

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: September 28, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 1926 (Mr. Hulshof)

**Proponent name, location:** Ford Motor Company  
Dearborn, MI

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through Dec. 31, 2008.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Controllers for electronic power assisted steering systems, rated at 80 amperes at 12 V, the foregoing designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8537.10.90).

**Check one:**  Same as that in bill as introduced  
 Different from that in bill as introduced (See Technical comments section)

**Product information, including uses/applications and source(s) of imports:**

The subject controllers, in general, monitor the sensors in, and provide the power and electricity to, the steering assist motor of a vehicle's steering system. This function is accomplished through the use of a system-specific microprocessor and software programmed for an electric system that drives certain types of power circuits to help operate the vehicle's steering. The specific controller covered by the bill and designed for use in hybrid motor vehicles works by monitoring a hybrid-specific vehicle message which indicates the vehicle is in "operate mode" (which includes modes of operation in which the engine speed is at zero revolutions per minute (rpm) and the vehicle is operating in electric-only mode) so that the steering system operates properly and without interruption. In contrast, controllers designed for use in conventional vehicles must monitor engine speed and disable the power to the steering assist motor if the engine speed goes below an established threshold that is above zero rpms. The country of origin of the subject product is Japan.

<sup>1</sup> Industry analyst preparing report: Falan Yinug (202-205-2160); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [www.usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

**Estimated effect on customs revenue:**

<b>HTS subheading: 8537.10.90</b>					
	2005	2006	2007	2008	2009
<del>Col. 1-General rate of duty</del>					
Col. 1-General rate of duty	2.7%	2.7%	2.7%	2.7%	2.7%
Estimated value <i>dutiable</i> imports	\$1,975,956	\$1,975,956	\$1,975,956	\$1,975,956	\$1,975,956
Customs revenue loss <sup>3</sup>	\$53,351	\$53,351	\$53,351	\$53,351	\$53,351

Source of estimated dutiable import data: Commission staff and industry estimates.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Ford Motor Company [proponent] J.T. Young, 202-962-5379	June and July, 2005 <sup>4</sup> and 8/17/2005 8/18/2005	No	No	No
Automotive Aftermarket Industry Assn. Lee Kadrich, 301-654-6664	7/26/2005	No	No	No
Daimler Chrysler Bill Craven, 202-414-6711; Jeff Werner, 202-414-6742	7/26/2005 8/1/2005	No	No	No
Delphi Corporation Dina Vizzaccaro, 202-824-0412	7/26/2005	No	No	No

<sup>3</sup> On May 18, 2005, Toyota announced that it would start production of a hybrid version of the Toyota Camry in Georgetown, Kentucky. Toyota stated that it will begin producing as many as 48,000 Camry hybrids in the Kentucky plant, starting in late 2006. In addition, Nissan has announced plans to start manufacturing hybrid vehicles in the United States in 2006, and Ford plans to add three hybrid models to its current hybrid line-up by 2008. Though it is impossible to know with certainty whether this proposed production will occur (and if so what the actual production volumes will be through 2009), imports of controllers for these vehicles may increase and, thus, customs revenue loss under the proposed heading would likely increase. The estimated import value and revenue loss provided in this report do not reflect any increase in imports that may result from this proposed future production.

<sup>4</sup> Most contact with the proponent was coordinated through the ITC's automotive parts analyst, Deborah McNay.

Electronic Drive Transportation Assn. Genevieve Cullen, 202-408-0776	7/25/2005 7/29/2005	No	No	No
General Motors Shirley Zebroski, 202-775-5082	7/26/2005	No	No	No
Honda North America Dan Tate, 202-955-5390	7/26/2005	No	No	No
Toyota North America, Inc. Martha Voss, 202-463-6834	7/25/2005	No	No	No
Visteon Corporation Lydia Allen, <a href="mailto:lallen62@visteon.com">lallen62@visteon.com</a>	7/27/2005	No	No	No
Volkswagen David Woodruff, 202-842-5800	7/26/2005	No	No	No

**Technical comments:<sup>5</sup>**

It is suggested that “the foregoing” be inserted before “designed” to clarify grammatically the good that must be designed for use in hybrid motor vehicles. With respect to the descriptor “hybrid,” which is not defined in the bill or in a legal provision of the HTS, no additional criteria are suggested because no confusion about the nature of these vehicles has been noted during the preparation of this report.

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<sup>5</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS  
1ST SESSION

# H. R. 1926

To suspend temporarily the duty on module and bracket asy-power steering.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

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

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## A BILL

To suspend temporarily the duty on module and bracket  
asy-power steering.

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. MODULE AND BRACKET ASY-POWER STEERING.**

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:

“	9902.85.02	Controllers for electronic power assisted steering systems, rated at 80 amperes at 12 V, designed for use in hybrid motor vehicles of heading 8703 (provided for in subheading 8537.10.90) .....	Free	No change	No change	On or before 12/31/2008	”.
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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 enactment of this Act.

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