



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)):

Electric vehicles for the transport of eight or more persons (including the driver), such vehicles with no doors or side windows (provided for in subheading 8702.90.60 or 8703.10.50)

(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 goods are specialty vehicles powered by electric motors, when such vehicles are designed for the transport of eight or more persons and are not intended to traverse roadways. Not included in the range of subject goods are vehicles specially designed for traveling on snow (HTS subheading 8703.10.10), all-terrain vehicles (HTS subheading 8703.21.00), low speed vehicles (LSVs) (HTS 8703.90), and works trucks (HTS heading 8709). The principal source of U.S. imports is China. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	8703.10.50, 8702.90.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	2.25	2.25	2.25	2.25	2.25
Estimated value of <i>dutiable</i> imports (\$)	5,300,000	5,800,000	6,400,000	7,000,000	7,700,000
Customs revenue loss (\$)	119,250	130,500	144,000	157,500	173,250

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 to describe more closely the products imported by the interested entity. Further, the parenthetical HTS reference was expanded to reflect that the subject products are classified under an additional subheading not specified in the bill as drafted.

VI. Continuation

Estimated effect on revenue- continued:

The rate in Part IV. is a weighted average rate and not the actual HTS rate or a percentage point reduction.

HTS No. 8703.10.50 (2%)

2013 - 53,000

2014 - 58,000

2015 - 64,000

2016 - 70,000

2017 - 77,000

HTS No. 8702.90.60 (2.5%)

2013 - 66,250

2014 - 72,500

2015 - 80,000

2016 - 87,500

2017 - 96,250

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	Specialty Vehicles, Inc. (Interested Entity) Nancy Munoz	702-567-5256	No	No	No
	2	Road Rat Motors Justin Jackrel	352-376-6275	No	No	No
	3	Textron Inc. Steve Wein	401-457-2326	Yes	Yes	Yes

From: [Wein, Steve](#)
To: [Coffin, David](#)
Subject: RE: Question re Cushman and Tariff Legislation
Date: Wednesday, July 18, 2012 3:24:17 PM

David: Yes – Cushman produces the Shuttle products in its facility in Augusta, Georgia.

Steve

From: David.Coffin@usitc.gov [mailto:David.Coffin@usitc.gov]
Sent: Wednesday, July 18, 2012 3:23 PM
To: Wein, Steve
Subject: RE: Question re Cushman and Tariff Legislation

Steve,

Looking back at your email, I realized you didn't say specifically whether E-Z-GO's Cushman brand manufactures products in the U.S. I assumed that the intent of your email was to say that E-Z-GO does produce in the U.S., but I just wanted to double-check that it does in fact produce here.

Thank you for your help.

David

From: Wein, Steve [mailto:SWein@textron.com]
Sent: Thursday, July 12, 2012 9:16 AM
To: Coffin, David; Thomas, Gordon
Cc: Heffline, Darryl
Subject: RE: Question re Cushman and Tariff Legislation

David: In response to your note below, E-Z-GO's Cushman brand does manufacture products that compete with the products you describe below (our Shuttle vehicles) and E-Z-GO therefore opposes the proposed duty reduction legislation. Let me know if you need any additional information.

Steve

Steven A. Wein
Associate General Counsel - Industrial Segment
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USA
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From: David.Coffin@usitc.gov [<mailto:David.Coffin@usitc.gov>]

Sent: Wednesday, July 11, 2012 3:23 PM

To: Thomas, Gordon; Wein, Steve

Subject: RE: Question re Cushman and Tariff Legislation

Thank you Gordon.

Steve:

I am David Coffin with the U.S. International Trade Commission (Commission), an independent organization in the U.S. government, which among other things, provides advice to the President and Congress on matters of international trade. The Commission prepares reports on proposed legislation concerning temporary duty suspensions for Ways and Means and Senate Finance Committees.

I am writing to make your company aware of proposed legislation S. 2534 (see attached) that would temporarily eliminate the ad valorem tariff rates for certain open-air electric vehicles described in this bill through December 31, 2015. The tariff would be reduced from 2.5 or 2 percent to zero. I believe Cushman produces some vehicles that may either fit within this bill or compete with vehicles that do.

Note: The product description has changed to: "Electric vehicles for the transport of eight or more persons with no doors or side windows (provided for in subheading 8703.10.50 or 8702.90.60)," which is different from the language originally proposed in the bill.

We would appreciate hearing from you regarding the following:

- Do you support or oppose the proposed duty reduction legislation for S. 2534?
- Do you make the products or competing products in the United States?

If you have a view (pro or con) about this bill, please email me by July 18th. If you have any questions, please call or email me.

Best Regards,

David Coffin

From: Thomas, Gordon [<mailto:GThomas@dc.textron.com>]
Sent: Wednesday, July 11, 2012 3:20 PM
To: Coffin, David; Wein, Steve
Subject: Question re Cushman and Tariff Legislation

David,

I am referring your question to Steve Wein in the Textron Legal Department at our Providence, RI headquarters. Steve works directly for the Textron Industrial business units, which includes Cushman. Steve formerly worked in our Washington office and dealt then with tariff legislation, among other issues.

Thanks,
Gordon Thomas

From: David.Coffin@usitc.gov [<mailto:David.Coffin@usitc.gov>]
Sent: Wednesday, July 11, 2012 3:14 PM
To: Thomas, Gordon
Subject: Question

Mr. Thomas,

Peder Andersen gave me your information. I'm looking to contact someone at Cushman regarding a miscellaneous tariff bill for electric carts. Is there another person in Textron's DC office that you recommend that I contact? Thank you for your help.

Best Regards,

David Coffin
International Trade Analyst
Office of Industries
[International Trade Commission](#)
202-205-2232

112TH CONGRESS
2D SESSION

S. 2534

To suspend temporarily the duty on specially designed vehicles, not elsewhere specified or indicated.

IN THE SENATE OF THE UNITED STATES

MAY 7, 2012

Mr. REID introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on specially designed vehicles, not elsewhere specified or indicated.

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. SPECIALLY DESIGNED VEHICLES, NOT ELSE-**

4 **WHERE SPECIFIED OR INDICATED.**

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

“	9902.01.00	Specially designed vehicles, not elsewhere specified or indicated (provided for in sub-heading 8703.10.50)	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 with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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