

BARNES, RICHARDSON & COLBURN

ATTORNEYS & COUNSELLORS AT LAW

1225 EYE STREET, N.W.

SUITE 1150

WASHINGTON, D.C. 20005

TELEPHONE: (202) 457-0300

FACSIMILE: (202) 331-8746

E-MAIL: barnes@brc-dc.com

<http://www.barnesrichardson.com>

475 PARK AVENUE SOUTH
NEW YORK, N.Y. 10016
TEL. (212) 725-0200
FACSIMILE (212) 889-4135

303 EAST WACKER DRIVE
SUITE 1100
CHICAGO, ILLINOIS 60601
TEL. (312) 565-2000
FACSIMILE (312) 565-1782

SPECIAL COUNSEL
ANSIS M. HELMANIS*

OF COUNSEL
DAVID O. ELLIOTT
GUNTER VON CONRAD

ROBERT F. SEELY

INTERNATIONAL TRADE ANALYST
AMY H. WARLICK

*NOT ADMITTED IN D.C.

RUFUS E. JARMAN, JR.
JAMES S. O'KELLY
ROBERT E. BURKE
DONALD J. UNGER
MATTHEW T. McGRATH
SANDRA LISS FRIEDMAN*
BRIAN F. WALSH*
KAZUMUNE V. KANO*
F.D. VAN ARNAM, JR.*
LAWRENCE M. FRIEDMAN*
ALAN GOGGINS
ROBERT A. SHAPIRO

CAROLYN D. AMADON*
STEPHEN W. BROPHY
MICHAEL J. CHESSLER
TSIONA COHEN*
JAMES B. DORAN*
DAVID G. FORGUE*
HARVEY KARLOVAC*
BEATA KOLOSA*
WILLIAM J. MURPHY*
CORTNEY M. O'TOOLE*
JOSEPH M. SPRARAGEN*
KEVIN J. SULLIVAN*
JANE E. WELSH*

June 7, 2002

The Honorable Philip M. Crane
Chairman
Subcommittee on Trade of the Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

Re: Comments in Support of Duty Suspension Bills: H.R. 4440

Dear Chairman Crane:

On behalf of our client, Oskosh Truck Corporation (OTC) of Oskosh, Wisconsin, and in accordance with the May 3, 2002 press release of the Subcommittee on Trade of the House Ways and Means Committee (Release No. TR-9), we hereby submit the following comments in support of proposed duty suspension bill H.R. 4440, to temporarily suspend the duty on fixed-ratio speed changers for truck-mounted concrete mixer drums. The bill was introduced by Representative Thomas Petri.

A fixed-ratio speed changer for a truck-mounted concrete mixer drum is the transmission that both drives and regulates rotation of the concrete mixer drum, which is mounted behind the cab of a concrete mixer truck. It is connected at one end to a hydraulic drum and motor system. It drives and regulates the speed and direction of rotation of the drum that contains the wet concrete. The mechanical fixed-ratio speed changer is bolted to the drum and to either a metal support base or directly to the vehicle chassis. OTC uses the subject devices in its rear discharge concrete mixer trucks manufactured by its McNeilus subsidiary in Dodge Center, Minnesota and in its front discharge concrete mixer trucks which are manufactured at the OTC plant in Oshkosh, Wisconsin.

Duty-free admission of this item would significantly help to promote production of cement mixer trucks in the United States, each of which must incorporate this

imported item. These trucks are manufactured both for domestic use and for export. Indirectly, adoption of the proposed legislation also would be beneficial to the U.S. construction industry.

There are no known U.S. producers of this type of fixed-ratio speed changer, and there are no known U.S. companies that have expressed publicly any intention to produce this type of product. The only U.S. producers of fixed-ratio speed changers manufacture them for other applications outside the narrow scope of this legislation. The fixed-ratio speed changers for truck-mounted concrete mixer drums are not designed, produced, or marketed for any other type of use. Manufacturer warranties are limited to the specified use only and may be negated by any other attempted use.

All U.S. producers of truck-mounted cement mixer drums incorporate this type of product into their special-purpose cement mixer trucks. It is an essential tool in preparation of concrete for use in commercial construction. U.S. concrete mixer manufacturers that must use this component include Advance Mixer Company of Ft. Wayne, IN; Beck Steel Company of Lubbock, TX; Kimble Mixer Company of New Philadelphia, PA; Five Star Corporation of Knoxville, IA; Oshkosh Truck Corporation of Oshkosh, WI, and Schwing Corporation of St. Paul, MN.

A fixed ratio speed changer for a truck-mounted concrete mixer is classifiable in subheading 8483.40.5050 of the Harmonized Tariff Schedule of the United States, which provides for "other fixed ratio speed changers." The U.S. General Rate of duty is 2.5 percent of entered value. Total annual duty payments on this type of fixed-ratio speed changer vary between \$350,000 and \$400,000.

It has come to our attention that the original language of HR 4440 incorrectly described the product as a "gear changer". While the original term "gear changer" does generally describe this product, in view of U.S. Customs classification ruling NY 180286 and the statutory language of HTSUS 8485.40.5010, which uses the term "speed changer", a modification of H.R. 4440 will be necessary to change the words "gear changers" as they appear in the bill to "speed changers."

For the foregoing stated reasons, and since the suspension should be treated as non-controversial, Oskosh Truck Corporation supports the above referenced bill and urges the Subcommittee to report favorably. Please contact the undersigned should you have any questions.

Sincerely,

Matthew T. McGrath
Barnes, Richardson & Colburn
Counsel to: Oskosh Truck Corporation