ceramic material used in printed circuit boards and semiconductor products. The punching is a type of cutting process. Carbide steel is a very hard steel used in making tools for cutting and shearing. Carbide punches are widely used in punching metal (in which case they would be classifiable in subheading 8207.30.30) as well as other non-metal materials, such as plastics and printed circuit board type materials. The principal source of U.S. dutiable imports of subject products is Germany. Opposition to this bill is noted below in the Contacts table.

## IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8207.30.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.9	2.9	2.9	2.9	2.9
Estimated value of <i>dutiable</i> imports (\$)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Customs revenue loss (\$)	116,000	116,000	116,000	116,000	116,000

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 to describe the imported product more closely. We have suggested "actual use" language requiring post-entry Customs verification (despite the resulting administrative burden), in an effort to narrow the category as much as possible, but cannot suggest language that would obviate the expressed opposition.

**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	IBM Corp. (Interested entity) John Adamo	720-395-1427	No	No	No
2	IPC--Association Connecting Electronics Industries Fern Abrams	703-522-2287	No	No	No
3	Doutt Tool, Inc. Bob Melvin	814-398-2989	No	No	No
4	Imperial Carbide, Inc. Mike Gunn	814-724-3732	No	No	No
5	M. Curry Corp. Mark Porath	989-777-7950	No	No	No
6	Oberg Industries David Getty	724-295-2121	No	No	No
7	Penn United Technologies, Inc. Dave Fregel	724-352-1507	Yes	Yes	Yes

## Fravel, Dennis

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**From:** dave\_frengel@pennunited.com  
**Sent:** Friday, July 27, 2012 9:19 AM  
**To:** Fravel, Dennis  
**Cc:** jgrosmann@ntma.org; Omar Nashashibi  
**Subject:** Re: Miscellaneous Tariff legislation to suspend import duties on certain punches for circuit board materials

Dennis,  
Thank you for the opportunity to respond to this request.

Penn United's carbide punch division is American Carbide Tooling (ACT). ACT does a good amount of catalog and custom business and we are absolutely prepared to provide carbide punches for PCB manufacturers. We produce competing products like this, though we do not currently do a noticeable amount of business with PCB manufacturers, we would definitely like to do business with them.

We are not able to provide an estimate of the amount of import business done in this product line, but via copy of this email to leaders in the National Tooling and Machining Association, I am requesting them to provide that info if they can. I will also contact our Congressmen about this.

We object to lowering/removing tariffs on carbide punches. Please inform our domestic PCB manufacturers that they can place orders for their carbide punches with us. Tell them to learn more at [www.pennunited.com](http://www.pennunited.com) or google "American Carbide Tooling".

Best regards,  
Dave.

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From: <[Dennis.Fravel@usitc.gov](mailto:Dennis.Fravel@usitc.gov)>  
To: <[dave\\_frengel@pennunited.com](mailto:dave_frengel@pennunited.com)>  
Date: 07/26/2012 02:42 PM  
Subject: Miscellaneous Tariff legislation to suspend import duties on certain punches for circuit board materials

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Dear Mr. Frengel:

Thank you for talking with me regarding punches for punching printed circuit board (PCB) materials.

I am with the U.S. International Trade Commission, an independent U.S. Government agency. I am writing to request your input on Congressional legislation related to a proposed U.S. import duty reduction for certain punches (see below). The Commission prepares reports on legislation concerning duty suspensions for the House Ways and Means and Senate Finance Committees. As a part of this process, the Commission attempts to identify and contact domestic firms and associations that may have an interest in the subject legislation.

I am attempting to find out if there are any U.S. producers of carbide punches for punching holes through PCB type materials, do you know of any? If so, would you tell me the name of the companies so I may contact them to see if they have comments on the bill HR 5407.

Details of the proposed legislation are in the table below. The provision would expire on December 31, 2015.

Bill No.	Action	Description	2012 HTS col. 1
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			rate of duty (%)
H.R. 5407	New duty suspension to Free through 12/31/2015	As introduced in the bill: Parts of machines for punching (provided for in subheading 8207.30.60)  Language to be modified to: Carbide punches for working printed circuit board materials	2.9

We would appreciate it very much if you could please advise us in regard to:

1. If your firm claims to produce the product or a competing product covered by the proposed legislation (bill) in the United States, please submit a written statement via email stating this. If your firm wishes to oppose the bill, please submit this in your statement. This statement will be included in our report which will be made public.
2. Separate from the opposition statement, please estimate the value of the annual imports for the products described above for the next 5 years and email that to us.
3. Please also inform us of any additional U.S. manufacturers of this product, or any other U.S. companies that would benefit from this bill.

Note that the House Ways and Means and the Senate Finance Committees deadlines for public comments CLOSED on June 22, 2012. Thus, if you have comments that you would like included in our report that will go to these Committees and subsequently be made public, please email those to us.

Also, you may want to contact your House and Senate representatives with your comments.

House instructions and background on bills, including what is a controversial bill and competitive products  
<http://waysandmeans.house.gov/News/DocumentSingle.aspx?DocumentID=296887>

For comments, please be sure to reference the bills of concern:

House (list of bills and link to make comment):  
<http://waysandmeans.house.gov/mtb/mtbbills.htm>

Senate:  
 Public comments may be sent to [MTB\\_PublicComments@finance.senate.gov](mailto:MTB_PublicComments@finance.senate.gov).

Please send your comments to me by July 27<sup>th</sup>, if possible. Let me know if this is a problem.

If you have questions, please do not hesitate to contact me.

Thank you.

Dennis Fravel

Dennis Fravel  
 International Trade Analyst

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112TH CONGRESS  
2D SESSION

# H. R. 5407

To suspend temporarily the duty on parts of machines for punching.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

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## A BILL

To suspend temporarily the duty on parts of machines for punching.

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. PARTS OF MACHINES FOR PUNCHING.**

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

“	9902.01.00	Parts of machines for punching (provided for in subheading 8207.30.60) ....	Free	No change	No change	On or before 12/31/2015	”.
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8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) applies to goods entered, or withdrawn from

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

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