

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. 5423 (Mr. Mike Ferguson of New Jersey).

Proponent name,³ location: BASF Corp., Florham Park, NJ.

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

Nature of bill: Extension with modification of temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

Polyisobutylene (CAS No. 9003-27-4) (provided for in subheading 3902.20.50).

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 used in a wide variety of applications, including adhesives, sealants, trans-dermal patches, and ostomy bag ring components. The product is also used as a base for chewing gums, including bubble gum, and those with functional purposes such as the distribution of nicotine, vitamins, pain relievers, and tooth decay prevention. The subject product is imported from Germany and Italy.

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 identified one additional beneficiary of this bill. USITC staff sent an inquiry to the named beneficiary and received a response from the beneficiary. The beneficiary submitted a written representation that it would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: 3902.20.50					
	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	\$20,500,000	\$21,000,000	\$21,700,000	\$22,600,000	\$23,600,000
Customs revenue loss 1/ 2/	\$0	\$735,000	\$759,500	\$791,000	\$826,000

1/ There will be no customs revenue loss related to this bill for 2009 because section 1(b) of the bill provides that it will not be effective until January 1, 2010.

2/ The estimated customs revenue loss for 2010-2013 is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 3.0 percent ad valorem, a reduction of 3.5 percentage points. 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)		
BASF Corp. (Proponent) Gregory A. Thies, gregory.thies@basf.com	05/19/2008	No	No	No
Arkema, Inc. Charles Kitchen, 215-419-7615	05/20/2008	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	05/19/2008	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400 Max Turnipseed, 225-338-0310	05/19/2008	No	No	No
DuPont Helen McMahon, 302-992-2263 Elaine Olsen, 302-992-2263	05/19/2008	No	No	No
Evonik Industries Ron Birnbaum, 973-541-8391	05/20/2008	No	No	No
LANXESS Corporation Jamie Schaeffer, 412-809-3666	05/19/2008	No	No	No
Novamont SpA Max Turnipseed, mctint@cox.net	05/19/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Rit-Chem Company, Inc. Bruce Ritell, 914-769-9110 Gary Ritell, 914-769-9110 Henry Ritell, 914-769-9110 Wayne Ritell, 914-769-9110	05/20/2008	No	No	No

Technical comments:⁴

The Commission staff recommends that the article description on page 1 of this report be used in HTS heading 9902.24.37 to provide the correct HTS subheading reference, and to incorporate the chemical name that is used in superior HTS subheading 3902.20.⁵

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.

⁵ USITC staff correspondence with Frank Cantone, National Import Specialist, U.S. Customs Service, New York, NY, May 19, 2008.

110TH CONGRESS
2D SESSION

H. R. 5423

To extend and modify the suspension of duty on polyisobutylene.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2008

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

A BILL

To extend and modify the suspension of duty on
polyisobutylene.

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. POLYISOBUTYLENE.**

4 (a) REDUCTION OF DUTY ON POLYISOBUTYLENE.—
5 Heading 9902.24.37 of the Harmonized Tariff Schedule
6 of the United States (relating to 1-Propene-2-methyl
7 homopolymer) is amended—

8 (1) in the general rate of duty column, by strik-
9 ing “Free” and inserting “3%”; and

10 (2) in the effective period column, by striking
11 “12/31/2009” and inserting “12/31/2011”.

1 (b) **EFFECTIVE DATE.**—The amendments made by
2 subsection (a) shall take effect on January 1, 2010.

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