



## MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved August 20, 2012

### I. Background

Bill number: H.R. 5523

Sponsor name: Mr. Joe Wilson

Sponsor state: SC

#### Interested entity:

Name Tognum America, Inc.

City Graniteville

State SC

Other bills on product (112th Congress only): S. 2912 (Mr. Carl Levin, MI)

Nature of bill: Temporary duty suspension

Expiration date: December 31, 2015

Current or previous chapter 99 heading: None

Retroactive date: None

CAS number (if applicable): None

Industry analyst: Ruben Mata

Telephone: 202-205-3403

Tariff Affairs contact: Jan Summers

Telephone: 202-205-2605

#### Note:

1. Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](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)):

Fuel injectors each designed to function in a common rail fuel system and deliver fuel at a pressure greater than 120 MPa (1200 bar) (provided for in subheading 8481.80.90)

(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 is a part for powerful diesel engines producing 1000-3000 KW of power, such as engines for power generation units, large mining equipment, and large marine vessels. An injector is mounted in each cylinder head of the engine, directly above the piston. The injector delivers a fine mist of diesel fuel into the cylinder after the fuel was pressurized by a pump. The pressure of the fuel delivered by the injector is greater than 1200 bar, which is a level of pressure that allows for more precise control of the injection timing and spray pattern in the cylinder. The fuel injector has a steel body, needle-type plunger, and control springs, and piezo crystals to control the movement of the needle. The timing of the spraying is controlled by the engine computer. This type of fuel injector system reportedly results in efficient combustion of fuel over a wide range of power output, thus leading to lower environmental emissions and improved fuel economy. The principal source of U.S. imports of the subject product is Germany.

## IV. Estimated effect on customs revenue

| Subject product HTS subheading(s)                            | 8481.80.90 |            |            |            |            |
|--------------------------------------------------------------|------------|------------|------------|------------|------------|
| Item                                                         | 2013       | 2014       | 2015       | 2016       | 2017       |
| Col.1-general rate of duty or percentage point reduction (%) | 2          | 2          | 2          | 2          | 2          |
| Estimated value of <i>dutiable</i> imports (\$)              | 44,000,000 | 46,000,000 | 49,000,000 | 53,000,000 | 57,000,000 |
| Customs revenue loss (\$)                                    | 880,000    | 920,000    | 980,000    | 1,060,000  | 1,140,000  |

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 for greater clarity and reflects the conversion of the original pressure standard to a metric unit commonly used in the HTS. S. 2912 is identical to H.R. 5523.

**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 | Tognum America, Inc. (Interested entity)<br>John Gallagher<br>Robert Kyle | 703-812-4857<br>202-637-5600 | No                                                         | No                  | No               |
|  | 2 | Caterpillar<br>Christopher Myers                                          | 202-466-0671                 | No                                                         | No                  | No               |
|  | 3 | Cummins<br>Marya Rose<br>Todd Wieland                                     | 812-377-3892                 | No                                                         | No                  | No               |
|  | 4 | Detroit Diesel<br>Kristin Smith                                           | 202-730-4965                 | No                                                         | No                  | No               |
|  | 5 | General Motors<br>Brad Welling                                            | 202-775-5041                 | No                                                         | No                  | No               |
|  | 6 | John Deere<br>Sarah Dean                                                  | 202-423-2286                 | No                                                         | No                  | No               |
|  | 7 | Navistar<br>Patrick Charbonneau                                           | 331-332-3448                 | No                                                         | No                  | No               |

112TH CONGRESS  
2D SESSION

# H. R. 5523

To suspend temporarily the duty on fuel injectors each functional in a common rail fuel system with a pressure greater than 1200 bar.

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IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2012

Mr. WILSON of South Carolina 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 fuel injectors each functional in a common rail fuel system with a pressure greater than 1200 bar.

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. FUEL INJECTORS EACH FUNCTIONAL IN A**  
4                       **COMMON RAIL FUEL SYSTEM WITH A PRES-**  
5                       **SURE GREATER THAN 1200 BAR.**

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

|   |            |                                                                                                                                                  |      |           |           |                         |    |
|---|------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|-----------|-------------------------|----|
| “ | 9902.01.00 | Fuel injectors each functional in a common rail fuel system with a pressure greater than 1200 bar (provided for in sub-heading 8481.80.90) ..... | Free | No change | No change | On or before 12/31/2015 | ”. |
|---|------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|-----------|-------------------------|----|

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 the enactment of this Act.

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