



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)):

Lead-acid storage batteries of 60 V (provided for in subheading 8507.20.80)

(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 60-volt lead-acid battery. Lead-acid batteries store energy using a reversible chemical reaction between lead plates and dilute sulphuric acid (electrolyte). A 60-volt lead acid battery is actually made up of 30 identical two-volt cells. Each cell contains lead plates of different compositions sitting in dilute sulfuric acid. During charging, a direct current is passed through the battery, creating a number of chemical changes; this process is reversed when the battery is connected to an external circuit to provide power. The lead-acid batteries covered by the referenced HTS subheading are those which are used for anything other than starting a piston engine or as the primary electrical power source for a vehicle. Principal U.S. import sources of these batteries are China, Mexico, and Taiwan.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8507.20.80				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.5	3.5	3.5	3.5	3.5
Estimated value of <i>dutiable</i> imports (\$)	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Customs revenue loss (\$)	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000

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

H.R. 5421 was written to include all lead-acid storage batteries greater than 36 volts that fall in subheading 8507.20.80, which would match the coverage of HTS statistical reporting number 8507.20.8090. However, upon further consultation, the Interested entity requested that the bill be limited to include only 60-volt lead-acid storage batteries, and the article description set forth above was modified to do so.

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	C&D Technologies, Inc. David Treadwell	215-619-2700	No	No	No
3	Crown Battery Mike Fraley	419-334-7181	No	No	No
4	East Penn Manufacturing Co., Inc. Daniel Langdon	610-682-6361	No	No	No
5	EnerSys Tom Biello	610-698-9804	No	No	No
6	Exide Technologies James R. Bolch	678-566-9393	No	No	No
7	Johnson Controls, Inc. Alex Molinari	414-524-3770	No	No	No
8	KJK International Glenn Jones	973-539-0957	No	No	No
9	Stationary Power Services, Inc Bill Mier	800-245-0893	No	No	No
10	Superior Battery Mfg. Co., Inc. Randy Hart	270-866-6056	No	No	No
11	Trojan Battery Company Rick Godber	562-236-3032	No	No	No
12	U.S. Battery Manufacturing Co. Terry Agrelius	706-790-0218	No	No	No
13	Universal Power Group, Inc. Cynthia Carmack	469-892-1122	No	No	No

From: [KALTER, Brad S. \(Atlanta\)](#)
To: [Parcan, Alexander \(Intern\)](#)
Cc: [BOLCH, Jim](#)
Subject: HR 5418 and 5421
Date: Wednesday, July 18, 2012 3:34:52 PM

Mr. Parcan:

With regard to the revision to HR 5421, so that the resolution only relates to waiver of tariffs regarding 60v batteries, we would agree to withdraw our opposition, although we are unaware if this type of battery is manufactured by other companies in the United States. We are reviewing HR 5418 and will revert to you shortly.

Brad S. Kalter
Vice President, Deputy General Counsel and Corporate Secretary
Phone: (678) 566-9048
Fax: (678) 566-9229

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From: [BOLCH, Jim](#)
To: [Parcan, Alexander \(Intern\)](#)
Cc: [KALTER, Brad S \(Atlanta\)](#)
Subject: RE: Congressional Tariff Bills
Date: Friday, July 13, 2012 12:44:17 PM

Mr. Parcan

Thank you for your inquiry regarding the proposed legislation. From what we can determine for both bill HR5414 and HR5421 is that these types of batteries are manufactured by our company and other companies in US facilities. We would be opposed to any action suspend or reduce tariffs for these products which could potentially harm demand for US manufactured goods.

Jim Bolch
President and Chief Executive Officer
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NASDAQ: XIDE

From: Alexander.Parcan@usitc.gov [mailto:Alexander.Parcan@usitc.gov]
Sent: Wednesday, July 11, 2012 10:08 AM
To: BOLCH, Jim
Subject: Congressional Tariff Bills

To Mr. Bolch:

I am with the U.S. International Trade Commission, an independent agency in the U.S. Government, which, among other things, provides advice to the President and Congress on all matters of international trade. I am writing to request your input on Congressional legislation related to tariff suspensions or reductions for certain vehicle parts.

I have included more details on the bills in the following table and specific question on the legislation below the table.

Bill	Product	Link to bill
HR 5414	Lead-acid storage 12-volt batteries	http://www.gpo.gov/fdsys/pkg/BILLS-112hr5414ih/pdf/BILLS-112hr5414ih.pdf
HR 5421	Lead-acid storage batteries of 60 volts, 96 volts, 168 volts, 180 volts, and 360 volts	http://www.gpo.gov/fdsys/pkg/BILLS-112hr5421ih/pdf/BILLS-112hr5421ih.pdf

The Commission prepares reports on legislation concerning duty suspensions for the 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.

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

- Do you have an interest in the proposed duty suspension legislation and, if so, do you support,

oppose, or are you neutral to each of the bills?

- Do you make any of the products described in the bills or competing products in the United States? Is there other U.S. manufacturing of the products described in the bills or competing products? If so, could you provide the names of the firms that make these products?
- Do you import the products described in these bills? If so, what countries are the major sources of imports for each of these products?
- Will you benefit from this bill? If so, can you provide me an estimate of the value of imports that will benefit from this bill in each of the next five years?

Please provide separate responses for each Bill noted above.

Please provide us with any input on this legislation by Friday July, 11. Thank you for your time.

Sincerely,

Alexander J. Parcan
United States International Trade Commission (USITC)
202-205-2218

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112TH CONGRESS
2D SESSION

H. R. 5421

To suspend temporarily the duty on certain electric storage batteries.

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 certain electric storage batteries.

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 ELECTRIC STORAGE BATTERIES.**

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	Lead-acid storage batteries of other voltages (provided for in subheading 8507.20.80)	Free	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 goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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