

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2008]²

Bill No. and sponsor: H.R. 5209 (Mrs. Ellen O. Tauscher of California).

Proponent name,³ location: Applied Materials, Inc., Santa Clara, California.

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

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

Retroactive effect: None.

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

Pressure hose with red jacket having an outside diameter of 42 mm and an inside diameter of 32 mm (provided for in subheading 3917.39.00).

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 product is described as a pressure hose with red jacket having an outside diameter of 42 millimeters (1.65 inches) and an inside diameter of 32 millimeters (1.26 inches). The proponent did not identify the foreign source of imports of the subject product, but China, Taiwan, the United Kingdom, and Germany are the principal suppliers under HTS subheading 3917.39.00.

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

Estimated effect on customs revenue:

HTS subheading: 3917.39.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports 1/	\$140,000,000	\$140,000,000	\$140,000,000	\$140,000,000	\$140,000,000
Customs revenue loss	\$4,340,000	\$4,340,000	\$4,340,000	\$4,340,000	\$4,340,000

1/ The estimates are based on total dutiable U.S. imports under HTS subheading 3917.39.00 because the proponent did not provide estimates of future imports of the subject product. The estimates exceed the likely future imports of the subject product because subheading 3917.39.00 is a basket category that covers a wide range of products that are not covered by this bill. Therefore, the customs revenue loss that will result from this bill is likely to be lower than the amount shown in the table above.

Source of estimated dutiable import data: Official U.S. Government statistics.

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)	
Applied Materials, Inc. (Proponent) Joe Pasetti, 202-638-4434	04/28/2008	No	No	No
BASF Corporation Gregory Thies, gregory.thies@basf.com	05/10/2008	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	05/09/2008	No	No	No
Colorite Plastics Company (Tekni-plex/Swan) George Pomianek, 800-631-1577	05/09/2008	No	No	No
Dow Chemical Company Max Turnipseed, mctint@cox.net	05/10/2008	No	No	No
DuPont Helen McMahon, 302-992-2263	05/10/2008	No	No	No
Flexon Industries David Rauch, 973-824-5530	05/09/2008	No	No	No
Gilmore Gardening Innovations Tammi Baker, 800-458-0107	05/09/2008	No	No	No
Goodyear Isabel Jasinowski, 202-682-9250	05/12/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
LANXESS Corporation Jamie Schaeffer, 412-809-3666	05/09/2008	No	No	No
Rubber Manufacturers Association Steve Teslik, steslik@rma.org Dan Mustico, 202-682-4866	05/09/2008	Yes	Yes	Yes
Teknor Apex Company Jack McGraf, 800-289-6786	05/10/2008	No	No	No
Veeter-Root Eva Chambers, 860-651-2879	05/10/2008	No	No	No
Zeon Chemicals, LP John Stothard, 502-775-2082	05/10/2008	No	No	No

Technical comments:⁴

The Commission staff notes that the subject product is probably classified in HTS subheading 3917.39.00. In addition, the broad product description in the proposed duty suspension may make the provision difficult to administer. The broad description could result in a wide range of pressure hoses qualifying for the duty suspension, thereby increasing the possible revenue loss. Given that the proponent is probably interested in obtaining a temporary duty suspension for a very specific type of pressure hose, the term “pressure hose” in the article description of the proposed duty suspension should be replaced with a product description that includes the specific characteristics of the hose, such as a minimum burst pressure and the reinforcing materials that are used in its construction.

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.

110TH CONGRESS
2D SESSION

H. R. 5209

To suspend temporarily the duty on Pressure Hose with red jacket, 42 millimeters outside diameter × 32 millimeters inside diameter.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2008

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on Pressure Hose with red jacket, 42 millimeters outside diameter × 32 millimeters inside diameter.

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. PRESSURE HOSE WITH RED JACKET, 42 MILLI-**
4 **METERS OUTSIDE DIAMETER × 32 MILLIME-**
5 **TERS INSIDE DIAMETER.**

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	Pressure Hose with red jacket, 42 millimeters outside diameter × 32 millimeters inside diameter (provided for in subheading 3917.32.00)	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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