



## 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/](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)):

Cabs designed for motor vehicles of subheading 8704.22, such cabs each measuring approximately 1470 mm in length, 2120 mm in width and 1700 mm in height and weighing not over 470 kg if such shell contains a dashboard and other interior fittings; each imported with a 4-cycle, 6-cylinder compression-ignition internal combustion engine of a direct injection type, water cooled, with a maximum output of 195 kw at 2500 RPM (provided for in subheading 8707.90.50).

(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 products, truck cabs, are used in the assembly of medium-duty trucks. These cabs are solely the enclosure for the driver and engine, and do not include the chassis. Germany, Mexico, Canada, and Japan are the major U.S. import suppliers under HTS subheading 8707.90.50. Opposition to this bill is noted below in the Contacts table.

## IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8707.90.50				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	1	1	1	1	1
Estimated value of <i>dutiable</i> imports (\$)	50,000,000	60,000,000	70,000,000	80,000,000	80,000,000
Customs revenue loss (\$)	500,000	600,000	700,000	800,000	800,000

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 was modified for greater clarity, and the reference to the appropriate permanent HTS subheading was added.

## VI. Continuation

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## 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	Hino Motors Manufacturing USA, Inc. (Interested entity) Sandy Ring	248-442-6888	No	No	No
2	Chrysler LLC Alexander Perkins	202-414-6765	No	No	No
3	Daimler Jeff Werner	202-649-4505	No	No	No
4	Navistar, Inc. Patrick Charbonneau	331-332-3448	Yes	Yes	Yes



Navistar, Inc.  
2701 Navistar Drive  
Lisle, IL 60532

Patrick Charbonneau  
VP, Government Relations

P : 331-332-3448  
W: patrick.charbonneau@navistar.com

May 31, 2012

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Baucus:

Navistar is writing to object to the tariff reduction provision for medium duty commercial vehicle cabs and 4-cylinder, 6-cylinder diesel engines contained in S. 2529.

Navistar is a major manufacturer of medium and heavy duty commercial vehicles and diesel engines. As a fully integrated vehicle manufacturer; the company operates foundries, cab stamping facilities, vehicle assembly plants, and engine assembly lines throughout the United States. Navistar's most popular medium duty commercial vehicle, the Dura Star, is stamped and assembled in Springfield, Ohio. The MaxxForce DT, the 6-cylinder medium duty diesel engine that powers the DuraStar, is built at engine plants in either Illinois or Alabama from components manufactured at Navistar facilities in Indiana, Illinois, Wisconsin, and South Carolina.

Like many original equipment manufacturers (OEM), Navistar is a global company. S. 2529 would reduce the current tariff on imported medium duty commercial vehicle cabs and diesel engines to 3% and would appear to benefit a Japanese medium and heavy duty commercial vehicle manufacturer. This is particularly troublesome as Japan has been identified by the US and EU governments as having one of the most difficult vehicle markets to penetrate because of a wide variety of non-tariff barriers which discriminate against foreign vehicle manufacturers. Navistar is concerned that trade barriers like these will further create an unlevel playing field for U.S. based products in foreign markets.

In closing, Navistar strongly objects to the tariff reduction contained in S.2529 and would urge the committee reject this proposal until Japan's nontariff barriers are addressed in a comprehensive trade agreement.

Sincerely,

Patrick Charbonneau

112TH CONGRESS  
2D SESSION

# S. 2529

To reduce temporarily the duty on certain truck cabs.

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IN THE SENATE OF THE UNITED STATES

MAY 7, 2012

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

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## A BILL

To reduce temporarily the duty on certain truck cabs.

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 TRUCK CABS.**

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	Cabs designed for motor vehicles of subheading 8704.22, each measuring 1470 mm in length, 2120 mm in width and 1700 mm in height and weighing not over 470 kg if such shell contains a dashboard and other interior fittings; such cabs each imported with 4-cycle, 6-cylinder compression-ignition internal combustion engines of a direct injection type, water cooled, with a maximum output of 195kw at 2500 RPM	3%	No change	No change	On or before 12/31/2015	”.
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1           (b) **EFFECTIVE DATE.**—The amendment made by  
2 subsection (a) applies with respect to goods entered, or  
3 withdrawn from warehouse for consumption, on or after  
4 the 15th day after the date of the enactment of this Act.

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