

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: April 20, 2006]²

Bill No. and sponsor: H.R. 3066 (Mr. Jim Nussle of Iowa).

Proponent name, location: Deere and Company, Moline, IL.

Other bills on product (109th Congress only): None.

Nature of bill: Permanent amendment to the Harmonized Tariff Schedule of the United States to establish a separate tariff category for certain agricultural tractor parts and body accessories and provide permanent duty-free treatment of the subject parts.

Retroactive effect: None.

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

<u>Heading/ Subheading</u>	<u>Article Description</u>	<u>Rates of Duty General</u>
8708	Parts and accessories of the motor vehicles of headings 8701 to 8705: Other parts and accessories of bodies (including cabs):	
8708.29	Other:	
8708.29.05	For tractors suitable for agricultural use	Free
	For other vehicles:	
8708.29.40	Inflators and modules for air bags	2.5%
8708.29.43	Door assemblies	2.5%
8708.29.46	Body stampings	2.5%
8708.29.49	Other	2.5%

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 products covered under the proposed separate tariff category for agricultural tractor parts and body accessories include inflators and modules for air bags, door assemblies, sheet metal body stampings, and headliners. Because the subject products for agricultural tractors are being separated from a broad HTS category, leading import sources can not be accurately identified. However, Germany is believed to be a source of dutiable imports of the subject products.³

¹ Industry analyst preparing report: Linda White (202-205-3427); Tariff Affairs contact: Jan Summers (202-205-2605).
² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.
³ Based on official U.S. Government statistics and Customs Ruling NY G89130, classification 8708.29.2000 and 8708.29.5060.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill					
	2005	2006	2007	2008	2009
Customs revenue loss	\$72,250	\$72,250	\$72,250	\$72,250	\$72,250

HTS subheading: <u>8708.29.10</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
Customs revenue loss	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000

Source of estimated dutiable import data: Industry sources and Commission estimate.

HTS subheading: <u>8708.29.15</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000
Customs revenue loss	\$30,750	\$30,750	\$30,750	\$30,750	\$30,750

Source of estimated dutiable import data: Industry sources and Commission estimate.

HTS subheading: <u>8708.29.50</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	2.5%	2.5%	2.5%	2.5%	2.5%
Estimated value <i>dutiable</i> imports	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500

Source of estimated dutiable import data: Industry sources and Commission estimate.

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?
Deere and Company (Proponent) Mr. John Rauber, 202-223-4817	11/14/2005	No	Yes	No
Association of Equipment Manufacturers Ms. Megan Carpentier, 202-898-9064	11/17/2005	No	No	No
Equipment Manufacturers Council Mr. Keith Epperson, 703-524-0810	11/17/2005	No	No	No
Farm Equipment Manufacturers Association Mr. Robert Schnell, 314-878-2304	11/17/2005	No	No	No
North American Equipment Dealers Assoc. Mr. Michael Williams, 636-349-5000	11/17/2005	No	No	No

Technical comments:⁴

We suggest changing superior text language “For other motor vehicles:” to read “For other vehicles:” to conform with tariff language used for similar breakouts of agricultural tractors from other vehicles covered under HTS heading 8708. We can assist in providing all applicable special and column 2 duty rates for the dutiable provisions in question if the bill is redrafted.

⁴ 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. 3066

To amend the Harmonized Tariff Schedule of the United States to provide separate tariff categories for certain tractor body parts.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2005

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

A BILL

To amend the Harmonized Tariff Schedule of the United States to provide separate tariff categories for certain tractor body parts.

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. CERTAIN TRACTOR BODY PARTS.**

4 (a) IN GENERAL.—Chapter 87 of the Harmonized
5 Tariff Schedule of the United States is amended by strik-
6 ing subheadings 8708.29.10 through 8708.29.50, and in-
7 serting the following new subheadings and superior text,
8 with the article description for subheading 8708.29.05 and
9 the superior text to subheading 8708.29.40 having the
10 same degree of indentation as the article description for

1 subheading 8708.31.10, and with the article descriptions
 2 for subheadings 8708.29.40 through 8708.29.49 having
 3 the same degree of indentation as the article description
 4 for subheading 8708.70.05:

“	8708.29.05	For tractors suitable for agricultural use:	Free		25%	
		For other motor vehicles:				
	8708.29.40	Inflators and modules for air bags	2.5%	Free (A, AU, B, CA, CL, E, IL, J, JO, MX, SG)	25%	
	8708.29.43	Door assemblies	2.5%	Free (A, AU, B, CA, CL, E, IL, J, JO, MX, SG)	25%	
	8708.29.46	Body stampings	2.5%	Free (A, AU, B, CA, CL, E, IL, J, JO, MX, SG)	25%	
	8708.29.49	Other	2.5%	Free (A, AU, B, CA, CL, E, IL, J, JO, MX, SG)	25%	”.

5 (b) EFFECTIVE DATE.—The amendment made by
 6 subsection (a) applies to goods entered, or withdrawn from
 7 warehouse for consumption, on or after the 15th day after
 8 the date of the enactment of this Act.

