



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)):

Dry nickel-metal hydride batteries of either 3.6 V or 4.8 V (provided for in subheading 8507.50.00)

(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, a dry nickel-metal hydride battery of either 3.6 volts or 4.8 volts, is a type of rechargeable battery. This battery uses positive electrodes made of nickel oxyhydroxide and negative electrodes made of hydrogen-absorbing cadmium. These products are very commonly marketed as AA-sized batteries, many of them rechargeable batteries for consumer electronics. Principal U.S. import source of these batteries is China.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8507.50.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	3.4	3.4	3.4	3.4	3.4
Estimated value of dutiable imports (\$)	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Customs revenue loss (\$)	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000

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 based on input from the interested entity. H.R. 5420 as drafted includes all dry nickel-metal hydride batteries classifiable in HTS subheading 8507.60.00. However, the interested entity has requested that the bill be limited to include only those dry nickel-metal hydride batteries of either 3.6 volts or 4.8 volts.

VI. Continuation

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	IBM Corp. (Interested entity) John Adamo	720-395-1427	No	No	No
2	BASF Corp. Mark Stephenson	800-889-9845	No	No	No
3	Cobasys Betty Chalmers	248-620-5700	No	No	No
4	FDK America, Inc. Akinori Kagawa	408-215-6500	No	No	No
5	Ford Motor Co. Michael Sheridan	202-785-6014	No	No	No
6	General Motors Brad Welling	202-775-5041	No	No	No
7	Honda Motor Co., Ltd. Kent Dellinger	202-661-4400	No	No	No
8	Spectrum Brands, Inc. Dave Prichard	608-278-6141	No	No	No
9	Toyota Motor Co. Yuri Unno	202-463-6802	No	No	No

112TH CONGRESS
2D SESSION

H. R. 5420

To suspend temporarily the duty on dry nickel-metal hydride batteries.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

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

A BILL

To suspend temporarily the duty on dry nickel-metal hydride batteries.

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. DRY NICKEL-METAL HYDRIDE BATTERIES.**

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	Dry nickel-metal hydride batteries (provided for in subheading 8507.50.00)	Free	No change	No change	On or before 12/31/2015	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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