

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: September 8, 2008]²

Bill No. and sponsor: H.R. 5296 (Mr. Bob Inglis of South Carolina).

Proponent name,³ location: Michelin North America, Inc., Greenville, SC.

Other bills on product (110th Congress only): None.

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

Retroactive effect: From January 1, 2008.

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

Curing presses of a kind used to produce pneumatic truck and automobile tires having a tread width of at least 450 mm, such presses together with head of line selection equipment, and parts thereof (provided for in subheadings 8477.51.00, 8477.90.25, 8477.90.65 or 8477.90.85).

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:

Curing presses are used to shape tires and provide their tread pattern. Green tires⁴ are loaded into a mold in the curing press. The mold halves are pressed onto the tire, heat is applied, and the tire shape, tread pattern, sidewall markings of the manufacturer, and any marking required by law are applied. The tires will spend from approximately 12 to 25 minutes in the curing press molds, depending upon the size of the tire. Once the curing is completed, the press swings open, and finished tires are ejected from the molds, and then transferred to finishing and inspection. Truck and automobile tires with a tread width of 450 mm or greater are typically used on military vehicles, which need extra-wide tires, or certain vehicles used in the lumber industry.

The head of the line selection equipment is automated equipment to select green tires from a storage area near the curing press lines that have numerous curing presses. The head of the line selection equipment picks up green tires and moves them to curing presses that are ready to receive tires for curing. The head of the line selection equipment is integrated with the curing press operations, so that potential problems in loading green tires and unloading finished tires are eliminated. This system replaces manual loading and unloading of the presses. According to the proponent, the sources of imports are France and Sweden.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

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

⁴ Green tires are tires that have been assembled from components: tread, ply, steel belts, sidewalls, liner, and bead bundles that have been cured, or molded; together.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss 1/	\$294,500	\$201,500	\$201,500	\$201,500	\$201,500

1/ Retroactive reliquidations for covered goods entered during 2008 may result in a customs revenue loss of up to \$294,500, according to information available from the proponent, depending on the extent of importer requests and Customs' responses to them. See footnotes to tables below.

HTS subheading: <u>8477.51.00</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$2,000,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss 1/	\$62,000	\$46,500	\$46,500	\$46,500	\$46,500

1/ Commission staff estimates that \$2,000,000 in imports may be eligible for retroactive application under sec. 1(c) of H.R. 5296 based upon information from the proponent, resulting in approximately \$62,000 of customs revenue loss in 2008.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry estimates.

HTS subheading: <u>8477.90.25</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Customs revenue loss 1/	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000

1/ Commission staff estimates that \$1,000,000 in imports may be eligible for retroactive application under sec. 1(c) of H.R. 5296 based upon information from the proponent, resulting in approximately \$31,000 of customs revenue loss in 2008.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry estimates.

HTS subheading: 8477.90.65					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Customs revenue loss 1/	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000

1/ Commission staff estimates that \$1,000,000 in imports may be eligible for retroactive application under sec. 1(c) of H.R. 5296 based upon information from the proponent, resulting in approximately \$31,000 of customs revenue loss in 2008.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry estimates.

HTS subheading: 8477.90.85					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports	\$5,500,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Customs revenue loss 1/	\$170,500	\$93,000	\$93,000	\$93,000	\$93,000

1/ Commission staff estimates that \$5,500,000 in imports may be eligible for retroactive application under sec. 1(c) of H.R. 5296 based upon information from the proponent, resulting in approximately \$170,500 of customs revenue loss in 2008.

Source of estimated dutiable import data: Commission estimates based on U.S. Government statistics and industry estimates.

