

## SUSPENSION OF DUTY ON CERTAIN BICYCLE PARTS

DECEMBER 30 (legislative day DECEMBER 28), 1970.—Ordered to be printed

Mr. LONG, from the Committee on Finance,  
submitted the following

### REPORT

[To accompany H.R. 19670]

The Committee on Finance, to which was referred the bill (H.R. 19670) to suspend the duties on certain bicycle parts and accessories until the close of December 31, 1973, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### PURPOSE

The purpose of H.R. 19670 is to suspend to the close of December 31, 1973, the duties on imports of certain bicycle parts and accessories. The temporary suspension of duties would only apply to imports from countries to which the United States extends most-favored-nation treatment, under column 1 of the Tariff Schedules of the United States.

#### GENERAL STATEMENT

The Committee on Ways and Means of the House received testimony from representatives of the domestic bicycle industry with regard to their difficulties in competing with imported bicycles. H.R. 19670 is intended to improve the competitive ability of domestic producers of bicycles by temporarily suspending the duty on imports of certain bicycle parts and accessories, thereby reducing their costs.

The bill would temporarily suspend the duty on generator lighting sets for bicycles provided for in item 653.39 of the Tariff Schedules of the United States (TSUS). Imports under TSUS item 653.39 are dutiable at 19 percent ad valorem, and such duty is not scheduled for further reduction pursuant to any trade agreement concession. Generator lighting sets for bicycles are not produced domestically and apparently no domestic manufacturer is interested in making such sets.

H.R. 19670 would also suspend the duty on derailleurs, caliper brakes, drum brakes, three-speed hubs incorporating coaster brakes, three-speed hubs not incorporating coaster brakes, click twist grips, click stick levers, and multiple freewheel sprockets. These parts and accessories presently are dutiable under TSUS item 732.36 at the rate of 21 percent. The rate of duty under item 732.36 was subject to a tariff concession pursuant to the Kennedy Round of Trade Negotiations and is scheduled for further reduction to 15 percent ad valorem by January 1, 1972.

The committee is informed that with the exception of coaster brakes and click stick levers the parts and accessories imported under TSUS item 732.36, on which the duty would be suspended temporarily, are not produced domestically. With regard to coaster brakes, which are produced in the United States, the bill would assure that only coaster brakes that are physically joined to three-speed hubs would be accorded duty-free entry. The committee understands that the domestic producer of click stick levers, who is a manufacturer of bicycles, does not object to the temporary duty suspension on this article. As to the other articles included under TSUS item 732.36 on which the duty would be suspended by H.R. 19670, the committee is informed that there appears to be no domestic manufacturer interested in making the articles for sale in competition with low-priced, foreign-made articles.

In view of the above, the temporary suspension of duty on the bicycle parts and accessories provided for in H.R. 19670 would be beneficial to domestic manufacturers of bicycles, particularly in competing with imported bicycles.

Your committee received no objection from any interested government agency to the bill.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED  
 APPENDIX TO THE TARIFF SCHEDULES  
 Part 1.—Temporary legislation

Item	Articles	Rates of Duty		Effective Period
		1	2	
911.70	Copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last (provided for in item 674.42, part 4F, schedule 6), and parts thereof provided for in items 674.50, 674.51, and 674.53.	Free	Free	On or before 6/30/72.
912.06	Generator lighting sets for bicycles (provided for in item 663.39, part 3F, schedule 6)	Free	No change	On or before 12/31/75.
912.10	Derailleurs, caliper brakes, drum brakes, three-speed hubs incorporating coaster brakes, three-speed hubs not incorporating coaster brakes, click twist grips, click stick levers, multiple freewheel sprockets (provided for in item 732.56, part 5C, schedule 7)	Free	No change	On or before 12/31/75.
915.25	Articles constituting a bona fide gift from a member of the Armed Forces of the United States serving in a combat zone (within the meaning of section 112(c) of the Internal Revenue Code of 1954) to the extent such articles in any shipment do not exceed \$50 in aggregate retail value in the country of shipment and with such limitations on the importation of alcoholic beverages and tobacco products as the Secretary of the Treasury may prescribe, if such articles were purchased in or through authorized agencies of the Armed Forces of the United States or in accordance with regulations prescribed by the Secretary of Defense	Free (see head-note 2 of this subpart).	Free (see head-note 2 of this subpart).	On or before 12/31/71.

