



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)):

Stop valves certified by the importer as designed to be operated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts of such valves (provided for in subheading 8481.80.90 or 8481.90.90)

(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 product stop valves actuated by steam turbine hydraulic control systems and thermostatically controlled actuators are known to be produced domestically. However, these particular types of valves imported by the interested entity are custom made-to-order rather than being commodity types of valves. The principal sources of U.S. imports of the subject product are Korea, Japan, and the EU. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8481.80.90 or 8481.90.90 (See VI. Continuation)				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	2	2	2	2	2
Estimated value of <i>dutiable</i> imports (\$)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Customs revenue loss (\$)	100,000	100,000	100,000	100,000	100,000

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 was modified for greater clarity and reflects the addition of the HTS subheading for valve parts. The importer certification requirement was suggested as a way to facilitate Customs administration, given that no specific physical characteristics were enumerated that would enable a Customs officer to ascertain that a given valve is indeed designed for the stated purpose.

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	Westinghouse Electric Co. (Interested entity) Joanne Hyde	412-374-5650	No	No	No
2	Adams Valves USA Tim Martin	281-453-3750	No	No	No
3	American Foundry Society (AFS) Jerry Call	847-824-0181	Yes	Yes	Yes
4	Crane Nuclear Valve Co. John Visser	866-528-8323	No	No	No
5	Dresser-Rand Kevin Doane	607-427-3180	Yes	Yes	Yes
6	Flowserve Corp. Darren Wolz	801-489-2393	No	No	No
7	General Electric Co. Tim Richards	202-637-4407	No	No	No
8	Siemens Power Generation Russ Reader	407-736-5390	No	No	No
9	Weir Valve & Controls Co. William Fath	978-825-2560	No	No	No

Fravel, Dennis

From: Doane, Kevin M (PPT) <KDoane@Dresser-Rand.com>
Sent: Monday, July 23, 2012 10:08 PM
To: Fravel, Dennis
Cc: Farley, Jan E (HWH)
Subject: RE: Miscellaneous Tariff legislation on certain valves -- request for input

Dennis,

Gimpel Valve is a business unit of Dresser-Rand Company in the US. Gimpel produces stop valves and steel check valves similar to what you have identified below. Our stop valves use a globe body and are hand operated. The valves manufactured by our Gimpel business unit are manufactured in the US. The Gimpel valves are sold to steam turbine manufacturers, the oil & gas industry, nuclear and fossil fuel power plants and the US Navy. Gimpel Valve has an excellent reputation for providing high-quality, reliable valves.

We do not have any present intention to import any such valves into the US over the next five years. Dresser-Rand strongly opposes the referenced Bills – HR 5219, HR 5220, HR 5222, HR 5223, HR 5224, HR 5225, and HR 5226.

I am not aware of any other companies that manufacture similar valves.

Kevin Doane

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From: Dennis.Fravel@usitc.gov [mailto:Dennis.Fravel@usitc.gov]
Sent: Monday, July 23, 2012 1:21 PM
To: Doane, Kevin M (PPT)
Subject: Miscellaneous Tariff legislation on certain valves -- request for input

Dear Mr. Doane:

I am with the U.S International Trade Commission, an independent U.S. Government agency, and spoke with you this afternoon regarding certain valves that are used in U.S. nuclear facilities or other power generating facilities (HR 5220 in particular) and whether there is U.S. production of such valves (see table below). The Commission prepares reports on legislation concerning duty suspensions for the House Ways and Means and Senate Finance Committees. As a part of this process, the Commission attempts to identify and contact domestic firms and associations that may have an interest in the subject legislation.

