

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: May 5, 2008]²

Bill No. and sponsor: H.R. 4363 (Mr. Brian Baird of Washington).

Proponent name,³ location: Solvay Chemicals Inc., Alpharetta, GA.

Other bills on product (110th Congress only): H.R. 4362 (Mr. Brian Baird of Washington).

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)):

Mixtures of 2-*tert*-amyl-9,10-anthraquinone (CAS No. 32588-54-8) and 2-isoamyl-9,10-anthraquinone (CAS No. 68892-28-4) (provided for in subheading 2914.69.90) or in organic solution (provided for in subheading 3824.90.28).

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 are used to produce hydrogen peroxide. They are imported from The Netherlands.

Estimated effect on customs revenue:

H.R. 4362 and H.R. 4363 are closely related because they each amend HTS heading 9902.24.05. H.R. 4362 would amend the article description of HTS heading 9902.24.05, but it would not extend the current duty suspension. Instead, it would provide retroactive duty-free treatment to imports of products covered by the amended article description that were entered after December 31, 2006 and before the date that is 15 days after the date of enactment. H.R. 4363 would extend the duty suspension that is provided under HTS heading 9902.24.05. It would not, however, amend the article description of HTS heading 9902.24.05. The revenue loss estimates assume that both bills would be enacted.

¹ Industry analyst preparing report: L. Johnson (202-205-3351); Tariff Affairs contact: D. 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.

Total Estimated Revenue Loss for H.R. 4362 and H.R. 4363							
	2007	2008	2009	2010	2011	2012	2013
Customs revenue loss <u>1/</u>	\$332,750	\$332,750	\$332,750	\$332,750	\$332,750	\$332,750	\$332,750

1/ Although there is an existing duty suspension under HTS heading 9902.24.05, the duty suspension has not been effective because the article description contained an incorrect CAS number. The estimated customs revenue loss for 2007 and 2008 would result from the enactment of H.R. 4362. The estimated customs revenue loss for 2009-2013 would result from the enactment of H.R. 4363 and the modification of the article description of HTS heading 9902.24.05 that is provided for in H.R. 4362.

HTS subheading: <u>2914.69.90</u>							
	2007	2008	2009	2010	2011	2012	2013
Col. 1-General rate of duty	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$2,475,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,475,000	\$2,475,000
Customs revenue loss <u>1/</u>	\$136,125	\$136,125	\$136,125	\$136,125	\$136,125	\$136,125	\$136,125

1/ See above.

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

HTS subheading: <u>3824.90.28</u>							
	2007	2008	2009	2010	2011	2012	2013
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$3,025,000	\$3,025,000	\$3,025,000	\$3,025,000	\$3,025,000	\$3,025,000	\$3,025,000
Customs revenue loss <u>1/</u>	\$196,625	\$196,625	\$196,625	\$196,625	\$196,625	\$196,625	\$196,625

1/ See above.

Source of estimated dutiable import data: 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)		
Solvay Chemicals Inc. (Proponent) Max Turnipseed, 225-338-0310	02/12/2008	No	No	No
Aithaca Corp. Eric Kastens, 516-229-2330	02/12/2008	No	No	No
Alcan Chemicals Andrew Derosa, 203-541-9200	03/11/2008	No	No	No
BASF, Functional Polymers Group Joseph Breunig, Fax: 973-245-6721	02/12/2008	No	No	No
Bayer Corporation Karen L. Niedermeyer, Fax: 412-777-4740	02/12/2008	No	No	No
Ciba Specialty Chemicals Bob Hurley, Rhurley@theaccordgroup.com	03/11/2008	No	No	No
Clariant Corp. Andrew Zamoyski, 202-415-9159	02/12/2008	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	02/12/2008	No	No	No
Eastman Chemical Company Greg Riddle, Fax: 703-524-7707	02/12/2008	No	No	No
Fanwood Chemical Jim DeLisi, Fax: 908-322-8494	02/12/2008	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	02/12/2008	No	No	No
Hummel Croton Gail Mulligan, 908-754-1800	02/12/2008	No	No	No
LANXESS Corporation Jamie B. Schaeffer, Fax: 412-809-3614	02/12/2008	No	No	No
Rohm & Haas Steven Volger, Fax: 215-592-2550	02/12/2008	No	No	No
Solutia Dan Jenkins, Fax: 314-674-1585	02/12/2008	No	No	No
Syngenta Dawn Stump, Fax: 202-347-7772	02/12/2008	No	No	No
Uniroyal Chemical Company Lloyd Moon, Fax: 203-573-4430	02/12/2008	No	No	No

Technical comments:⁴

The Commission staff suggests that the article description on page 1 of this report be used in HTS heading 9902.24.05 in order to provide the correct notation of chemical prefixes and to provide the correct HTS subheading reference. As noted above, H.R. 4362 and H.R. 4363 are closely related, and they should be considered together. If H.R. 4362 is enacted by itself, it would be effective for 2007 and 2008 only. If H.R. 4363 is enacted by itself, it would not be effective because the article description in HTS heading 9902.24.05 contains an incorrect CAS number. The modification and extension of the duty suspension could be accomplished by combining the modification of the article description that is provided for in H.R. 4362 and the change of the effective date that is provided for in H.R. 4363.

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
1ST SESSION

H. R. 4363

To extend the temporary suspension of duty on 9,10-Anthracenedione, 2-pentyl-.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

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

A BILL

To extend the temporary suspension of duty on 9,10-Anthracenedione, 2-pentyl-.

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. 9,10-ANTHRACENEDIONE, 2-PENTYL-.**

4 (a) IN GENERAL.—Heading 9902.24.05 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 9,10-Anthracenedione, 2-pentyl-) is amended by striking
7 “12/31/2009” and inserting “12/31/2011”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

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