



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)):

DC axial fans, rated at 12 V, square or approximately square in shape with the height and width in sizes of 40 mm, 60 mm, 80 mm or 120 mm, other than for use on motor vehicles (provided for in subheading 8414.59.60)

(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 product is a class of fans having blades that force air to move parallel to the shaft about which the blades rotate. An axial fan blows air along the axis of the fan, linearly, resulting in the fan's name. This type of fan is used in a wide variety of applications, ranging from small cooling fans for electronics to the giant fans used in wind tunnels. The size specification used for the subject product indicates that it is typically used to cool the microprocessors and other components in a computer that generate heat. The fan helps to keep the system at a sufficiently cool temperature to allow the system to perform reliably. The principal source of U.S. imports is China, but other major suppliers include Germany, Mexico, Malaysia, Thailand, and Taiwan.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8414.59.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.3	2.3	2.3	2.3	2.3
Estimated value of <i>dutiable</i> imports (\$)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Customs revenue loss (\$)	460,000	460,000	460,000	460,000	460,000

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 developed based on conversations with the interested entity aimed at narrowing the original product scope. The description adds a range of specifications to more accurately reflects the product's usage.

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	Alloy Engineering Richard Turiczek	440-243-6800	No	No	No
3	American Fan Company Jason Johnson	513-874-2400	No	No	No
4	Cincinnati Fan and Ventilator Company Dan Pfau Bill Westlin	513-573-1000	No	No	No
5	Continental Fan Company Jim Paron	716-842-0670	No	No	No
6	Kooltronic, Inc. Jerry Freedman	609-466-3400	No	No	No
7	New York Blower Company David Maletich	630-794-5755	No	No	No
8	Pelonis Technologies, Inc. Sam Pelonis	888-546-0524	No	No	No
9	Semiconductor Industry Association (SIA) Ian Steff	202-446-1700	No	No	No
10	TPI Nicole Burke	800-682-3398	No	No	No
11	Twin City Fan Companies, Ltd. Bill Fox	763-551-7600	No	No	No

112TH CONGRESS
2^D SESSION

H. R. 5412

To suspend temporarily the duty on axial fans.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on axial fans.

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. AXIAL FANS.**

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	Axial fans (provided for in subheading 8414.59.60)	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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