

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: May 23, 2008]²

Bill No. and sponsor: H.R. 4981 (Mr. Jim Ramstad of Minnesota).

Proponent name,³ location: 3M Corporation - Automotive Division, St. Paul, MN.

Other bills on product (110th Congress only): None.

Nature of bill: Extension of temporary duty provision with modifications through December 31, 2011.

Retroactive effect: None.

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

Catalytic converter mounting mats of ceramic fibers, 4.7625 mm or more in thickness, such fibers certified by the importer as containing over 65 percent by weight of aluminum oxide (provided for in subheading 6806.10.00), the foregoing designed for use in motor vehicles of heading 8703.

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 catalytic converter mat mounts⁴ are used in automotive catalytic converters and are fitted inside the metal canister part of the catalytic converter assembly, wrapping around the catalytic converter's ceramic honeycomb substrate. As the converter heats up, the mats provide support and cushioning between the substrate and the metal canister. The products also function as an internal heat insulator. These mats are imported by the proponent from Japan and delivered to a contract manufacturer who laminates them as needed, die cuts them to specifications, packages them and stores the finished sizes for later shipment to 3M customers in the United States.

Catalytic converter mats for automobiles are produced in Japan by IBIDEN CO., Ltd. and Mitsubishi Chemical Functional Products Co. (MAFTEC) and in the United Kingdom by Saffil. Various materials including aluminum oxide can be used to produce the mats. According to the proponent, there is no U.S. production of ceramic mounting mats made from high alumina content ceramic fibers produced by a sol-gel manufacturing process. The proponent's InteramTM mats are produced with patented technology. Competing products, such as those offered by Saffil or IBIDEN or MAFTEC, are not manufactured in the United States. There is one U.S. manufacturer, Unifrax Corporation, which produces such mats based either on vermiculite or on non-intumescent (non-expanding) heat absorbing materials other than alumina.

¹ Industry analyst preparing report: Vincent DeSapio (202-205-3435); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

⁴ Marketed by 3M Corporation under the trade name Interam.TM

Estimated effect on customs revenue:

HTS subheading: 6806.10.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.9%	3.9%	3.9%	3.9%	3.9%
Estimated value <i>dutiable</i> imports	\$6,750,000	\$6,500,000	\$6,200,000	\$6,000,000	\$5,800,000
Customs revenue loss 1/	\$101,250	\$253,500	\$241,800	\$234,000	\$226,200

1/ There is an existing duty reduction under HTS heading 9902.25.72 that expires on December 31, 2009. The revenue loss for 2009 reflected above is the difference between the temporary duty rate of 1.5% and the proposed free duty rate.

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

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

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
3M Corporation - Automotive Division, St. Paul, MN (Proponent) Mildred Haynes, 202-414-3000	3/20/08	No	No	No
Unifrax Corporation, Niagara Falls, NY Paul Boymel, 716-278-3800	3/25/08	No	No	No

Technical comments:⁵

Telephone conversations with officials of Customs and Border Protection indicate that the language used in the existing heading presents problems of interpretation, because it defines the product in terms of the chemical composition of the product and requires testing to verify the percentage of aluminum oxide in the finished good. We suggest that an importer certification provision be included to facilitate administration and speed the liquidation of entries, so that the article description would appear as shown on page 1.

⁵ 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.

110TH CONGRESS
2D SESSION

H. R. 4981

To extend and modify the temporary suspension of duty on certain catalytic converter mats of ceramic fibers.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2008

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

A BILL

To extend and modify the temporary suspension of duty on certain catalytic converter mats of ceramic fibers.

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 CATALYTIC CONVERTER MATS OF CE-**
4 **RAMIC FIBERS.**

5 (a) IN GENERAL.—Heading 9902.25.72 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 certain catalytic converter mats of ceramic fibers) is
8 amended—

9 (1) by striking “1.5%” and inserting “Free”;

10 and

1 (2) in the effective period column, by striking
2 the date contained therein and inserting “12/31/
3 2011”.

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

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