Miscellaneous Tariff legislation regarding suspension of duties on U.S. imports of certain valves for nuclear facilities/other power facilities

Note: H.R. = House of Representatives; HTS = Harmonized Tariff Schedule of the United States

Bill No.	Bill action	HTS subheading number	Rate of duty (percent ad valorem)	Product as described in the bill
H.R. 5219	Temporary duty suspension thru 12/31/2015	8481.30.20	5.0%	Check valves of steel, having an opening approximately 7.62 cm. or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities
H.R. 5220	Temporary duty suspension thru 12/31/2015	8481.80.90	2.0%	Stop valves each designed to be actuated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts thereof
H.R. 5222	Temporary duty suspension thru 12/31/2015	8481.80.30	5.6%	Hand operated globe type valves of steel, having an opening less than approximately 7.62 cm. in diameter and certified by the importer as meeting ASME III certification requirements (but not meeting ASME B16.34 certification requirements) as approved for use in nuclear facilities
H.R. 5223	Temporary duty suspension thru 12/31/2015	8481.80.30	5.6%	Hand operated globe type valves of steel, having an opening less than approximately 7.62 cm. in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities
H.R. 5224	Temporary duty suspension thru 12/31/2015	8481.80.30	5.6%	Hand operated globe type valves of steel, having an opening approximately 7.62 cm. or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities
H.R. 5225	Temporary duty suspension thru 12/31/2015	8481.30.20	5.0%	Check valves of steel, having an opening approximately 7.62 cm. or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities
H.R. 5226	Temporary duty suspension thru 12/31/2015	8481.30.20	5.0%	Check valves of steel, having an opening less than approximately 7.62 cm. in diameter and certified by the importer as meeting ASME III certification requirements (but not meeting ASME B16.34 certification requirements) as approved for use in nuclear facilities

We would appreciate it very much if you could please advise us in regard to:

1. If your firm claims to produce the product or a competing product covered by the proposed legislation (bill) in the United States, please submit a written statement via email stating this. If your firm wishes to oppose the bill, please state this in your submission. Your statement will be included in our reports which submitted to Congress and eventually the reports will be made public.
2. If you intend to import the subject valves, would you please estimate the value of the annual imports for the next 5 years of the product and email that to us.
3. Please also inform us of any additional U.S. manufacturers of this product, or any other U.S. companies that would benefit from this bill.

If you have comments, please send them to us for inclusion in our reports which we will be providing to the Committees. Please be sure to reference the bill numbers of concern. Also note, we are seeking publicly available information, not business confidential information.

We will need your input for our reports on these bills by Thursday, July 26th. Please let us know if there is a problem with this deadline.

Note that the House Ways and Means and the Senate Finance Committees, have CLOSED (June 22, 2012) their periods for public comments on the bills. Thus, you may send your comments to us for inclusion in our reports. We also suggest that you may want to contact your House and Senate representatives with your comments.

House instructions and background on bills, including details regarding what is a controversial bill and what are competitive products

<http://waysandmeans.house.gov/News/DocumentSingle.aspx?DocumentID=296887>

For comments, please be sure to reference the bills of concern:

House (list of bills and link to make comment):

<http://waysandmeans.house.gov/mtb/mtbbills.htm>

Senate:

Public comments may be sent to MTB_PublicComments@finance.senate.gov.

Thank you.

Dennis Fravel

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July 10, 2012

Mr. Patrick Schneider
International Trade Analyst
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Dear Mr. Schneider:

On behalf of the American Foundry Society (AFS), we are writing to express our opposition to a number of measures that are part of the Miscellaneous Tariff Bills to suspend temporarily the duty on certain castings which are highlighted in the attached list.

AFS is the major trade and technical association for the North American metalcasting industry, with over 7,000 members, representing 2,100 metalcasters in America. U.S. foundries provide employment for over 200,000 men and women directly and support thousands of other jobs indirectly. Metal castings (iron, steel, and aluminum) are the foundation for all other manufacturing, and have been a vital building block in every sector that relies on castings. In fact, 90 % of all manufactured goods incorporate engineered castings into their makeup. Foundries are predominantly small businesses, with 80% having less than 100 employees.

Imported castings now comprise nearly 25 percent of the market, with more than a quarter of these imports coming from China where energy, labor, tax and material costs are substantially lower partly due to government subsidies.

