



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

II. 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 (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, and parts thereof (provided for in subheading 8477.20.00 or 8477.90.85)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
- Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject product, extruders, are used to mix and form rubber in the tire manufacturing process. The rubber is inserted into the extruder barrel where it is pre-heated, blended, and pressurized. A large screw called a barrel screw moves the mixture forward through the barrel and continuously presses the material through a die attached to the output end of the barrel. The die imparts a cross-sectional shape to the rubber. Extruders are used to make the rubber tread and tire sidewall parts. These machines are numerically controlled, which refers to a computer control system that 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. The principal sources of U.S. imports of the subject products are Germany, Austria, Italy, Japan, and China. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8477.20.00, 8477.90.85 (See VI. Continuation)				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.1	3.1	3.1	3.1	3.1
Estimated value of <i>dutiable</i> imports (\$)	26,000,000	20,000,000	3,000,000	3,000,000	3,000,000
Customs revenue loss (\$)	806,000	620,000	93,000	93,000	93,000

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
- Provided by industry sources
- Industry information
- Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
- This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The article description set forth above includes a modification of the description in existing heading 9902.84.85. Based on input from Customs and Border Protection National Commodity Specialists, the reference to subheading 4011.62.00 was

deleted from the proposed description. Customs officials indicated that 4011.62.00 is an incorrect classification for tires of the size specified in HTS heading 9902.84.85. We note as well that, although the title of the bill has no legal significance, it would be clearer to label this bill a renewal of a duty suspension, because the existing heading expired at the close of 2009.

VI. Continuation

Estimated effect on customs revenue - continued:

HTS No. 8477.20.00 (3.1%)

2013 - 682,000

2014 - 558,000

2015 - 62,000

2016 - 62,000

2017 - 62,000

HTS No. 8477.90.85 (3.1%)

2013 - 124,000

2014 - 62,000

2015 - 31,000

2016 - 31,000

2017 - 31,000

The rate shown in the main table is a weighted average rate and not the actual HTS rate or a percentage point reduction.

VII. Contacts with domestic firms/organizations

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Michelin North America, Inc. (Interested entity) Stan Pech	864-458-6600	No	No	No
2	Bartel Machinery Systems, LLC Jerry Eisnehart	315-336-7600	No	No	No
3	Bridgestone Americas Steven Akey	202-354-8220	No	No	No
4	Davis Standard, LLC Joe Wnuk	860-599-1010	Yes	Yes	Yes
5	Goodyear Tire & Rubber Co. Isabel Jasinowski	202-682-9250	No	No	No
6	King Machine Michael J. Wells	704-583-0486	No	No	No
7	Kobelco Steward Bolling, Inc. David Sealfon	330-655-3113	No	No	No
8	McNeil & NRM, Inc. Stephanie Sipe	330-376-6107	No	No	No
9	Northeast Tire Mold Stephanie Sipe	330-376-6107	No	No	No
10	Rogers Industrial Products, Inc. John R. Cole	330-535-3331	No	No	No
11	RJS Corp. Raymond Slezak	330-896-2387	No	No	No
12	RRR Development Co., Inc. Bob Irwin	330-966-8855	No	No	No
13	Spadone-Hypex, Inc. Jim Hasson	215-396-8005	No	No	No
14	Steelastatic Co., LLC Brian Fetzer	330-633-0505	No	No	No

Fravel, Dennis

From: Wnuk, Joe <jwnuk@davis-standard.com>
Sent: Friday, July 27, 2012 11:46 AM
To: Fravel, Dennis
Subject: RE: Miscellaneous Tariff legislation on suspending import duties on certain tire-making machinery--request for comments

Hello Dennis,
Responses below.

