

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. 5211 (Ms. Ellen O. Tauscher of California).

Proponent name,³ location: Applied Materials, Inc., Santa Clara, California.

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

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

Retroactive effect: None.

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

Hose barbs of stainless steel, each measuring 88.5 mm in length and 34 mm in diameter (provided for in subheading 7326.90.85).

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:

According to the proponent, the subject product is a hollow fitting characterized by one or more concentric ridges (barbs) along the length of its exterior surface on one end for inserting into the end of a hose for a secure, leak-proof connection. The other end of the fitting features external screw threads for setting into a threaded socket. This product is typically used in the conveyance of liquids and gases. The proponent did not provide any information on import sources. Dutiable U.S. imports under HTS subheading 7326.90.85 (a broader category than is covered by this bill) totaled over \$1.5 billion in 2007, of which China accounted for about \$735 million.

¹ Industry analyst preparing report: Karen Taylor (202-708-4101); 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 proponent/sponsor did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

| HTS subheading: 7326.90.85 | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% |
| Estimated value <i>dutiable</i> imports | \$1,468,299,280 | \$1,512,348,259 | \$1,557,718,706 | \$1,604,450,268 | \$1,652,583,776 |
| Customs revenue loss ^{1/} | \$42,580,679 | \$43,858,100 | \$45,173,842 | \$46,529,058 | \$47,924,930 |

^{1/} Customs revenue loss is based on total dutiable U.S. imports reported for HTS statistical reporting number 7326.90.8587, the coverage of which is broader than the subject goods but may encompass this product. The proponent provided neither country of origin nor estimated customs value information to the Commission. Source of estimated dutiable import data: Official U.S. Government statistics.

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) | | |
| Applied Minerals Inc. (Proponent) Joe Pasetti, 202-638-4434 | 05/22/2008 | No | No | No |
| Parker Hannifin Corp. Don Denick, Ddenick@parker.com | 06/06/2008 | Yes | No | No |
| Swagelok Co. Denise Fenner Denise.Fenner@swagelok.com | 06/05/2008 | No | No | No |

Technical comments:⁴

Little specific information about the product in question has been supplied by the proponent, and it is therefore difficult to draft appropriate language for a tariff heading. The product description in the bill as drafted is general and could apply to many, if not all, of the products in HTS subheading 7326.90.85, and the tariff classification of the actual product being imported cannot be verified. The proponent did not provide details about its hose barb, so it is impossible to narrow the product description of the heading. We have suggested changes, as shown on page 1, to make the provision clearer, without being able to ascertain from the proponent the precise nature of the product in question. Customs may nonetheless have difficulty administering this provision because the physical dimensions of the part are very specific and thus may be burdensome; because not every product of the type named may have exactly the specified dimensions, some goods of interest to the proponent may be excluded.

⁴ 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. 5211

To suspend temporarily the duty on stainless steel hose barb, 88.5 millimeters length \times 34 millimeters diameter.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on stainless steel hose barb, 88.5 millimeters length \times 34 millimeters diameter.

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. STAINLESS STEEL HOSE BARB, 88.5 MILLIME-**
4 **TERS LENGTH \times 34 MILLIMETERS DIAMETER.**

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

| | | | | | | | |
|---|------------|---|------|-----------|-----------|-------------------------|----|
| “ | 9902.01.00 | Stainless steel hose barb, 88.5 millimeters length \times 34 millimeters diameter (provided for in subheading 7326.90.85) | Free | No change | No change | On or before 12/31/2011 | ”. |
|---|------------|---|------|-----------|-----------|-------------------------|----|

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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