

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹

[Date approved: June 12, 2008]²

Bill No. and sponsor: H.R. 4945 (Mr. Earl Blumenauer of Oregon).

Proponent name,³ location: Bicycle Product Suppliers Association, Montgomeryville, PA.

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

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

Retroactive effect: None.

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

Variable speed hubs (except 2- and 3-speed) (provided for in subheading 8714.93.28).

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:

A hub is a type of gear system used on bicycles. Hub gears are used mostly on utility bicycles and various types of small-wheeled bicycles. The outer case of the hub gear unit, which is attached to the spokes, is made to turn at a different speed relative to the rear wheel's sprocket, depending on which gear is selected. Hub gears and lubricants are sealed within the hub of the bicycle's rear wheel. Gears are changed by a cable which is tightened or loosened by a lever or twist grip on the handlebars.⁴

This legislation covers all variable speed hubs with internal gear changing mechanisms, except:

- a. Aluminum alloy hubs each with a hollow axle and lever-operated quick release mechanism, or
- b. Two- and three-speed hubs.

¹ Industry analyst preparing report: Ralph Watkins (202-205-3492); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill. USITC staff identified ten additional beneficiaries of this bill that were not identified by the sponsor/proponent. Ten beneficiaries submitted written representations that they would benefit from this bill.

⁴ "Hub Gear," *Wikipedia*, found at http://en.wikipedia.org/wiki/Hub_gear, accessed April 17, 2008.

Germany is the leading supplier of hubs covered by HTS subheading 8714.93.28, followed by Japan and China. Germany supplied about \$250,000 of total dutiable imports of \$700,000 in 2007.

Estimated effect on customs revenue:

HTS subheading: 8714.93.28					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3%	3%	3%	3%	3%
Estimated value <i>dutiable</i> imports	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
Customs revenue loss	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000

