



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 74.6 W or more but not over 115 W, single phase, each equipped with a capacitor rated over 4 microfarads, a rotary speed control mechanism and a motor mount cooling ring (provided for in subheading 8501.40.40).

(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 74.6 W to 115 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)	8501.40.40				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3	3	3	3	3
Estimated value of <i>dutiable</i> imports (\$)	13,000,000	13,500,000	14,100,000	14,600,000	15,200,000
Customs revenue loss (\$)	390,000	405,000	423,000	438,000	456,000

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 set forth above has been edited slightly to make it clearer and more consistent with other headings. The proposed duty reduction likely covers some products given a temporary duty suspension under HTS headings 9902.85.07 and 9902.85.08, which expired on December 31, 2009. The previous duty suspension included motors up to 105 watts while this proposed duty reduction includes motors with an output between 74.6 W and 115 W and with capacitors rated over 4 microfarads. It is suggested that the two expired headings be deleted from the HTS, if they are not renewed. We note as well that some of these motors could be covered by the heading proposed in H.R. 5094.

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. 5102

To reduce temporarily the duty on certain AC electric motors of an output exceeding 74.6 W equipped with a capacitor rated over 4 microfarads.

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 74.6 W equipped with a capacitor rated over 4 microfarads.

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 74.6 W EQUIPPED WITH A CA-**
5 **PACITOR RATED OVER 4 MICROFARADS.**

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

“	9902.01.00	AC electric motors of an output exceeding 74.6 W but not exceeding 115 W, single phase; each equipped with a capacitor rated over 4 microfarads, a rotary speed control mechanism and a motor mount cooling ring (provided for in subheading 8501.40.40)	1%	No change	No change	On or before 12/31/2015	”.
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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.

