

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. 4747 (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)):

Machinery for molding or otherwise forming uncured, unvulcanized rubber, numerically controlled, the foregoing 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), and parts thereof (provided for in subheading 8477.51.00 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:

These machines mold or form uncured, unvulcanized⁴ rubber to be used in production of radial tires designed for certain off-the-highway use. The machines assemble the layers of rubber and fabric of which off-the-highway tires are composed. The machines consist of a belt building drum, tread applicator, belt servicer (a part transfer system), a tire carcass shaping station, and a stitcher assembly. Layer by layer, the tire is wound around the drum and then pressed into shape, producing a “green tire”⁵ that is not vulcanized, or baked together, and does not have any tread or identifying markings. These machines are numerically controlled.⁶ The principal import source of these machines is France.

Estimated effect on customs revenue:

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 Unvulcanized rubber is crude rubber that has not been cured with moisture and sulfur under heat and pressure; this curing process is vulcanization, and this changes the molecular bonds, imparting strength and hardness to the rubber.

⁵ 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.

⁶ The term “numerically controlled” means computer numerically controlled, in which the control system 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.

Total Estimated Revenue Loss for this Bill					
	2009	2010	2011	2012	2013
 					
Customs revenue loss	\$0	\$480,500	\$480,500	\$480,500	\$480,500

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	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss 1/	\$0	\$46,500	\$46,500	\$46,500	\$46,500

1/ There is an existing duty suspension under HTS heading 9902.84.88 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	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000
Customs revenue loss 1/	\$0	\$434,000	\$434,000	\$434,000	\$434,000

1/ There is an existing duty suspension under HTS heading 9902.84.88 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
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
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
Purcell Tire & Rubber Co. Dennis Flynn, 573-438-2131	04/07/2008	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:⁷

Two types of modifications to the existing article description are suggested on page 1. First, to reduce grammatical confusion, it is suggested that the criterion “numerically controlled” be moved so that it more clearly relates to the machines. Second, HTS subheading 4011.62.00 has been dropped from the parenthetical reference to the provisions covering the end product tires, although that subheading is in the description of existing heading 9902.84.88. Subheading 4011.62.00 refers to tires with a rim not exceeding 61 cm, but the language for HTS heading 9902.84.88 limits the class of covered machine tools to those for working iron or steel used in the production of radial tires “for use on a rim measuring 63.5 cm or greater.”

⁷ 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. 4747

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

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 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 9902.84.88 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain manufacturing equipment) is amended by striking
7 “12/31/2009” and inserting “12/31/2011”.

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

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