1. If your firm claims to produce the product or a competing product covered by the proposed legislation (bill) in the United States, please submit a written statement via email stating this. **Davis Standard manufactures machinery (extruders and tooling) , domestically in Pawcatuck, CT, referenced in MTB H.R. 4842 Extruders and Tooling.**
2. If your firm wishes to oppose the bill, please submit this in your statement. **Davis Standard wishes to oppose the bill supporting MTB H.R. 4842** This statement will be included in our report which will be made public.
3. If you wish to support the bill and believe your company will benefit from the duty suspension, you may send a written statement explaining your support.
4. Separate from the opposition statement, please estimate the value of the annual imports for the next 5 years of the subject product and email that to us.
The estimated value of foreign imported machinery related to this MTB for a period of five (5) years would be in the range of \$12-\$15Million usd.
5. Please also inform us of any additional U.S. manufacturers of these products, or any other U.S. companies that would benefit from this bill.
Michelin, Pirelli, Goodyear, Continental, Bridgestone/Firestone, Cooper Tire.

Joseph A. Wnuk
Vice President – Elastomer Systems
Davis Standard, LLC
1 Extrusion Drive
Pawcatuck, CT USA 06379
Tel: 860-599-6309
Cell: 860-625-4845
Email: jwnuk@davis-standard.com



From: Dennis.Fravel@usitc.gov [mailto:Dennis.Fravel@usitc.gov]
Sent: Friday, July 27, 2012 11:35 AM
To: Wnuk, Joe

Subject: Miscellaneous Tariff legislation on suspending import duties on certain tire-making machinery--request for comments

Dear Mr. Wnuk:

Thank you for taking the time this morning to discuss certain extrusion machinery for tire-making machinery. Please note bills HR 5365-5368 and if they would also include extrusion machinery.

I am with the U.S. International Trade Commission, an independent U.S. Government agency. I am writing to request your input on Congressional legislation (bills) related to U.S. import duty suspensions or extensions of suspensions for certain tire-making machinery. The Commission prepares reports on legislation concerning duty suspensions for the House Ways and Means and Senate Finance Committees. As a part of this process, the Commission attempts to identify and contact domestic firms and associations that may have an interest in the subject legislation.

We are in the process of completing our reports, and I would need a response as soon as possible, and no later than July 31, 2012.

I have included more details on the bills in the following table and specific questions for you on the legislation below the table. These temporary provisions would expire December 31, 2015.

Bill No.	Action	Current HTS No./duty rate	Product Description As Introduced
H.R. 4840	Extension of Harmonized Tariff Schedule (HTS) heading 9902.84.81	8462.31.00 (4.4%) or 8466.94.85 (4.7%)	Shearing machines used to cut metallic tissue, numerically controlled, the foregoing certified for use in production of radial tires designed for off-the-highway use with a rim measuring 63.5 cm or more in diameter (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), and parts thereof
H.R. 4841	Renewal of HTS heading 9902.84.89	8477.51.00 or 8477.90.85 both 3.1%	Sector mold press machines 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 (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, and parts thereof
H.R. 4842	Renewal of HTS heading 9902.84.85	8477.20.00 or 8477.90.85 (both 3.1%)	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 (provided for in subheading 4011.20.10, 4011.61.00, 4011.62.00, 4011.63.00, 4011.69.00, 4011.92.00, 4011.94.40, or 4011.99.45), numerically controlled, and parts thereof
H.R. 5047	Extension of HTS heading 9902.84.83	8463.30.00 (4.4%) or 8466.94.85 (4.7%)	Machine tools for working wire of iron or steel, numerically controlled, the foregoing certified for use in production of radial tires designed for off-the-highway use and for use on a rim measuring 63.5 cm or more in diameter (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), and parts thereof
H.R. 5048	Renewal of HTS heading 9902.84.88	8477.51.00 or 8477.90.85 (both 3.1%)	Machinery for molding, or otherwise forming uncured, unvulcanized rubber 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 (provided for in subheading 4011.20.10, 4011.61.00, 4011.62.00, 4011.63.00, 4011.69.00, 4011.92.00, 4011.94.40, or 4011.99.45), numerically controlled, and parts thereof
H.R. 5049	New duty suspension	8480.79.90 (3.1%)	Sector molds and tooling certified for use in production of very large radial, 'earthmover' tires, designed for off-the-highway use, primarily in commercial mining and oil sands extraction operations tires
H.R. 5365	New duty suspension	8477.20.00 (3.1%)	Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of radial tires, the foregoing not containing in a single housing both components for processing rubber, assembling tire components, and for curing green tires of subheading 4011.10.10 designed for use on motor cars (including stations wagons), such tires with rim diameters measuring 38.10 cm or more but not greater than 50.8 cm, and tires of subheading 4011.20.10 designed for use on on-highway light trucks, and parts thereof

