



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)):

Sector molds certified by the importer for use in the production of radial tires designed for off-the-highway use with earthmover or mining vehicles (provided for in subheading 8480.79.90)

(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, sector molds, are the molds that are inserted into curing presses used in the final stage of tire manufacturing. This process begins with a green tire which is an assembled tire of the various tire components, including the metal belts and bead, inner liner, ply, and tread material. The green tire is placed in a sector mold in a curing press, where it is heated and the molecules of the various rubber components become cross-linked and thereby integrated. At the same time, the sidewalls and tread are molded onto the tire. This mold usually consists of two clamshell halves. Within each half are a number of segments, or molds of a portion of the tread. When the two clamshells come together with a green tire inside, the segments come together to form a tread, and the sidewall mold is on the central area of the clamshells. Then hot water, steam, or an inert gas is injected into the tire to push the green tire into the mold segments and clamshell. After the curing process is complete, the press opens up and ejects the tire. The principal sources of U.S. imports of the subject product are various countries in the EU, Japan, and China.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8480.79.90				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.1	3.1	3.1	3.1	3.1
Estimated value of <i>dutiable</i> imports (\$)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Customs revenue loss (\$)	310,000	310,000	310,000	310,000	310,000

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 modified in several respects for greater clarity. The phrase "primarily in

commercial mining and oil sands extraction operations tires" was deleted because tires for such purposes likely would be difficult to identify in the absence of specific criteria that relate them to machines used in such operations. Further, the term "tooling" used in the bill is a very broad term used in industry to refer to articles such as cutting tool, fixtures, and jigs. HTS heading 8480 has no "parts and accessories" provision, so that articles used as accessories with molds or parts of the mold will likely be classified in different HTS subheadings. Information from the interested entity does not provide a basis for suggesting appropriate language or tariff provisions relating to such parts. The importer certification requirement was added to facilitate administration by Customs.

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	Michelin North America, Inc. (Interested entity) Stan Pech	864-458-6600	No	No	No
2	Bartel Machinery Systems, LLC Jerry Eisnehart	315-336-7600	No	No	No
3	Bridgestone Americas Steven Akey	202-354-8220	No	No	No
4	Davis-Standard, LLC Joe Wnuk	860-599-1010	No	No	No
5	Goodyear Tire & Rubber Co. Isabel Jasinowski	202-682-9250	No	No	No
6	King Machine Michael J. Wells	704-583-0486	No	No	No
7	Kobelco Stewart Bolling, Inc. David Sealfon	330-655-3113	No	No	No
8	McNeil & NRM, Inc. Bill McNamara	330-253-2525	No	No	No
9	Northeast Tire Mold Stephanie Sipe	330-376-6107	No	No	No
10	Rogers Industrial Products, Inc. John R. Cole	330-535-3331	No	No	No
11	RJS Corp. Raymond Slezak	330-896-2387	No	No	No
12	RRR Development Co., Inc. Bob Irwin	330-966-8855	No	No	No
13	Spadone-Hypex, Inc. Jim Hasson	215-396-8005	No	No	No
14	Steelastic Co., LLC Brian Fetzer	330-633-0505	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5049

To suspend temporarily the duty on certain sector molds and tooling.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

Mr. DUNCAN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain sector molds and tooling.

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 SECTOR MOLDS AND TOOLING.**

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

“	9902.01.00	Sector molds and tooling certified for use in production of very large radial, “earthmover” tires, designed for off-the-highway use, primarily in commercial mining and oil sands extraction operations tires (provided for in sub-heading 8480.79.90)	Free	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.

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