

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: April 23, 2010]²

Bill No. and sponsor: S. 2648 (Mr. Jim Bunning of Kentucky).

Proponent name,³ location: Hitachi Automotive Products (USA) Inc., Harrodsburg, KY.

Other bills on product (111th 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)):

Motor generator units with three-phase cable assembly, the foregoing designed to function as a starter motor and electric motor supplementing the gasoline internal combustion engine and as a generator for recharging vehicle batteries in regenerative braking mode, certified by the importer for use in hybrid electric vehicles (provided for in subheading 8511.40.00).

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:

Motor generator units usually combine a large electrical generator and a motor into one unit, often located between the combustion engine and the transmission and replacing both the conventional starter motor and the alternator in a hybrid vehicle. The typical motor/generator is a permanent magnet brushless type unit that is often integrated into the transmission housing.

In a parallel hybrid system, the unit operates as a starter/electric motor to supplement the internal combustion engine, but converts to a generator during vehicle braking, providing braking torque and conserving vehicle kinetic energy as regenerated or stored generated energy in the vehicle batteries. When the vehicle is traveling at a constant speed, the vehicle's internal combustion engine is the primary source of power and the motor generator unit operates intermittently. In series hybrid or pure electric drive systems, the motor/generator is the vehicle's prime accelerator.

The proponent's motor generator units will be imported from Japan.

¹ Industry analyst preparing report: Deborah 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://www.usitc.gov/tariff_affairs/congress_reports/.

³ 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 8511.40.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports ^a	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Customs revenue loss ^b	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

a/ Dutiable import estimates were provided by industry sources.

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)		
Hitachi Automotive Parts (USA), Inc. (Proponent) Doug Bowling, 859-734-8087	01/20/2010	No	No	No
American Honda Motor Company, Inc. Toni Harrington, toni_harrington@hna.honda.com	01/20/2010	No	No	No
Chrysler Group LLC Kathleen Hennessey, kmh17@chrysler.com	01/21/2010	No	No	No
Delphi Automotive LLP Dina Vizzaccaro, dina.vizzaccaro@delphi.com	01/21/2010	No	No	No
Denso International America, Inc. Bill Steffan, bill_steffan@denso-diam.com	01/21/2010	No	No	No
Ford Motor Company J. T. Young, jyoun134@ford.com	01/20/2010	No	No	No
General Motors Company Tori Barnes, victoria.barnes@gm.com	01/20/2010	No	No	No
Motor & Equipment Manufacturers Association Catherine Boland, cboland@MEMA.ORG	01/21/2010	No	No	No
Nissan North America Yuko Hanada, yuko.hanada@Nissan-Usa.com	01/20/2010	No	No	No
Regal Beloit Corporation Paul Lin, paul.lin@regalbeloit.com	01/21/2010	No	No	No
Remy International, Inc. Tracy Woods, 765-778-6499	01/22/2010	No	No	No
Siemens Corp. John Mikel, Fax: 202-347-4015	01/22/2010	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Toyota Motor Sales, USA, Inc. David Vennett, dvennett@tma.toyota.com	01/20/2010	No	No	No
UQM Technologies William G. Rankin, Fax: 303-682-4901	01/21/2010	No	No	No
Visteon Corp. Lydia Brennan, lbrennan@visteon.com	01/21/2010	No	No	No

Technical comments:⁴

The sole suggested change is to delete “functioning” from the proposed article description in the bill as drafted and to replace it with “designed to function” to conform with normal HTS usage.

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.

111TH CONGRESS
1ST SESSION

S. 2648

To suspend temporarily the duty on motor generator units.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 2, 2009

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

A BILL

To suspend temporarily the duty on motor generator units.

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. MOTOR GENERATOR UNITS.**

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:

“	9902.01.00	Motor generator units with three-phase cable assembly, the foregoing functioning as a starter motor and electric motor supplementing the gasoline internal combustion engine and as a generator for recharging vehicle batteries in regenerative braking mode; certified by the importer for use in hybrid electric vehicles (provided for in subheading 8511.40.00)	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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