

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 11, 2006]²

Bill No. and sponsor: S. 3032 (Mr. Mike DeWine of Ohio).

Proponent name, location: Honeywell International, Inc., Morris Township, NJ.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Cold-formed wire of nickel alloys containing 0.09 percent or more but not more than 1.6 percent by weight of silicon, certified by the importer to be used in the manufacture of spark plug electrodes, the foregoing either round wire measuring 1.7 mm or more but not over 4.9 mm in cross-sectional diameter or flat wire of rectangular cross section measuring 0.9 mm or more but not over 2.2 mm in thickness and 1.7 mm or more but not over 3.3 mm in width (provided for in subheading 7505.22.10).

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

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

The subject nickel alloy wire is initially hot-formed according to Autolite's specifications and is subsequently cold-formed also according to Autolite specifications. The wire is used as a raw material input in the manufacture of certain spark plug electrodes. According to proponent, the subject nickel alloy wire is produced by three European manufacturers that supply U.S. imports: Deutsche-Nickel GmbH, Schwerte, Germany; Thyssen Krupp AG, Baerstein, Germany; and Special Metals Ltd., Hereford, UK. Special Metals Ltd. is an affiliate of Special Metals Corporation, Huntington, WV.

¹ Industry analyst preparing report: Vincent DeSapio (202-205-3435); 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.

Estimated effect on customs revenue:

HTS subheading: 7505.22.10					
	2006	2007	2008	2009	
Col. 1-General rate of duty	3.0%	3.0%	3.0%	3.0%	3.0%
Estimated value <i>dutiable</i> imports	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Customs revenue loss	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000

Source of estimated dutiable import data: Industry estimates on subject goods as a subset of shipments reported under this tariff subheading.

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)	
Honeywell International, Inc. (Proponent) Art Simonetti, 202-662-2671	06/22/2006	No	No	No
A-1 Wire Tech, Billy Pigott, 815-226-0477	07/12/2006	No	No	No
Carpenter Technology Corp., Jerry Leibensperger, 610-208-2161	07/17/2006	No	No	No
Special Metals Corp., Richard Parsons, 304-526-5553	06/29/2006	No	No	No

Technical comments:³

As drafted, the description is not specific concerning characteristics that make any nickel alloy wire particularly useful in the manufacture of spark plug electrodes. It would be possible for many firms to assert that their imported products could be used for this purpose, thus raising the import levels and revenue loss figures we have presented. After discussions with the proponent and with the importer of record, Special Metals Corp., it is suggested that the article description be modified as shown on page 1 of this report. We note that the modified description would be an “actual use” provision, requiring verification of the use of the imported goods after entry during a three-year period. While such descriptions do impose cost and administrative burdens on Customs and on importers, in this case it seems to be the only workable approach, given that the composition of the subject wire is proprietary and cannot be included in the tariff article description.

³ 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.

109TH CONGRESS
2D SESSION

S. 3032

To suspend temporarily the duty on certain nickel alloy wire.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2006

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

A BILL

To suspend temporarily the duty on certain nickel alloy wire.

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. NICKEL ALLOY WIRE.**

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:

“	9902.75.05	Nickel alloy wire, of a kind used in the manufacture of certain spark plug electrodes (provided for in subheading 7505.22.10)	Free	No change	No change	On or before 12/31/2009	”.
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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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