



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)):

Golf club driver heads (provided for in subheading 9506.39.00)

(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 products are assembled with shafts and grips to produce finished clubs, specifically drivers. A golf club driver's main use is in making longer shots off the tee or down the fairway. Driver club heads are usually made of hollow steel, titanium, or composite materials. The shaft enters the head at the top corner nearest to the player through a hollow tube, known as a hosel, in such a way that the face of the head is roughly at a right angle to the shaft. A typical driver head is somewhat spherical in shape with a slightly bulging club face and a flattened sole. Driver club heads are each designed with a face having differing loft (the angle between a vertical plane and the club face when the club is at rest). The loft of a driver club head face (not the upward direction of a golf swing) makes a golf ball leave the ground on an ascending outward trajectory. The principal import source of heads for golf club drivers as well as other parts of golf clubs (shafts, grips, and club heads other than for drivers) is China. Taiwan is the leading alternative source for club heads. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	9506.39.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	0.3	0.3	0.3	0.3	0.3
Estimated value of <i>dutiable</i> imports (\$)	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Customs revenue loss (\$)	135,000	135,000	135,000	135,000	135,000

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

None

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	Sporting Goods Manufacturers Association (Interested entity) Bill Sells	301-495-6321	No	No	No
2	Acushnet Company Bill Sells	301-495-6321	No	No	No
3	American Foundry Society Jerry Call	847-824-0181	No	Yes	Yes
4	Callaway Golf Kim Taylor	760-804-4240	No	No	No
5	Cleveland Golf Don Reino	714-889-1640	No	No	No
6	Innovex Golf, Inc. Jeff Butcher	425-338-9633	No	No	No
7	Karsten Manufacturing Corp. Dawn Grove	602-687-5086	No	No	No
8	Taylor Made Golf Company, Inc. Amit Kumar	760-918-6103	No	No	No



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
2D SESSION

H. R. 5551

To reduce temporarily the duty on golf club driver heads.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2012

Mr. BILBRAY (for himself and Mr. NEAL) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reduce temporarily the duty on golf club driver heads.

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. GOLF CLUB DRIVER HEADS.**

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	Golf club driver heads (provided for in sub- heading 9506.39.00)	4.6%	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

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

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