

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: July 29, 2008]²

Bill No. and sponsor: H.R. 4988 (Mr. John E. Peterson of Pennsylvania).

Proponent name,³ location: Arkema Inc., Philadelphia, PA.

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

Nature of bill: Extension of temporary duty suspension through December 31, 2011.

Retroactive effect: None.

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

Micro-porous, ultrafine, spherical polyamide powders of modified polyamide-6 (CAS No. 356040-79-4), modified polyamide-12 (CAS No. 338462-62-7), and modified polyamide 6,12 (CAS No. 356040-89-6) (provided for in subheadings 3908.10.00 or 3908.90.70).

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 consist of specialty micro-porous, ultrafine, spherical polyamide powders of modified nylon-6, nylon-12, and nylon-6,12 copolymer. These polyamides are polymerized from the monomer for nylon-6 and nylon-12, together with other monomers, such that some of the products may comprise less than 95 percent by weight of nylon-6, nylon-12, or nylon-6,12 in the polymer matrix, respectively.⁴ The subject powders are used in niche market areas of the cosmetics industry as a carrier of pigments and as an absorbent of oils on the skin. Personal care/cosmetics marketers also use the resins to provide products with superior texture and a “soft-to-the-touch” feel. The products are also used by manufacturers of industrial coatings, paints, and varnishes in niche market areas to increase abrasion resistance, texturing, and gloss control in UV-cured coatings. The products are imported from Germany.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

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 According to subheading Note 1(a)(1) to HTS Chapter 39, polyamide polymers containing monomer constituents of less than 95 percent by weight of the total polymer composition would be provided for in HTS subheading 3908.90.70.

Estimated effect on customs revenue:

Total Estimated Revenue Loss for this Bill					
	2009	2010	2011	2012	2013
Customs revenue loss 1/	\$0	\$482,500	\$486,625	\$490,750	\$498,450

1/ There is an existing duty suspension under HTS heading 9902.39.08 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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

HTS subheading: <u>3908.10.00</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	6.3%	6.3%	6.3%	6.3%	6.3%
Estimated value <i>dutiable</i> imports	\$5,700,000	\$5,750,000	\$5,800,000	\$5,850,000	\$5,900,000
Customs revenue loss 1/	\$0	\$362,250	\$365,400	\$368,550	\$371,700

1/ There is an existing duty suspension under HTS heading 9902.39.08 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

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

HTS subheading: <u>3908.90.70</u>					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$1,835,000	\$1,850,000	\$1,865,000	\$1,880,000	\$1,950,000
Customs revenue loss	\$0	\$120,250	\$121,225	\$122,200	\$126,750

1/ There is an existing duty suspension under HTS heading 9902.39.08 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission and U.S. 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)		
Arkema Inc. (Proponent) Charles Kitchen, 215-419-7615	05/23/2008	No	Yes	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	05/24/2008	No	No	No
Clariant Corporation Andrew Zamoyski, az@azamoyski.com	05/24/2008	No	No	No
DSM Engineering Plastics - America Vernon Comeaux, 248-799-3511 Deborah Dykema, 812-435-7624	05/24/2008	No	No	No
DuPont Helen McMahon, 302-992-2263	05/24/2008	No	No	No
EMS CHEMIE (North America), Incorporated Guido Hobi, 803-481-6143	05/24/2008	No	No	No
Evonik Degussa Corporation Ron Birnbaum, 973-541-8391 Michael Brobst, 973-541-8089	05/24/2008	No	Yes	Yes
LANXESS Corporation Jamie Schaeffer, 412-809-3666 Luke W. Bumgardner, 412-809-3675	05/24/2008	No	No	No
Solutia, Incorporated Kassie D. Wooten, kdwoot@solutia.com	05/24/2008	No	No	No

Technical comments:⁵

The Commission staff suggests that the article description of heading 9902.39.08 be modified as shown on page 1 of this report to include CAS numbers for identification. The Commission staff also notes that the terms “micro-porous” and “ultrafine” are somewhat relative and should be further clarified by specific quantitative descriptors.

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. 4988

To extend the temporary suspension of duty on Orgasol.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2008

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

A BILL

To extend the temporary suspension of duty on Orgasol.

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. ORGASOL.**

4 (a) IN GENERAL.—Heading 9902.39.08 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Orgasol) is amended by striking the date in the effective
7 period column and inserting “12/31/2011”.

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