

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 1, 2008]²

Bill No. and sponsor: H.R. 5114 (Mr. Kenny Hulshof of Missouri).

Proponent name,³ location: Ford Motor Co., Dearborn, MI.

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)):

Static converters capable of converting 300 V direct current to 12 V direct current, designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8504.40.95).

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:

The direct current (DC)-to-DC converters covered by this legislation employ various solid-state components, including step-down transformers, to convert high-voltage (over 300 volts) DC derived from a high voltage nickel-metal hydride battery source into low-voltage DC (12-14 volts). The low-voltage output of these converters is used to power the low-voltage electrical components and systems (lights, radios, power windows, etc.) of a hybrid motor vehicle. The source of U.S. imports of these electrical components is Japan. Dutiable U.S. imports of all converters classified in subheading 8504.40.95 (a broader range of products than those covered by the duty suspension) totaled over \$2.1 billion in 2007, with about \$1.1 billion supplied by China. Other suppliers included Japan and Germany.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); 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 The sponsor/proponent did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

HTS subheading: 8504.40.95					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	1.5%	1.5%	1.5%	1.5%	1.5%
Estimated value <i>dutiable</i> imports	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000	\$5,500,000
Customs revenue loss ^{1/}	\$0	\$82,500	\$82,500	\$82,500	\$82,500

1/ There is an existing duty suspension under HTS heading 9902.10.94 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill for 2009.

Source of estimated dutiable import data: Industry and Commission staff 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)		
Ford Motor Company (Proponent) J.T. Young, 202-962-5379	04/08/2008	No	No	No
American Honda Motor Co. Toni Harrington, 202-661-4400	04/08/2008	No	No	No
Bosch Auto Parts USA Norm Johnson, norman.johnson@us.bosch.com	04/08/2008	No	No	No
Chrysler LLC Yancy Molnar, 202-414-6732	04/11/2008	No	No	No
Delphi Corporation Dina Vizzaccaro, dina.vizzaccaro@delphi.com	04/08/2008	No	No	No
Electronic Drive Transportation Assn. Genevieve Cullen, 202-408-0776	04/08/2008	No	No	No
Johnson Controls, Inc. Mary Ann Wright, 414-524-1200	04/10/2008	No	No	No
Motor and Equipment Mfg. Assn. Catherine Boland, 202-312-9241	04/10/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
National Electrical Manufacturers Assoc. John Meakem, 703-841-3243	04/10/2008	No	No	No
Toyota David Vennett, dvennett@tma.toyota.com	04/08/2008	No	No	No
Visteon Corporation Lydia Brennan, lbrennan@visteon.com	04/10/2008	No	No	No
Volkswagen of America, Inc. Martha Brown, 248-754-5020	04/09/2008	No	No	No

Technical comments:⁴

None.

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.

110TH CONGRESS
2D SESSION

H. R. 5114

To extend the temporary suspension of duty on certain static converters designed for use in hybrid vehicles.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2008

Mr. HULSHOF 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 static converters designed for use in hybrid vehicles.

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 STATIC CONVERTERS DESIGNED FOR**

4 **USE IN HYBRID VEHICLES.**

5 (a) IN GENERAL.—Heading 9902.10.94 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 certain static converters designed for use in hybrid vehi-
8 cles) is amended by striking “12/31/2009” and inserting
9 “12/31/2011”.

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 the enactment of this Act.

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