

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 8, 2008]²

Bill No. and sponsor: H.R. 5197 (Ms. Ellen O. Tauscher of California).

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

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)):

Mounting flanges of plastics, having an interior diameter of 286 mm and a wall thickness of 45 mm, the foregoing classifiable as parts of machines used to fabricate semiconductor chips, integrated circuits, liquid crystal displays or solar cells (provided for in subheading 8543.90.88).

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:

According to the proponent, the subject product is a plastic mounting flange that is attached to equipment used to fabricate semiconductor chips or integrated circuits, liquid crystal displays, and/or solar cells. Once mounted on the machine, the flange provides support for the integration or support of another component on the machine. Such a part may be produced by contract manufacturers of plastic parts. The principal U.S. import sources of these flanges are reported to be Germany and Taiwan. Dutiable U.S. imports of all products under HTS subheading 8543.90.88 (a broader category than is covered by this bill) totaled \$307 million in 2007, of which \$68.7 million came from Germany, the leading importer, and \$23.8 million came from Taiwan, the fourth leading importer.

¹ Industry analyst preparing report: Dennis Fravel (202-205-3404); Tariff Affairs contact: Jan Summers (202-205-2605).

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: 8543.90.88					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	2.6%	2.6%	2.6%	2.6%	2.6%
Estimated value <i>dutiable</i> imports	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Customs revenue loss	\$3,120	\$3,120	\$3,120	\$3,120	\$3,120

Source of estimated dutiable import data: Commission 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)		
Applied Materials (Proponent) Joe Pasetti, 202-638-443, ext. 6	04/30/2008	No	No	No
Corning, Inc. Debbie Waggoner, waggonerld@corning.com	06/06/2008	No	No	No
KLA-Tencor Corp. Meggan Powers, 408-875-3000	06/05/2008	No	No	No
National Electrical Manufacturers Association John Meachem, joh_meakem@nema.org	06/06/2008	No	No	No
Nor-Cal Products, Inc. David Stone, davidstone@n-c.com	06/05/2008	No	No	No
Novellus Systems, Inc. Pushpita Prasad, pushpita.prasad@novellus.com	06/05/2008	No	Yes	No
Qioptiq Imaging Solutions John Gebhardt, john.gebhardt@ny.qioptiq.com	06/06/2008	No	No	No
SAES Pure Gas, Inc. Cristian Landoni, cristian_landoni@saes-group.com	06/05/2008	No	No	No
Semiconductor Equipment and Materials International Ken Schramko, kschramko@semi.org	06/05/2008	No	No	No
3M Co. Megan Ivory, mmivory@mmm.com	06/09/2008	No	No	No
The Society of the Plastics Industry Neil Pratt, 202-974-5333	06/04/2008	No	No	No
W.L. Gore and Associates Mike Ratchford, mratchfo@wlgore.com	06/06/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Xandex, Inc. Nariman Manoochehri, nmanoochehri@xandex.com	06/05/2008	No	No	No

Technical comments:⁴

Little specific information about the product in question has been supplied by the proponent, and it is therefore difficult to draft appropriate language for a tariff heading. The bill as drafted describes the product as “White,” a type of criterion that is not normally used in tariff descriptions, lacks definition, and does not really help delineate the product intended to be covered in a useful manner. Accordingly, it has been removed from the suggested article description in order to be consistent with normal drafting practice. We have suggested other changes, as shown on page 1, without being able to ascertain from the proponent the nature of the product in question. Customs may nonetheless have difficulty administering this provision because the physical dimensions of the part are very specific and thus may be burdensome; because not every product of the type named may have exactly the specified dimensions, some goods of interest to the proponent may be excluded.

It is not possible to verify the classification of the product in the HTS, based on available information. In addition, a flange that the importer believes to be described as a machine part cannot necessarily be identified by Customs officials at the port as being dedicated to use as a machine part, by virtue of its physical characteristics, rather than being classified as an article of plastics. Similarly, the type or types of machines with which a particular flange might be used (when that flange is separately imported) might not be possible to verify at the time of entry. Commission staff has been unable to obtain sufficient information from the proponent to suggest appropriate amendments to remedy these problems.

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. 5197

To suspend temporarily the duty on white plastic mounting flange, 286 millimeter diameter, 45 millimeter thickness.

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 white plastic mounting flange, 286 millimeter diameter, 45 millimeter thickness.

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. WHITE PLASTIC MOUNTING FLANGE, 286 MILLI-**
4 **METER DIAMETER, 45 MILLIMETER THICK-**
5 **NESS.**

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	White plastic mounting flange, 286 millimeter diameter, 45 millimeter thickness (provided for in subheading 8543.90.88)	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.