H.R. 5366	New duty reduction to 1.45%	8477.51.00 (3.1%)	Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of radial tires, the foregoing not containing in a single housing both components for processing rubber, assembling tire components, and for curing green tires of subheading 4011.10.10 designed for use on motor cars (including stations wagons), such tires with rim diameters measuring 38.10 cm or more but not greater than 50.8 cm, and tires of subheading 4011.20.10 designed for use on on-highway light trucks, and parts thereof
H.R. 5367	New duty reduction to 1.4%	8477.51.00 (3.1%)	Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of tubeless radial tires designed for off-the-highway earthmover (haulage) use, with section widths measuring 68.86 cm or more but not greater than 149.9 cm and rim diameters measuring 124.4 cm but not greater than 160.02 cm, such tires of a type classified in subheading 4011.94.40, and parts of such machinery
H.R. 5368	New duty suspension	8477.90.85 (3.1%)	Numerically controlled machinery for molding or otherwise forming uncured, unvulcanized rubber to be used in production of tubeless radial tires designed for off-the-highway earthmover (haulage) use, with section widths measuring 68.86 cm or more but not greater than 149.9 cm and rim diameters measuring 124.4 cm but not greater than 160.02 cm, such tires of a type classified in subheading 4011.94.40, and parts of such machinery

We would appreciate it very much if you could please advise us in regard to:

1. If your firm claims to produce the product or a competing product covered by the proposed legislation (bill) in the United States, please submit a written statement via email stating this.
2. If your firm wishes to oppose the bill, please submit this in your statement. This statement will be included in our report which will be made public.
3. If you wish to support the bill and believe your company will benefit from the duty suspension, you may send a written statement explaining your support.
4. Separate from the opposition statement, please estimate the value of the annual imports for the next 5 years of the subject product and email that to us.
5. Please also inform us of any additional U.S. manufacturers of these products, or any other U.S. companies that would benefit from this bill.

If you have comments, please send them to us for inclusion in our reports which we will be providing to the Committees. Please be sure to reference the bill numbers of concern. Also note, we are seeking publicly available information, not business confidential information.

Note that the House Ways and Means and the Senate Finance Committees, have a deadline for public comments on the bills by June 22, 2012 (CLOSED), at their respective websites listed below. Also, you may want to contact your House and Senate representatives with your comments.

House instructions and background on bills, including details regarding what is a controversial bill and what are competitive products

<http://waysandmeans.house.gov/News/DocumentSingle.aspx?DocumentID=296887>

For comments, please be sure to reference the bills of concern:

House (list of bills and link to make comment):

<http://waysandmeans.house.gov/mtb/mtbbills.htm>

Senate:

Public comments may be sent to MTB_PublicComments@finance.senate.gov.

Thank you.

Dennis Fravel

Dennis Fravel
International Trade Analyst
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436
tel.: 202-205-3404
fax: 202-205-2018
e-mail: dennis.fravel@usitc.gov

This e-mail, including any attachments, may contain information that is protected by law as confidential, and is transmitted for the sole use of the intended recipient. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying or retention of this e-mail or the information contained herein is strictly prohibited. If you have received this e-mail in error, please immediately notify the sender by telephone or reply e-mail, and permanently delete this e-mail from your computer system. Thank you.

112TH CONGRESS
2^D SESSION

H. R. 4842

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mr. WILSON 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 the date in the effective period column and inserting “12/
8 31/2015”.

9 (b) **EFFECTIVE DATE.**—The amendment made by
10 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.

○