

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 17, 2008]²

Bill No. and sponsor: H.R. 4743 (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: Extension of temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Machines for molding or forming pneumatic tires, the foregoing containing in a single housing both components for processing rubber, for positioning and assembling tire components (including but not limited to belts, cords, and other reinforcing materials) and for curing 'green tires' to produce finished pneumatic tires of heading 4011; parts of such machines (including molds); or molds entered separately (provided for in 8477.59.01, 8477.90.85, or 8480.71.80, respectively).

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:

The machines combine the tire-making operations of tire-building and tire curing. In tire-building, tire components (tread, ply,⁴ belts,⁵ sidewalls, liner,⁶ and bead bundles⁷) are assembled into an uncured, or "green" tire. First the carcass of the tire is developed, including the bead bundles, plies, sidewalls, and liner, and then the tread and underlying belts are assembled. The two subassemblies are then joined together. The green tires are then cured in a curing mold under intense pressure and high heat in order to cure the rubber into a durable tire. Simultaneous to the curing, the tread pattern and tire markings are molded into the tire. The finished tires are then ejected from the molds, and new green tires are placed in the mold for curing. Machines may operate several molds at once. The principal import sources of these machines are Japan, Taiwan, and Italy; for parts thereof, France and Japan; and for molds, France, Sweden, Japan, Portugal, and China.

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 Ply is a layer of steel cord wire that runs from side, to side upon which are layered steel belts and tread.

⁵ Steel cord belts are composed of steel filaments (i.e., wires) woven together to form cord. The cord is then woven into a belt that is used to reinforce the rubber in radial tires.

⁶ The inner liner is a nonpermeable rubber liner covering the inside of the tire from side to side that allows the tire to be inflated with air.

⁷ Tire bead is a loop of high-strength steel cable coated with rubber that is positioned on the inner diameter of the tire to seat the tire on the wheel rim.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss	\$0	\$418,500	\$418,500	\$418,500	\$418,500

HTS subheading: <u>8477.59.01</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	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Customs revenue loss 1/	\$0	\$108,500	\$108,500	\$108,500	\$108,500

1/ There is an existing duty suspension under HTS heading 9902.84.10 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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

HTS subheading: <u>8477.90.85</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	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Customs revenue loss 1/	\$0	\$124,000	\$124,000	\$124,000	\$124,000

1/ There is an existing duty suspension under HTS heading 9902.84.10 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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

HTS subheading: 8480.71.80					
	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	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
Customs revenue loss 1/	\$0	\$186,000	\$186,000	\$186,000	\$186,000

1/ There is an existing duty suspension under HTS heading 9902.84.10 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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
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

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
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	No	No	No
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	Yes	Yes	Yes
Specialty Tires of America, Inc. Mark Grant, 724-349-9010	03/28/2008	No	No	No
Steeelastic 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:⁸

None.

⁸ 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.

110TH CONGRESS
1ST SESSION

H. R. 4743

To extend the temporary suspension of duty on certain integrated machines for manufacturing pneumatic tires.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. INGLIS 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 integrated machines for manufacturing pneumatic tires.

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 INTEGRATED MACHINES FOR MANU-**
4 **FACTURING PNEUMATIC TIRES.**

5 (a) IN GENERAL.—Heading 9902.84.10 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 certain integrated machines for manufacturing pneumatic
8 tires) is amended by striking “12/31/2009” and inserting
9 “12/31/2011”.

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 enactment of this Act.

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