



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

AC electric motors having an output rated at 37.5 W or more but not over 72 W, single phase, each equipped with a capacitor, a motor mount of plastics, a self-contained gear mechanism for oscillation and a speed control mechanism designed to be operated by means of an infrared remote control (provided for in subheading 8501.40.20).

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject products, electric motors, convert electrical energy to mechanical energy and are used in a wide range of applications. These electric motors have an output rating from 37.5 W to 72 W and are often used in household fans. China is the principal source of imports.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8501.40.20				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2.3	2.3	2.3	2.3	2.3
Estimated value of <i>dutiable</i> imports (\$)	6,800,000	7,200,000	7,600,000	8,100,000	8,500,000
Customs revenue loss (\$)	156,400	165,600	174,800	186,300	195,500

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The article description shown above has been modified slightly to make it clearer and more consistent with other headings. The proposed duty reduction in H.R. 5101 would cover a subset of the products covered under a current temporary duty suspension (HTS 9902.85.09) that will expire on December 31, 2012. The proposed duty reduction covers only motors with speed control mechanisms designed to be operated by means of an infrared remote control, while the previous duty suspension covered motors having all types of speed control mechanisms. If the intent is to subdivide or terminate the existing heading, or if a narrower provision such as that proposed by H.R. 5099 is desired, it would be helpful if that heading could be deleted from the HTS effective at the close of December 31, 2012. We note that, should the proposed heading be

enacted and enter into effect before that date, there would be an overlap in scope between heading 9902.85.09 and the proposed heading.

VI. Continuation

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VII. Contacts with domestic firms/organizations

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Lasko Products (Interested entity) Lawrence Bogard	202-861-2959	No	No	No
2	The Motor and Motion Association (SMMA) Bill Chambers	508-979-5935	No	No	No
3	National Electrical Manufacturers Association (NEMA) Craig Updyke	703-841-3294	No	No	No
4	Baldor John Malinowski	479-646-4711	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5101

To reduce temporarily the duty on certain AC electric motors of an output exceeding 37.5 W but not exceeding 72 W designed to be operated by means of an infrared remote control.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

A BILL

To reduce temporarily the duty on certain AC electric motors of an output exceeding 37.5 W but not exceeding 72 W designed to be operated by means of an infrared remote control.

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 AC ELECTRIC MOTORS OF AN OUT-**
4 **PUT EXCEEDING 37.5 W BUT NOT EXCEEDING**
5 **72 W DESIGNED TO BE OPERATED BY MEANS**
6 **OF AN INFRARED REMOTE CONTROL.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.01.00	AC electric motors of an output exceeding 37.5 W but not exceeding 72 W, single phase, each equipped with a capacitor, a motor mount of plastics, a self-contained gear mechanism for oscillation, and a speed control mechanism designed to be operated by means of an infrared remote control (provided for in subheading 8501.40.20)	1%	No change	No change	On or before 12/31/2015	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

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