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

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)		
Bicycle Product Suppliers Association (Proponent) Maureen Waddington, 215-393-3144	4/9/08	No	No	No
American Mentality, Inc. Rachel Rotz, 407-599-7255, ext. 100	4/9/08	No	No	No
Autocraft Industries, Inc. Kathy Walker, 405-350-3805	4/9/08	No	No	No
Bell Sports, Inc. Terry Stern, 800-456-2355	4/9/08	No	No	No
Calfee Design Craig Calfee, 831-728-1859	4/9/08	No	No	No
Cane Creek Cycling Components Lena Warren, 828-684-3551	4/10/08	No	No	No
Cannondale Bicycle Corp. Ron Lombardi, 203-749-7000	4/10/08	No	No	No
Castellano Designs John Castellano, 707-539-2710	4/10/08	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Compositech, Inc. Rick Cox, 317-481-1120	4/10/08	No	No	No
Crank Brothers Christina Orlandella christina@crankbrothers.com	4/10/08	No	No	No
DK Products, Inc. Chris Keller, 937-746-9075	4/14/08	No	No	No
Easton Sports John Harrington jharrington@eastonsports.com	4/10/08	No	No	No
Elite Bicycles David Greenberg, 215-732-8973	4/10/08	No	No	No
Fallbrook Technologies E. Barrios, 858-623-9557, ext. 115	4/24/08	No	No	No
Foes Fabrications Mitch Evans, 626-568-0328	4/11/08	No	No	No
Full Speed Ahead, Inc. John M. VanEnkevort, 425-488-8653	4/11/08	No	No	No
Gallop Cycle Corp. Grace Hsiao, 310-885-4300	4/11/08	No	No	No
Giant Bicycle, Inc. Russ Okawa, 805-267-4600	4/11/08	No	No	No
Griffen USA Mark Winters, 940-627-0102	4/14/08	No	No	No
The Hawley Co., Inc. Dave Carson, 803-359-3492	4/15/08	No	No	No
HB Performance Systems Clayton Goldsmith, 262-242-4300	4/15/08	No	No	No
Heron Bicycles Todd Kuzma, todd@kuzma.com	4/10/08	No	No	No
Hope Technology USA, Inc. Philip Dean, 936-756-5004	4/15/08	No	No	No
J&B Importers Burton Schwartz, 305-238-1866	4/16/08	No	No	No
Kelly Bike Chris Kelly, chris@kellybike.com	4/10/08	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Kestrel Bicycles, Advanced Sports, Inc. Evan Barnebey, 215-824-3854	4/16/08	No	No	No
KHS Bicycles, Inc. Greg O'Connell, 310-632-7173, ext. 213	4/15/08	No	No	No
Litespeed Brenda Howard, 800-229-0198	4/16/08	No	No	No
Mavic, Inc. Sean Sullivan, 978-469-8409	4/16/08	No	No	No
Moots Cycles Cathy Weidemer, 970-879-1676	4/10/08	No	No	No
Nobilette Cycles Mark Nobilette, 303-772-8139	4/10/08	No	No	No
Ochsner International, Inc. Othon Henry Ochsner, 847-465-8200	4/13/08	No	No	No
Odyssey/Bear Corp. Louie Pacheco, 562-623-9995	4/9/08	No	No	No
Parlee Cycles Tom Rodi, 978-977-7474	4/16/08	No	No	No
Performance, Inc. Jane Branscome, 919-933-9113	4/16/08	No	No	No
Permobil, Inc. Jennifer Finger, 800-736-0925	4/10/08	No	No	No
Planet Bike Erik Olson, 866-256-8510	4/17/08	No	No	No
Power Cranks Frank Day, fday@powercranks.com	4/12/08	No	No	No
Profile Design Grace Hsiao, 888-800-5999	4/15/08	No	No	No
Quality Bicycle Products, Inc. Matt Moore, 952-941-9391, ext. 1255	4/17/08	No	No	No
Raleigh America, Inc./Diamondback Bikes Bill Carl, 253- 395-1100	4/15/08	No	No	No
Rohloff, Inc. Thomas Siemann, 510-232-4833	4/12/08	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Saris Cycling Group, Inc. Kevin Fons, 608-274-6550	4/17/08	No	No	No
Scura Speed & Technology Brian Scura, Brian@projectsst.com	4/12/08	No	No	No
Sharp Sprockets Bill Sharp, Bill@sharpsprockets.com	4/12/08	No	No	No
Shimano American Corp. Allen Johnston, 949-951-5003	4/15/08	No	No	No
Sigma Sport USA, LLC Brian Orloff, 630-761-1107	4/17/08	No	No	No
Sinister Bikes, Freeride Endeavors Bruce Linehan, 978-865-9911	4/12/08	No	No	No
Snafu BMX Mike Collins, mike@revolution-ads.com	4/12/08	No	No	No
SRAM Corp. David Zimmeroff, 312-664-8800	4/13/08	No	No	No
Staats Bicycles Jason Halverson, 801-943-8502	4/13/08	No	No	No
Steelman Cycles Brent Steelman, 650-364-3939	4/13/08	No	No	No
Supercross BMX Bill Ryan, 760-240-526	4/15/08	No	No	No
Target Corp. Toni Dembski-Brandl, 612-696-2573	4/13/08	No	No	No
Todson, Inc. Karen Sweeney, 800-213-4561	4/16/08	No	No	No
Trek Bicycle Corp. Roger Gierhart, 920-478-2191	4/18/08	No	No	No
Wald Manufacturing Co., LLC Ralph Pawsat, 606-564-4078	4/18/08	No	No	No
Wal*Mart Stores, Inc. Mark Haney, Sandler Travis & Rosenberg mhaney@strtrade.com	4/13/08	No	No	No
Wanxiang America Corp. Gary Wetzal, 847-622-8838	4/18/08	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Woodman Components USA Jim Vincent, 978-282-1146	4/18/08	No	No	No
Worksman Bicycle Brake Corp. International Mark Worksman, mworksman@aol.com	4/13/08	No	No	No
WTB, Inc. Fred Falk, 800-975-2453	4/16/08	No	No	No
Zinn Cycles Lennard Zinn, zinn@comcast.net	4/13/08	No	No	No

Technical comments:⁵

None.

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.

110TH CONGRESS
2^D SESSION

H. R. 4945

To suspend temporarily the duty on variable speed hubs (except 2- and 3-speed).

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2008

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on variable speed hubs (except 2- and 3-speed).

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. VARIABLE SPEED HUBS (EXCEPT 2- AND 3-**
4 **SPEED).**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.01.00	Variable speed hubs (except 2- and 3-speed) (provided for in subheading 8714.93.28)	Free	No change	No change	On or before 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 the enactment of this Act.

○