

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: September 8, 2008]²

Bill No. and sponsor: H.R. 4748 (Mr. Bob Inglis of South Carolina).

Proponent name,³ location: Michelin North America, Inc., Greenville, SC.

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

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

Retroactive effect: None.

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

Extruders 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 (such tires 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, or parts thereof (provided for in subheading 8477.20.00 or 8477.90.85).

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:

Extruders (and related parts) of a type used for processing rubber in the tire manufacturing process are used to mix and form rubber by heating rubber and steadily pressing the material through a barrel by means of a large rotating screw. The barrel is attached to a mold, through which the rubber is then pushed to form the desired shape. Extruders are used to make the rubber tread and tire sidewalls. These machines are numerically controlled.⁴ The principal import sources of these machines are France, Italy, and Germany.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); 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 sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ 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:

| Total Estimated Revenue Loss for this Bill | | | | | |
|---|------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Customs revenue loss | \$0 | \$217,000 | \$217,000 | \$217,000 | \$217,000 |

| HTS subheading: <u>8477.20.00</u> | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% |
| Estimated value <i>dutiable</i> imports | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 |
| Customs revenue loss 1/ | \$0 | \$62,000 | \$62,000 | \$62,000 | \$62,000 |

1/ There is an existing duty suspension under HTS heading 9902.84.85 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry estimates.

| HTS subheading: <u>8477.90.85</u> | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% |
| Estimated value <i>dutiable</i> imports | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| Customs revenue loss 1/ | \$0 | \$155,000 | \$155,000 | \$155,000 | \$155,000 |

1/ There is an existing duty suspension under HTS heading 9902.84.85 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry 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) Stan Pech, 864-458-6600 | 05/08/2008 | No | No | No |
| Bartell Machinery, LLC Jerry Eisenhart, Fax: 315-336-0947 | 04/29/2008 | No | No | No |
| Bridgestone Firestone, Inc. Steve Akey, 202-354-8220 | 03/11/2008 | No | No | No |
| Carlisle Industrial Components Bob Denham, 800-827-1001 | 03/28/2008 | No | No | No |
| Denman Tire Corp. James Tuschner, jtuschner@denmantire.com | 03/28/2008 | No | No | No |
| Farrel Corp. Bill Flaherty, Fax: 203-736-5580 | 04/29/2008 | No | No | No |
| Goodyear Tire & Rubber Co. Isabel Jasinowski, 202-682-9250 | 03/28/2008 | No | No | No |
| Kobelco Stewart Bolling, Inc. James P. Hill, j.hill@ksbi.com | 04/08/2008 | No | No | No |
| McNeil & NRM Bob Nelson, 330-253-2525 | 04/08/2008 | No | No | No |
| Purcell Tire & Rubber Co. Dennis Flynn, 573-438-2131 | 04/07/2008 | No | No | No |
| Rogers Industrial Products, Inc. John R. Cole, 330-535-3331 | 04/04/2008 | No | No | No |
| RJS Corp. Raymond Slezak, Fax: 330-896-3282 | 04/29/2008 | No | No | No |
| RRR Development Co., Inc. Bob Irwin, 330-966-8855 | 04/04/2008 | No | No | No |
| Specialty Tires of America, Inc. Mark Grant, 724-349-9010 | 03/28/2008 | No | No | No |
| Steelastic LLC Brian Fetzer, Fax: 330-633-0527 | 04/04/2008 | No | No | No |
| Titan International, Inc. Gary Schuster, 515-265-9403 | 04/08/2008 | No | No | No |
| Wyko Tire Technology, Inc. Ismail Menguc, 865-856-2317 | 04/07/2008 | No | No | No |

Technical comments:⁵

In the suggested article description set forth on page 1, subheading 4011.62.00 has not been included, although it is in the description for the existing duty suspension under HTS 9902.84.85. The subheading 4011.62.00 refers to tires with a rim not exceeding 61 cm, but the language for HTS 9902.84.85 limits the extruders to be used in the production of radial tires designed for off-the-highway use, and “for use on a rim measuring 63.5 cm or greater.”

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.

110TH CONGRESS
1ST SESSION

H. R. 4748

To extend the temporary suspension of duty on certain manufacturing equipment.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. INGLIS of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on certain manufacturing equipment.

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 MANUFACTURING EQUIPMENT.**

4 (a) IN GENERAL.—Heading 9902.84.85 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain manufacturing equipment) is amended by striking
7 “12/31/2009” and inserting “12/31/2011”.

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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