

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: October 10, 2006]²

Bill No. and sponsor: S. 3096 (Mr. Sam Brownback of Kansas).

Proponent name, location: Spirit Aerosystems, Wichita, KS.

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)):

Pedestal assemblies for vacuum relief valves, designed for use in aircraft (provided for in subheading 8481.90.00).

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, a pedestal assembly is a metal component that mounts an aircraft vacuum relief valve³ to the plane's system or component with which the valve is to operate, so that when the valve is operated it is not dislodged and the aircraft system functions properly. The proponent indicates that the assembly may also be formed so as to direct properly the flow of air released by such a valve. Such an assembly may be attached to an emergency escape door of an aircraft so that, if the door must be opened after the cabin has been pressurized, the pressure inside and outside can be equalized by means of the vacuum relief valve and the door can be opened safely. The principal import source of these pedestal assemblies is Turkey.

¹ Industry analyst preparing report: Ruben Mata (202-205-3403); 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 Aircraft vacuum relief valves are used to control the pressure in a system where that pressure is lower than the equipment can otherwise withstand. Vacuum relief valves are used in a wide range of aircraft to open at a predetermined low pressure limit and to admit air or an inert gas into the equipment so as to control the amount of vacuum. The proponent's valves themselves principally come from Mexico, and it is believed they are separately imported rather than being combined with a pedestal assembly.

Estimated effect on customs revenue:

We have discussed with the proponent the appropriate tariff classification of the subject pedestal assemblies. Based on information obtained from the proponent, but in the absence of an applicable Customs ruling, we cannot determine if the good in question may properly be classifiable as a part of an aircraft in subheading 8803.30.00 (which has a general duty rate of free) or as an article of metal in the appropriate metals chapter of the HTS. We would not expect the separately imported pedestal assembly to be classifiable as a valve, and we question whether it would be classifiable as a part of a valve. We will work with Customs and with the proponent as necessary to determine the appropriate treatment of the product in this bill.

HTS subheading: 8481.90.30 <u>1/</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$347,600	\$382,800	\$421,300	\$463,100	\$509,300
Customs revenue loss	\$17,380	\$19,140	\$21,065	\$23,155	\$25,465

1/ If the subject assembly is classifiable as a part of a valve, it could fall in subheading 8481.90. The provision listed here covers parts of hand operated valves and check appliances made of iron or steel. If the component in question is made of another metal, it may fall in subheading 8481.90.50, with a general duty rate of 3 percent, reducing the revenue loss figures set forth above. If it is classifiable as a part other than for hand operated and check appliances, it may fall in subheading 8481.90.90, which has a general duty rate of free. None of the potential tariff classifications within heading 8481 is covered by the Agreement on Trade in Civil Aircraft (see HTS general note 6). Source of estimated dutiable import data: Industry and Commission estimates.

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

Few U.S. firms produce FAA-certified valves of this type (the subject of the bill as drafted) on a general basis, in the absence of a contract to supply a particular aircraft manufacturer with valves to its specifications. Inquiries about pedestal assemblies for valves were made with the firms listed in the following table.

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Spirit Aerosystems (Proponent) David Adams, 316-523-4312	06/22/2006	No	No	No
Rockwell Automation Loren Black, 414-383-2000	07/14/2006	No	No	No

Technical comments:⁴

It is suggested that the article description be modified as shown on page 1 in order to describe more closely the product of interest to the proponent firm. We did not suggest an “actual use” provision (“pedestal assemblies for use in aircraft”) because of the burdensome and costly follow-up verification that Customs & Border Protection officials would need to undertake to establish each shipment’s eligibility for the duty suspension, but if there are concerns about other potential applications the duty suspension could be so limited. The provision could also be limited to goods for use in civil aircraft; such a provision would likely need to be written as an actual use heading because it may be difficult or impossible for Customs to distinguish a good intended for a military aircraft from one intended for a civil aircraft.

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.

109TH CONGRESS
2^D SESSION

S. 3096

To suspend temporarily the duty on valve assemblies (vacuum relief).

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

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

A BILL

To suspend temporarily the duty on valve assemblies
(vacuum relief).

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. VALVE ASSEMBLIES (VACUUM RELIEF).**

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:

“	9902.84.82	Valve assemblies (vacuum relief) (provided for in subheading 8481.40.00)	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

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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