

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 23, 2008]²

Bill No. and sponsor: H.R. 4686 (Mr. Tom Petri of Wisconsin).

Proponent name³, location: Deere & Co., Moline, IL.

Other bills on product (110th Congress only): None.

Nature of bill: Permanent HTS amendment.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

	[Compression-ignition internal combustion piston engines (diesel or semi-diesel), of a kind used for the propulsion of vehicles of chapter 87: ⁴]		
8408.20.30	With cylinder capacity of less than 1 liter, designed for motor vehicles of heading 8709.....	Free ⁵	35%

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

These goods are compression-ignition (also known as “diesel”) internal combustion piston engines to be installed in works trucks of the type classified in HTS heading 8709. Such works trucks are self-propelled low-speed vehicles suitable for use in factories, warehouses, airports, loading docks, or similar situations for use in moving goods over short distances or pulling small trailers; some works trucks may be driven by electric motors, which are not covered by the proposed provision. The engines covered by this bill typically have cylinder capacities of less than 1 liter. Diesel engines are more expensive than gas-powered engines to both purchase and repair, but generally are more durable, cost less to operate, and require less maintenance. There are no known U.S. manufacturers of these diesel engines.

Japan is the principal source of these engines, which currently fall into HTS subheading 8408.20.90; the latter subheading would properly be renumbered by the bill to reflect its altered product coverage.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Abridged superior text from HTS to indicate framework of product coverage; subheading 8408.10.00 covers marine propulsion engines. Spark-ignition engines for motor vehicles are classifiable in heading 8407.

⁵ The “special” rates of duty subcolumn is left blank because the general duty rate is free; all goods that might be eligible for a special duty rate because of their origin or production are eligible for the general duty rate.

Estimated effect on customs revenue:

HTS subheading: 8408.20.30					
	2009	2010	2011	2012	2013
Current Col. 1- General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Proposed Col. 1- General rate of duty	Free	Free	Free	Free	Free
Estimated value <i>dutiable</i> imports	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Customs revenue loss	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000

Source of estimated dutiable import data: U.S. industry and Commission estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Deere & Co. (Proponent) Jennifer Ehn, 309-765-8000	03/13/2008	No	No	No
Briggs & Stratton 414-259-5333	03/21/2008	No	No	No
Club Car Robert Johnston, 706-863-3000	03/13/2008	No	No	No
Kawasaki Roger Hagie, 949-770-0400	03/13/2008	No	No	No
Kubota Roberta Smith, 847-955-2500	03/13/2008	No	No	No
Land Pride Bill Chestnut, 785-823-3276	03/21/2008	No	Yes	No
Polaris Mary McConnell, 763-513-3477	03/13/2008	No	No	No

Technical comments:⁶

The article description proposed in the bill is drafted as an “actual use” provision that would require Customs verification within 3 years of the date of each importation and would thereby pose considerable administrative costs. The language set forth on page 1 is suggested as an alternative, based on a physical characteristic that is common to such goods—namely, the normal cylinder capacity. We are available to work with Customs and the industry on appropriate language to describe these engines.

⁶ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS
1ST SESSION

H. R. 4686

To amend the Harmonized Tariff Schedule of the United States to modify the tariffs of engines to be installed in work trucks.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

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

A BILL

To amend the Harmonized Tariff Schedule of the United States to modify the tariffs of engines to be installed in work trucks.

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. ENGINES TO BE INSTALLED IN WORK TRUCKS.**

4 (a) IN GENERAL.—Chapter 84 of the Harmonized
5 Tariff Schedule of the United States is amended by insert-
6 ing in numerical sequence the following new subheading,
7 with the article description for subheading 8408.20.30
8 having the same degree of indentation as the article de-
9 scription for subheading 8408.20.20:

“ | 8408.20.30 | To be installed in vehicles of head- | | |
 ing 8709 | Free | | 35% | ”.

1 (b) REDESIGNATION.—Chapter 84 of the Har-
 2 monized Tariff Schedule of the United States is amended
 3 by redesignating subheading 8408.20.90 as 8408.20.91.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section apply to articles entered, or withdrawn from
 6 warehouse for consumption, on or after the 15th day after
 7 the date of the enactment of this Act.

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