

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 5, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2101 (Mr. Carl Levin of Michigan).

**Proponent name,<sup>3</sup> location:** General Motors Company, Detroit, MI.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

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

Drive motor battery transducers (provided for in subheading 8543.70.40), certified by the importer for use in electrically powered vehicles of subheading 8703.90.00 in which an on-board gasoline engine is used to run a generator that recharges the electric drive motor battery.

**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 subject product is the drive motor battery high voltage control module assembly, which monitors and reports on the temperature status of the battery pack in electric vehicles. The proponent indicates that it intends to use the product in the General Motors Chevrolet Volt extended-range electric vehicle. The component measures 160 by 150 by 30 mm, weighs 130 grams, and is contained in a plastic housing. The proponent claims that the subject good has been specifically designed and engineered to work in the Chevrolet Volt, the first extended-range electric vehicle (E-REV) to be introduced in the U.S. market. The subject good is primarily imported from South Korea.

<sup>1</sup> Industry analyst preparing report: Mihir Torsekar (202-205-3350); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8543.70.40:**

The value of dutiable imports was estimated based on the aggregate value of January–September 2009 imports of goods classifiable in 8543.70.40 that were reported as originating in South Korea. The subject product is thought to be new to the market, because it was specially designed for use in future technology. Thus, the estimated value of dutiable imports may not fully or accurately reflect the actual imports for the subject product for the period 2010-14. Although the proponent has provided to the Commission an estimated value of dutiable imports for the subject product, the information has been withheld because of its business confidential nature. However, based on the proponent’s confidential data, the estimated customs revenue loss is not expected to exceed \$500,000 annually for the period 2010 through 2014. Because the subject product was specially designed for use in a specific electric-powered vehicle, it is unclear whether other entities would import the subject product under the proposed provision.

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.6%	2.6%	2.6%	2.6%	2.6%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$2,000,000	\$2,926,000	\$3,000,000	\$3,500,000	\$4,000,000
Customs revenue loss <sup>b</sup>	\$52,000	\$76,076	\$78,000	\$91,000	\$104,000

a/ Source of estimated dutiable import data: Official U.S. Government statistics.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**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)	
General Motors (Proponent) Tori Barnes, 202-775-5030	11/17/2009	No	No	No
Chrysler Group LLC Kathleen Hennessey, 202-414-6707	11/25/2009	No	No	No
Compact Power, Inc. Dick Pacini, dpacini@millerschingroup.com	12/4/2009	No	No	No
Electrovaya, Inc. Paul L. Hart, 905-855-4636	12/3/2009	No	No	No
Ener1, Inc. Nick Barnero, 212-920-3500 ext. 104	12/2/2009	No	No	No
Ford Motor Company J.T. Young, jyoung134@ford.com	11/23/2009	No	No	No
Honda of North America, Inc. Toni Harrington, toni_harrington@hna.honda.com	11/23/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Johnson Controls Mark Wagner, mark.f.wagner@jci.com	12/3/2009	No	No	No
Motor & Equipment Manufacturers Association Catherine Boland, cboland@mema.org	11/27/2009	No	No	No
Nissan U.S.A. Yuko Hanada, yuko.hanada@Nissan-usa.com	11/23/2009	No	No	No
Phoenix Motorcars Julia Winter, jwinter@phoenixmotorcars.com	12/3/2009	No	No	No
TDK U.S.A. Corporation Jeffrey Williams, jeffrey.williams@tuc.tdk.com	12/4/2009	No	No	No
Toyota David Vennett, dvennett@tma.toyota.com	11/23/2009	No	No	No
U.S. Advanced Battery Consortium Susan Bairley, sbairley@uscar.org Todd Davis, tdavis@uscar.org	12/3/2009	No	No	No
Vectrix US Catherine Meier, 401-848-9993	12/3/2009	No	No	No

**Technical comments:<sup>4</sup>**

It is suggested that the article description of the proposed heading be worded as shown on page 1. There are two points to raise about the HTS provision that might apply to the end-use electric vehicles. First, the proponent identifies HS subheading 8703.90 as the subheading where any U.S. imports of the type of vehicle it manufactures (and for which the subject products are destined) would be classified. It is unclear whether this classification is correct. We note that it is the responsibility of the U.S. Customs and Border Protection (CBP) to classify imported goods. Until CBP issues a ruling on the classification of imported vehicles of the type produced by the proponent, any proposed classification is speculative. If CBP issues a ruling classifying imported vehicles of the type produced by the proponent in a subheading other than HS 8703.90, such a ruling could likely cause the proposed heading to be ineffective, but at the present time we cannot offer an alternative classification. Second, because duty suspensions are normally specified as covering the 8-digit tariff subheading number for affected goods, we would suggest including the exact 8-digit number shown in our HTS, and we have included it on page 1.

<sup>4</sup> 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.

111TH CONGRESS  
1ST SESSION

# S. 2101

To suspend temporarily the duty on certain drive motor battery transducers.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

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## A BILL

To suspend temporarily the duty on certain drive motor  
battery transducers.

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 DRIVE MOTOR BATTERY TRANS-**  
4 **DUCERS.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of  
6 the Harmonized Tariff Schedule of the United States is  
7 amended by inserting in numerical sequence the following  
8 new heading:

“	9902.01.00	Drive motor battery transducers (provided for in subheading 8543.70.40) certified by the importer for use in electrically powered vehicles of subheading 8703.90 in which an on board gasoline engine is used to run a generator that recharges the electric drive motor battery .....	Free	No change	No change	On or before 12/31/2011	”.
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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 the enactment of this Act.

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