

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: July 31, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 2219 (Mr. Jim DeMint, SC).

**Proponent name, location:** Michelin North America, Inc., Greenville, SC.

**Other bills on product (109<sup>th</sup> Congress only):** H.R. 4482.

**Nature of bill:** Extension and modification<sup>3</sup> of existing temporary duty suspension through December 31, 2009.

**Retroactive effect:** None.

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

Sector mold press machines to be used in production of radial tires designed for off-the-highway use with a rim measuring 63.5 cm or more in diameter (provided for in subheading 4011.20.10, 4011.61.00, 4011.63.00, 4011.69.00, 4011.92.00, 4011.94.40, or 4011.99.45), numerically controlled; parts of the foregoing machines; or molds therefor entered separately (provided for in subheading 8477.51.00, 8477.90.85, and 8480.79.90, respectively).

**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:**

Sector mold presses (and their related parts) are machines used in the final curing stage of tire production. The green<sup>4</sup> tires are put into a mold, heated, and shaped to their final form. The molds may be of two pieces in a clamshell configuration or may consist of more parts, called segments. These machines are numerically controlled.<sup>5</sup> The principal import source of the sector mold presses is France and of the molds is Spain.

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

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

<sup>3</sup> The proponent indicated to Commission staff that molds for the machine should be included in the bill, but that this language is not currently included in the bill. We have prepared this report on the basis of the proponent's wish to include these goods.

<sup>4</sup> Green tires are tires that have been assembled from components: tread, ply, steel belts, sidewalls, liner, and bead bundles that have been cured, or molded together.

<sup>5</sup> The term "numerically controlled" means computer numerically controlled, in which the control system adds fully automatic programmable positioning and feed rate control of the machine's axis movement relative to the workpiece, as well as automatic control of other functions.

**Estimated effect on customs revenue:**

<b>Total Revenue Loss for this Bill</b>					
	2006	2007	2008	2009	2010
<del> </del>					
Customs revenue loss 1/	\$248,000	\$434,000	\$372,000	\$434,000	\$434,000

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension for some products under heading 9902.84.89 that expires on December 31, 2006.

Source of estimated dutiable import data: Sum of table totals below.

<b>HTS subheading: <u>8477.51.00</u></b>					
	2006	2007	2008	2009	2010
<del> </del>					
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$4,800,000	\$8,400,000	\$7,200,000	\$8,400,000	\$8,400,000
Customs revenue loss 1/	\$148,800	\$260,400	\$223,200	\$260,400	\$260,400

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under heading 9902.84.89 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry and Commission estimates.

<b>HTS subheading: <u>8477.90.85</u></b>					
	2006	2007	2008	2009	2010
<del> </del>					
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$1,600,000	\$2,800,000	\$2,400,000	\$2,800,000	\$2,800,000
Customs revenue loss 1/	\$49,600	\$86,800	\$74,400	\$86,800	\$86,800

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under heading 9902.84.89 that expires on December 31, 2006.

Source of estimated dutiable import data: Industry and Commission estimates.

<b>HTS subheading: <u>8480.79.90</u></b>					
	2006	2007	2008	2009	2010
<del> </del>					
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$1,600,000	\$2,800,000	\$2,400,000	\$2,800,000	\$2,800,000
Customs revenue loss	\$49,600	\$86,800	\$74,400	\$86,800	\$86,800

Source of estimated dutiable import data: 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)		
Michelin North America, Inc. (Proponent) Steve Evered, 864-458-5080	4/18/2006	No	No	No
Arc Machine, Inc. George Koberlein, 330-644-0239	5/18/2006	No	No	No
Athens Mold & Machine, Inc. <sup>1</sup> Jack Thorton, 519-428-5333	5/15/2006	No	No	No
Bridgestone Firestone Inc. Steve Akey, 202-354-8220	5/15/2006	No	No	No
Continental Tire North America, Inc. Tom Williams, 704-583-8570	5/17/2006	No	No	No
Five Star Mold Company Jim Ingersoll, 330-753-7021	5/22/2006	No	No	No
Goodyear Tire & Rubber Co. Isabel Jasinowski, 202-682-9250	5/15/2006	No	No	No
Herbert Machine Works, Inc. Randy Jarvis, 330-929-4297	5/18/2006	No	No	No
Kobelco Stewart Bolling David Norman, 330-655-3117	5/18/2006	No	No	No
McNeil & NRM Bob Nelson, 330-253-2525	5/17/2006	No	No	No
Northeast Tire Mold Chris Sipe, 330-376-6107	5/18/2006	Yes	Yes	Yes
Quality Mold Ron McNeil, 330-645-6653	5/17/2006	No	No	No
R & D Mold & Machine, Inc. Aaron Owens, 931-379-5805	5/25/2006	No	No	No
Rogers Industrial Products, Inc. John R. Cole, 330-535-3331	5/19/2006	No	No	No
Titan Tire Corp. Bill Campbell, 515-265-9200	5/15/2006	No	No	No
Universal Tire Mold Paul Scurei, 330-253-5101	5/18/2006	No	No	No
VMI Americas, Inc. Auke Dalstra, 330-929-6800	5/19/2006	No	No	No

<sup>1</sup> Athens Mold & Machine, Inc., has production facilities in Athens, OH, but the company headquarters are in Canada.

**Technical comments:<sup>6</sup>**

The proponent has indicated that the bill should be amended to include separate shipments of molds for the sector mold presses. Molds for sector mold presses that are imported separately are typically classified under HTS subheading 8480.79.90. However, one or more molds shipped with a mold press may be classified with the machine or treated as machine parts under HTS subheading 8477.90.85, if the mold or molds are considered by Customs to be required for the operation of the machine and designed or dedicated for use with it.<sup>7</sup> Such goods would likely be covered by the existing duty suspension's scope and the data estimates for machines and parts, respectively. If there are excess or spare molds shipped with the machine that are not required for the operation of the machine, the molds are classifiable under HTS subheading 8480.79.90.

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<sup>6</sup> 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.

<sup>7</sup> U.S. Customs and Border Protection, *Classification of Molds and Their Parts Under the HTSUS*, May 2005, p. 15, found at [http://www.customs.gov/linkhandler/cgov/toolbox/legal/informed\\_compliance\\_pubs/icp059.ctt/icp059.pdf](http://www.customs.gov/linkhandler/cgov/toolbox/legal/informed_compliance_pubs/icp059.ctt/icp059.pdf), retrieved May 18, 2006.

109TH CONGRESS  
2D SESSION

# S. 2219

To extend the temporary suspension of duty on certain sector mold press machines.

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IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2006

Mr. DEMINT introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To extend the temporary suspension of duty on certain sector mold press machines.

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 SECTOR MOLD PRESS MACHINES.**

4 (a) IN GENERAL.—Heading 9902.84.89 of the Har-  
5 monized Tariff Schedule of the United States (relating to  
6 certain manufacturing equipment) is amended by striking  
7 “12/31/2006” and inserting “12/31/2009”.

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 enactment of this Act.

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