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)		
Michelin North America, Inc. (Proponent) Stan Pech, 864-458-6600	05/09/2008	No	No	No
Arc Machine, Inc. George Koberlein, Fax: 330-644-9273	04/04/2008	No	No	No
Bartell Machinery, LLC Jerry Eisenhart, Fax: 315-336-0947	04/29/2008	No	No	No
Bridgestone Firestone, Inc. Steve Akey, 202-354-8220	03/11/2008	No	No	No
Carlisle Industrial Components Bob Denham, 800-827-1001	03/28/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Denman Tire Corp. James Tuschner, jtuschner@denmantire.com	03/28/2008	No	No	No
Farrel Corp. Bill Flaherty, Fax: 203-736-5580	04/29/2008	No	No	No
Goodyear Tire & Rubber Co. Isabel Jasinowski, 202-682-9250	03/28/2008	No	No	No
Herbert Machine Works, Inc. Matthias Walter, Fax: 330-929-4298	04/04/2008	No	No	No
King Machine of Charlotte Dan Centea, 704-583-0486	04/04/2008	No	No	No
Kobelco Stewart Bolling, Inc. James P. Hill, j.hill@ksbi.com	04/08/2008	No	No	No
McNeil & NRM Bob Nelson, 330-253-2525	04/08/2008	No	No	No
Ohio Machine & Manufacturing Co., Inc. Mike Fike, Fax: 323-588-3338	04/08/2008	No	No	No
Purcell Tire & Rubber Co. Dennis Flynn, 573-438-2131	04/07/2008	No	No	No
Quality Mold, Inc. Steve Zoumberakis, Fax: 330-645-2493	04/04/2008	No	No	No
R & D Mold & Machine, Inc. Ken Owens, Fax: 931-379-0228	04/04/2008	No	No	No
Rogers Industrial Products, Inc. John R. Cole, 330-535-3331	04/04/2008	Yes	Yes	Yes
RJS Corp. Raymond Slezak, Fax: 330-896-3282	04/29/2008	No	No	No
RRR Development Co., Inc. Bob Irwin, 330-966-8855	04/04/2008	No	No	No
Specialty Tires of America, Inc. Mark Grant, 724-349-9010	03/28/2008	No	No	No
Steelastic LLC Brian Fetzer, Fax: 330-633-0527	04/04/2008	No	No	No
Titan International, Inc. Gary Schuster, 515-265-9403	04/08/2008	No	No	No
Wyko Tire Technology, Inc. Ismail Menguc, 865-856-2317	04/07/2008	No	No	No

Technical comments:⁵

The article description should be amended as shown on page 1. The bill as drafted indicated an intention to include parts and accessories of the subject presses, but it omitted the relevant HTS provisions for those parts. However, the nature of such accessories is not known, making it impossible to verify their tariff classification, and the description shown on page 1 therefore omits mention of these goods.⁶ HTS subheadings covering parts were included in the amended description. While the proposed language includes the “head of line selection equipment,” the language as written would likely require that this equipment be imported along with the presses to be eligible for duty-free entry (by virtue of the words “together with”). If such equipment is imported separately, and is not dedicated for this use by its physical characteristics, the equipment may be classified by Customs in another tariff provision not included in the scope of the duty suspension.

⁵ 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.

⁶ Email from Stan Pech, Michelin, to USITC staff, May 22, 2008.

110TH CONGRESS
2D SESSION

H. R. 5296

To suspend temporarily the duty on certain mold curing devices used in the manufacture of extra-wide pneumatic truck and automobile tires, and parts and accessories thereof.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2008

Mr. INGLIS of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain mold curing devices used in the manufacture of extra-wide pneumatic truck and automobile tires, and parts and accessories thereof.

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 MOLD CURING DEVICES USED IN THE**
4 **MANUFACTURE OF EXTRA-WIDE PNEUMATIC**
5 **TRUCK AND AUTOMOBILE TIRES, AND PARTS**
6 **AND ACCESSORIES THEREOF.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.01.00	Curing presses of a kind used to produce pneumatic truck and automobile tires, having the capacity of producing tires having a tread width of at least 450 mm, together with head of line selection equipment (provided for in subheading 8477.51.00), and parts and accessories thereof	Free	No change	No change	On or before 12/31/2011	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

7 (c) RETROACTIVE APPLICATION.—Notwithstanding
 8 section 514 of the Tariff Act of 1930 (19 U.S.C. 1514)
 9 or any other provision of law, upon proper request filed
 10 with U.S. Customs and Border Protection before the 90th
 11 day after the date of the enactment of this Act, any entry,
 12 or withdrawal from warehouse for consumption, of any
 13 good—

14 (1) that was made on or after January 1, 2008,
 15 and before the 15th day after the date of the enact-
 16 ment of this Act; and

17 (2) with respect to which there would have no
 18 duty if the amendment made by subsection (a) ap-
 19 plied to such entry or withdrawal,

- 1 shall be liquidated or reliquidated as if such amendment
- 2 applied to such entry or withdrawal.

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