

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 8, 2008]²

Bill No. and sponsor: H.R. 4997 (Mr. Jim McDermott of Washington).

Proponent name,³ location: Mitsui & Co. USA, Inc., Seattle, WA.

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

Nature of bill: Extension of temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Suspension system stabilizer bars of alloy steel, each weighing approximately 42 kg, the foregoing comprising one rod measuring approximately 98.8 cm in length at each end of which is welded at approximately right angles a rod measuring approximately 51 cm in length, designed for use in Class 7 and 8 trucks only, certified by the importer as of Japan JIS grade SCM525S (26CrMo₄) or SCM435H (34CrMo₄) steel (provided for in subheading 8708.80.65).

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:

Stabilizer bars are transverse mounted spring steel bars that control and minimize a vehicle's body lean or tipping on corners. Generally, a round bar connects the left wheel suspension assembly with the right side, and it may be found at the front and/or rear of the vehicle. The main function of a stabilizer bar is to keep both wheels rolling at the same rate when the vehicle meets bumps. Stabilizer bars also affect handling, as a front stabilizer bar increases understeer⁴ and a rear bar increases oversteer.⁵ The subject bars are to be used in Class 7 and 8 commercial trucks.⁶ The material used to manufacture these stabilizer bars must meet the specified Japanese Industrial Standard (JIS)⁷ alloy steel grades for chromium molybdenum steels (SCM), as well as the dimensional and weight characteristics. The subject stabilizer bars are imported from Japan. Dutiable imports under HTS subheading 8708.80.65 (a broader category than is covered by this bill) totaled \$633.5 million in 2007, of which Japan accounted for \$228.2 million.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); Tariff Affairs contact: Jan Summers (202-205-2605).

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

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

⁴ The tendency for a vehicle to turn less sharply in a corner; the front end tendency to run wide in a turn.

⁵ The tendency for a vehicle to turn more sharply in a corner; the rear end wants to swing toward the outside of a turn.

⁶ Class 7 trucks weigh between 26,001 and 33,000 lbs (or 11,794 to 14,969 kg) and Class 8 trucks weigh 33,001 lbs (14,970 kg) or more. App. 3, U.S. Market Data, Figure 104, U.S. weight classes, Jonathan Storey, *The World's Truck Manufacturers, An Operating and Financial Review*, Automotive World Publications, 8th edn.

⁷ These grading standards are established by the Japanese Industrial Standards Committee.

Estimated effect on customs revenue:

HTS subheading: 8708.80.65					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000
Customs revenue loss ^{1/}	\$0	\$162,500	\$162,500	\$162,500	\$162,500

^{2/} There is an existing duty suspension under HTS heading 9902.25.77 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry 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)	
Mitsui & Co. USA, Inc. (Proponent) John Gilliland, 202-626-1466	05/21/2008	No	No	No
Hendrickson International Mike Keeler, Fax: 630-910-2899	06/3/2008	No	No	No
Motor & Equipment Manufacturers Association Ann Wilson, 202-312-9246	05/27/2008	No	No	No
Triangle Suspension Systems George Kerner, Fax: 800-237-2396	06/3/2008	No	No	No

Technical comments:⁸

The article description of the existing heading should be rearranged as shown on page 1 in order to clarify the provision. The proposed importer certification requirement would assist Customs officials in administering the provision.

⁸ 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
2D SESSION

H. R. 4997

To extend the temporary suspension of duty on certain suspension system stabilizer bars.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2008

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

A BILL

To extend the temporary suspension of duty on certain suspension system stabilizer bars.

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. SUSPENSION SYSTEM STABILIZER BARS.**

4 (a) IN GENERAL.—Heading 9902.25.77 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain suspension system stabilizer bars) is amended by
7 striking “12/31/2009” and inserting “12/31/2011”.

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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