The specific products covered in the attached list would compete directly with castings that can be readily produced at competitive prices in the U.S. by a number of domestic foundries. The suspensions of duties and subsequent importation of these castings, will not only hurt the competitiveness of American foundries, but will result in lost jobs. For these reasons, we would object to the adoption of these measures, as stand-alone bills or their inclusion in any larger Miscellaneous Tariff Bills package compiled by Congress.

Thank you for your consideration of our views in this matter. Please feel free to contact me if you have any specific questions related to our position on this provision.

Sincerely,

A handwritten signature in black ink that reads 'Jerry Call'.

Jerry Call
Executive Vice President
American Foundry Society



The American Foundry Society opposes the following bills contained in the

HR 4627 - To extend and make a technical correction to the temporary suspension of duty on certain cast stainless steel single-piece exhaust gas manifolds.

HR 4828 - To suspend temporarily the duty on certain aluminum alloy profiles.

HR 4950 - To suspend temporarily the duty on certain drive-axles.

HR 4951 - To suspend temporarily the duty on non-driving axles.

HR 4952 - To suspend temporarily the duty on gear boxes.

HR 5219 - To suspend temporarily the duty on check valves of steel, having an opening approximately 7.62 cm or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities.

HR 5220 - To suspend temporarily the duty on stop valves each designed to be actuated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts thereof.

HR 5222 - To suspend temporarily the duty on hand operated globe type valves of steel, having an opening less than approximately 7.62 cm in diameter and certified by the importer as meeting ASME III certification requirements...for use in nuclear facilities.

HR 5223 - To suspend temporarily the duty on hand operate globe type valves of steel, having an opening less than approximately 7.62 cm in diameter and certified by the importer as meeting ASME B16.34 certification requirements...for use in nuclear facilities.

HR 5224 - To suspend temporarily the duty on hand operated globe type valves of steel, having an opening approximately 7.62 cm or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements...for use in nuclear facilities.

HR 5225 - To suspend temporarily the duty on check valves of steel, having an opening approximately 7.62 cm or more in diameter and certified by the importer as meeting ASME B16.34 certification requirements as approved for use in nuclear facilities.

HR 5226 - To suspend temporarily the duty on check valves of steel, having an opening less than approximately 7.62 cm. in diameter and certified by the importer as meeting ASME III certification requirements (but not meeting ASME B16.34 certification requirements) as approved for use in nuclear facilities.

HR 5524 - To suspend temporarily the duty on cast-iron engine crankcases for marine propulsion engines, each measuring more than 1.1 meters in length.

HR 5527 - To suspend temporarily the duty on fuel injection pumps (for compression-ignition engines), each weighing 60 kilograms or more and functional in a common rail fuel system with a pressure.

HR 5551 - To reduce temporarily the duty on golf club driver heads.

HR 5553 - To reduce temporarily the duty on golf club iron heads.

HR 5554 - To reduce temporarily the duty on golf club putter heads.

HR 5555 - To reduce temporarily the duty on golf wedge club heads.

HR 5556 - To suspend temporarily the duty on hybrid golf club heads.

7/10/2012 – American Foundry Society

112TH CONGRESS
2^D SESSION

H. R. 5220

To suspend temporarily the duty on stop valves each designed to be actuated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts thereof.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

A BILL

To suspend temporarily the duty on stop valves each designed to be actuated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts thereof.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. STOP VALVES EACH DESIGNED TO BE ACTU-**
 2 **ATED BY STEAM TURBINE HYDRAULIC CON-**
 3 **TROL SYSTEMS AND THERMOSTATICALLY**
 4 **CONTROLLED BY AN ELECTROHYDRAULIC**
 5 **ACTUATOR, AND PARTS THEREOF.**

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	Stop valves each designed to be actuated by steam turbine hydraulic control systems and thermostatically controlled by an electrohydraulic actuator, and parts thereof (provided for in subheading 8481.80.90)	Free	No change	No change	On or before 12/31/2015	”.
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10 (b) EFFECTIVE DATE.—The amendment made by
 11 subsection (a) applies with respect to goods entered, or
 12 withdrawn from warehouse for consumption, on or after
 13 the 15th day after the date of the enactment of this Act.

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