

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 1, 2008]²

Bill No. and sponsor: H.R. 5112 (Mr. Kenny Hulshof of Missouri).

Proponent name,³ location: Ford Motor Co., Dearborn, MI.

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)):

Master cylinder assemblies for braking systems, not incorporating a vacuum booster, the foregoing designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8708.30.50).

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 master cylinder assembly supplies pressure to a vehicle braking system by means of two pistons in a cylinder that compress brake fluid. The system for a hybrid vehicle does not require a vacuum booster⁴ that is typical of a conventional vehicle. The unit controls the hydraulic pressure for the brakes and pushes the hydraulic fluid to the brake. In addition, the unit supports the regenerative braking function in a hybrid vehicle, allowing energy recovery during vehicle braking. This component is used with a hydraulic control unit to provide brake-by-wire braking for the hybrid vehicle; brake-by-wire systems are computer-controlled electronic braking systems. These assemblies are imported from Germany. Dutiable U.S. imports of all goods classified in HTS subheading 8708.30.50 (brakes, servo-brakes, and parts thereof for motor vehicles, other than tractors, of headings 8701 through 8705) amounted to over \$2.5 billion in 2007, primarily from China, Japan, Germany, Korea,⁵ and Brazil.

¹ Industry analyst preparing report: John Kitzmiller (202-205-3387); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to 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.

⁴ A vacuum booster eases braking by using engine vacuum to assist in brake application.

⁵ Only originating goods of Mexico under general note 12(t) to the HTS are eligible for duty-free entry under the North American Free Trade Agreement.

Estimated effect on customs revenue:

HTS subheading: 8708.30.50					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Customs revenue loss ^{1/}	\$0	\$112,500	\$112,500	\$112,500	\$112,500

^{1/} There is an existing duty suspension under HTS heading 9902.10.92 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill for 2009.

Source of estimated dutiable import data: Industry and Commission staff 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)		
Ford Motor Company (Proponent) J.T. Young, 202-962-5379	04/08/2008	No	No	No
American Honda Motor Co. Toni Harrington, 202-661-4400	04/08/2008	No	No	No
Bosch Auto Parts USA Norm Johnson, norman.johnson@us.bosch.com	04/08/2008	No	No	No
Chrysler LLC Yancy Molnar, 202-414-6732	04/11/2008	No	No	No
Delphi Corporation Dina Vizzaccaro, dina.vizzaccaro@delphi.com	04/08/2008	No	No	No
Denso International America, Inc. John Voorhorst, john_voorhorst@denso-diam.com	04/10/2008	No	No	No
Electronic Drive Transportation Assn. Genevieve Cullen, 202-408-0776	04/08/2008	No	No	No
General Motors Shirley Zebroski, 202-775-5082	04/10/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Johnson Controls, Inc. Mary Ann Wright, 414-524-1200	04/10/2008	No	No	No
Motor and Equipment Mfg. Assn. Catherine Boland, 202-312-9241	04/10/2008	No	No	No
Toyota David Vennett, dvennett@tma.toyota.com	04/08/2008	No	No	No
Visteon Corporation Lydia Brennan, lbrennan@visteon.com	04/10/2008	No	No	No
Volkswagen of America, Inc. Martha Brown, 248-754-5020	04/09/2008	No	No	No

Technical comments:⁶

None.

⁶ 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
2D SESSION

H. R. 5112

To extend the temporary suspension of duty on certain master cylinder assemblies for braking systems designed for use in hybrid vehicles.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2008

Mr. HULSHOF 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 master cylinder assemblies for braking systems designed for use in hybrid vehicles.

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 MASTER CYLINDER ASSEMBLIES FOR**
4 **BRAKING SYSTEMS DESIGNED FOR USE IN**
5 **HYBRID VEHICLES.**

6 (a) IN GENERAL.—Heading 9902.10.92 of the Har-
7 monized Tariff Schedule of the United States (relating to
8 certain master cylinder assemblies for braking systems de-
9 signed for use in hybrid vehicles) is amended by striking
10 “12/31/2009” and inserting “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.

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