

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: May 14, 2008]²

Bill No. and sponsor: H.R. 4519 (Ms. Allyson Y. Schwartz of Pennsylvania).

Proponent name,³ location: Geo Specialty Chemicals, Ambler, PA.

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)):

Dicumyl peroxide, 99% minimum purity, (CAS No. 80-43-3) (provided for in subheading 2909.60.20).

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, a synthetic organic chemical containing a peroxide linkage, is used as a curing, polymerization, and cross-linking agent in the manufacture of plastics and industrial rubber products, such as hoses and belts (excluding tires). The commercial purity specification of the DCP active ingredient product is 99 percent. Admixtures with inorganic materials such as chalk or clay, diluted down to 40-percent DCP, are generally sold commercially as they are easier to ship and store, and to measure out into a polymer batch and mix thoroughly (a consideration with rubber compounding, which can be viscous and sticky and difficult to mix properly). The product is imported from China, Japan and Indonesia.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); 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 5 additional beneficiaries of this bill. USITC staff sent inquiries to the named beneficiaries and received responses from 3. Three submitted a written representation that they would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: <u>2909.60.20</u>					
 	2009	2010	2011	2012	2013
-Col. 1-General rate of duty	5.5%	5.5%	5.5%	5.5%	5.5%
Estimated value <i>dutiable</i> imports	\$5,657,000	\$5,836,000	\$6,022,000	\$6,212,000	\$6,410,000
Customs revenue loss	\$311,135	\$320,980	\$331,210	\$341,660	\$352,550

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)		
Geo Specialty Chemicals (Proponent) Thompson Hine LLP David Schwartz, 202-263-4170	2/21/2008	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	3/7/2008	No	No	No
American Chemistry Council Marty Durbin, Fax: 703-741-6097	3/7/2008	No	No	No
Apollo Color, Inc. Dave Klebine, Fax: 815-741-2599	3/7/2008	No	No	No
BASF Frank Arditel, Fax: 732-321-0250 Greg Thies, Fax: 202-558-5101 David Bushnell, Fax: 301-654-8336	3/7/2008	No	No	No
Bayer Chemicals Julie Van Egmund, Fax: 202-73.7-8909 Karen L. Niedermeyer, Fax: 412-777-4740	3/7/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	3/7/2008	No	No	No
Chemtura Corp. Matt Mattingley, Fax: 202-463-8497 Lloyd Moon, Fax: 203-573-2686	3/7/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Ciba Specialty Chemicals Robert Hurley, Fax: 202-289-3588 Michelle Forte, Fax: 914-785-4831	3/7/2008	No	No	No
Clariant Corp. Andy Zamoyski, Fax: 202-248-9043 Mike Carroll, Fax: 704-370-6969	3/7/2008	No	No	No
Dow Chemicals Lisa Schroeter, 202-429-3467	3/7/2008	No	No	No
DuPont Helen C. McMahon, Fax: 302-355-2994	3/7/2008	No	No	No
Emerald Performance Chemicals Tom Dirmyer, Fax: 330-315-6480	3/7/2008	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104	3/7/2008	No	No	No
Honeywell Art Simonetti, Fax: 202-662-2675	3/7/2008	No	No	No
Huntsman Corp. John Deming, Fax: 302-479-5499	3/7/2008	No	No	No
Monsanto Corp. Grant Erdel, Fax: 202-789-1867	3/7/2008	No	No	No
PMC Inc. Gordon McCollough, Fax: 513-482-7884	3/7/2008	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	3/7/2008	No	No	No
Solutia, Inc. Kassie D. Wooten, Fax: 314-674-1585	3/7/2008	No	No	No
Sun Chemical Corp. Steve Schmidt, Fax: 513-681-4960	3/7/2008	No	No	No

Technical comments:⁴

The staff suggests that the article description given on page 1 of this report be used in the proposed new heading in order to provide a concise purity level as well as to provide for the correct HTS subheading reference and the correct CAS number.

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. 4519

To suspend temporarily the duty on pure dicumyl peroxide.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 12, 2007

Ms. SCHWARTZ introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on pure dicumyl peroxide.

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. PURE DICUMYL PEROXIDE.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.____	Pure dicumyl peroxide (CAS No. 80-43-43)(provided for in subheading 2902.60.20) ..	Free	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to articles entered, or withdrawn

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

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