

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 28, 2005]²

Bill No. and sponsor: H.R. 1923 (Mr. Hulshof)

Proponent name, location: Ford Motor Co.
Dearborn, MI

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

Nature of bill: Temporary duty suspension through Dec. 31, 2008.

Retroactive effect: None.

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

Master cylinder assemblies for braking systems, not incorporating a vacuum booster, the foregoing designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8708.39.50)

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:

A master cylinder assembly supplies pressure to a vehicle braking system by means of two pistons in a cylinder that compress brake fluid. The system for a hybrid vehicle does not require a vacuum booster³ that is typical of a conventional vehicle. The unit controls the hydraulic pressure for the brakes and pushes the hydraulic fluid to the brake. In addition, the unit supports the regenerative braking function in a hybrid vehicle, allowing energy recovery during vehicle braking. This component is used with a hydraulic control unit to provide brake-by-wire braking for the hybrid vehicle; brake-by-wire systems are computer-controlled electronic braking systems. These assemblies are imported from Germany.

¹ Industry analyst preparing report: Deborah A. McNay (202-205-3425); 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 A vacuum booster eases braking by using engine vacuum to assist in brake application.

Estimated effect on customs revenue:⁴

HTS subheading: 8708.39.50					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$4,437,093	\$4,437,093	\$4,437,093	\$4,437,093	\$4,437,093
Customs revenue loss	\$110,927	\$110,927	\$110,927	\$110,927	\$110,927

Source of estimated dutiable import data: Commission staff and industry estimates.

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

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
			(Yes/No)	
Ford Motor Co. (Proponent) J.T. Young, 202-962-5379	6/2005-8/2005	No	No	No
Motor and Equipment Mfg. Assn. Meredith Tunick, 202-312-9249	6/21/2005	No	No	No
Bosch Norm Johnson, <i>norman.johnson@us.bosch.com</i>	6/22/2005	No	No	No
Delphi Dina Vizzaccaro, <i>dina.vizzaccaro@delphi.com</i> ; John Anderson, 202-824-0401	6/20/2005 6/22/2005	No	No	No
Denso John Voorhorst, <i>john_voorhorst@denso-diam.com</i>	6/22/2005	No	No	No
General Motors Shirley Zebroski, 202-775-5082	6/22/2005	No	No	No

⁴ Both Toyota and Nissan have announced plans to start manufacturing hybrid vehicles in the United States in 2006; Toyota will produce up to 48,000 hybrid Camry vehicles in Georgetown, KY, starting in late 2006. Ford plans to add three hybrid models to its current hybrid line-up by 2008. The estimated import value and revenue loss provided in this report do not reflect any increase in imports that may result from this future production. However, the value of U.S. imports— and consequently the revenue loss—may increase if these manufacturers import components that are classified within this proposed heading for their U.S. hybrid vehicle production.

Honda Toni Harrington, 202-661-4400	6/22/2005	No	Yes	No
Johnson Controls Mark Wagner, 202-393-3224	6/20/2005	No	No	No
Toyota David Vennett, <i>dvennett@tma.toyota.com</i>	6/20/2005	No	No	No
Visteon Lydia Allen, <i>Lallen@visteon.com</i>)	6/21/2005	No	No	No

Technical comments:⁵

It is suggested that “assembly” be made plural in the proposed description given that “systems” and “vehicles” are plural, and that the words “the foregoing” be inserted to make it clearer grammatically that it is the assembly and not the absent booster that must be designed for use in the hybrid vehicles. With respect to the descriptor “hybrid,” which is not defined in the bill or in a legal provision of the HTS, no additional criteria are suggested because no confusion about the nature of these vehicles has been noted during the preparation of this report.

⁵ 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
1ST SESSION

H. R. 1923

To suspend temporarily the duty on booster and master cyl asy-brake.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

A BILL

To suspend temporarily the duty on booster and master
cyl asy-brake.

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. BOOSTER AND MASTER CYL ASY-BRAKE.**

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:

“	9902.87.01	Master cylinder assembly for braking systems, not incor- porating a vacuum booster, designed for use in hybrid motor vehicles of heading 8703 (provided for in sub- heading 8708.39.50)	Free	No change	No change	On or before 12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of enactment of this Act.

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