

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 17, 2006]²

Bill No. and sponsor: S. 2922 (Mr. Jim Talent of Missouri).

Proponent name, location: Harley-Davidson Motor Co., Milwaukee, WI and Kansas City, MO.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Wheel spoke tightening machines suitable for use in the assembly of motorcycle wheels (provided for in subheading 8479.89.98).

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:

According to the proponent, these machines will be used exclusively to tighten the wheel spokes of motorcycle wheels during their assembly. The tightening results automatically in the truing of the wheel (i.e., making the rim round and concentric with the hub). The product is imported from France.

Estimated effect on customs revenue:

HTS subheading: 8479.89.98					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Customs revenue loss	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000

Source of estimated dutiable import data: Commission estimates based on industry information.

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.

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)		
Harley-Davidson Motor Co. (Proponent) Wayne Curtin, 414-343-8246	07/21/2006	No	No	No
Buchanan's Spoke & Rims Robert Buchanan, 626-969-4655	07/21/2006	No	No	No
Honda North America Kent Dellinger, 202-661-4400	07/21/2006	No	No	No
Kawasaki Motors Corporation U.S.A. Roger Hagie, 949-770-0400 x 2516	07/21/2006	No	No	No

Technical comments:³

Although the proponent has indicated the machine will have an exclusive use, we suggest using the “suitable for use” language now in the similar HTS provision for machinery for making bicycle wheels, to avoid the administrative and cost burdens of an actual use provision with Customs follow-up. The description as noted in the bill should be modified as noted on page 1. The separate permanent duty elimination provision for such machinery suitable for use in bicycle wheel assembly is heading 9817.84.01.

³ 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.

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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