

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 2, 2008]²

Bill No. and sponsor: H.R. 4557 (Mr. Robert E. Andrews of New Jersey).

Proponent name,³ location: Solvay Solexis, Inc., West Deptford, NJ.

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

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

Retroactive effect: None.

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

1-Propene, 1,1,2,3,3,3-hexafluoro-, oxidized, polymerized, reduced hydrolyzed (CAS No. 161075-14-5)
(provided for in subheading 3907.20.00).

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 products are functional perfluoropolyethers that are synthesized from a proprietary process which is based on the photo oxidation of hexafluoropropylene monomer. The products are clear, yellowish, medium-viscosity fluids or low-viscosity emulsions that are sold under various trade names. They serve as lubricants and corrosion inhibitors in fluorinated greases and are also used for various release and surface treatment applications. They are reported to offer exceptional chemical resistance, better sub-zero temperature properties, greater thermal and oxidative stability and lower evaporation loss. The subject products are imported from Italy.

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 did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

HTS subheading: 3907.20.00					
	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 <u>1/</u>	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000	\$150,000,000
Customs revenue loss <u>2/</u>	\$0	\$9,750,000	\$9,750,000	\$9,750,000	\$9,750,000

1/ The estimates are based on total dutiable U.S. imports under HTS subheading 3907.20.00 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 3907.20.00 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.

2/ There is an existing duty suspension under HTS heading 9902.23.10 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill for 2009.

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)		
Solvey Solexis, Inc. (Proponent) Welles Orr, 202-626-1481	3/14/2008	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	3/18/2008	No	No	No
American Chemistry Council Marty Durbin, Fax: 703-741-6097	3/18/2008	No	No	No
Apollo Color, Inc. Dave Klebine, Fax: 815-741-2599	3/18/2008	No	No	No
BASF Frank Ardite, Fax: 732-321-0250 David Bushnell, Fax: 301-654-8336 Greg Thies, Fax: 202-558-5101	3/18/2008	No	No	No
Bayer Chemicals Julie Van Egmund, Fax: 202-737-8909 Karen L. Niedermeyer, Fax: 412-777-4740	3/18/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	3/18/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Chemtura Corp. Matt Mattingley, Fax: 202-463-8497 Lloyd Moon, Fax: 203-573-2686	3/18/2008	No	No	No
Ciba Specialty Chemicals Michelle Forte, Fax: 914-785-4831 Robert Hurley, Fax: 202-289-3588	3/18/2008	No	No	No
Clariant Corp. Mike Carroll, Fax: 704-370-6969 Andy Zamoyski, Fax: 202-248-9043	3/18/2008	No	No	No
Dow Chemicals Lisa Schroeter, 202-429-3467	3/18/2008	No	No	No
DuPont Helen C. McMahon, Fax: 302-355-2994	3/18/2008	No	No	No
Emerald Performance Chemicals Tom Dirmyer, Fax: 330-315-6480	3/18/2008	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104	3/18/2008	No	No	No
Honeywell Art Simonetti, Fax: 202-662-2675	3/18/2008	No	No	No
Huntsman Corp. John Deming, Fax: 302-479-5499	3/18/2008	No	No	No
Monsanto Corp. Grant Erdel, Fax: 202-789-1867	3/18/2008	No	No	No
PMC Inc. Gordon McCollough, Fax: 513-482-7884	3/18/2008	No	No	No
Rhodia Dominick Cangiano, Fax: 609-860-2256	3/18/2008	No	No	No
Solutia, Inc. Kassie D. Wooten, Fax: 314-674-1585	3/18/2008	No	No	No
Sun Chemical Corp. Steve Schmidt, Fax: 513-681-4960	3/18/2008	No	No	No

Technical comments:⁴

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.

None.

110TH CONGRESS
1ST SESSION

H. R. 4557

To extend the temporary suspension of duty on 1-Propene, 1,1,2,3,3,3-hexafluoro-, oxidized, polymerized, reduced hydrolyzed.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

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

A BILL

To extend the temporary suspension of duty on 1-Propene, 1,1,2,3,3,3-hexafluoro-, oxidized, polymerized, reduced hydrolyzed.

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. 1-PROPENE, 1,1,2,3,3,3-HEXAFLUORO-, OXIDIZED,**
4 **POLYMERIZED, REDUCED HYDROLYZED.**

5 (a) IN GENERAL.—Heading 9902.23.10 of the Har-
6 monized Tariff Schedule of the United States is amended
7 by striking “12/31/2009” and inserting “12/31/2011”.

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

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

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