

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. 5208 (Ms. Ellen Tauscher of California).

Proponent name,³ location: Applied Materials, Inc., Washington, DC.

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)):

Tee pipe fittings of stainless steel, the foregoing having an internal cross-sectional diameter of approximately 3.175 cm and certified by the importer as meeting an "R" metric thread standard (provided for in subheading 7307.29.00).

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:

According to communications received from the proponent, the subject products are stainless steel tee pipe fittings with a 1.25-inch (3.175 centimeters) "R" European-size interface and are used as 3-way connectors between tubes/pipes which convey chemicals in coating equipment. This equipment is designed to spray window glass with a chemical film, which helps reduce energy loss through window glass. According to the proponent, the subject fittings are imported as a custom product directly from the producer, Edelmetallservice GmbH of Germany. No other foreign producer of the subject fittings has been identified. The product is used in its condition as imported (i.e., with no modifications) in making coating machines, of which 80 percent are exported.

Dutiable U.S. imports of all goods classified in HTS subheading 7307.29.00 totaled approximately \$96.3 million in 2007, chiefly from Taiwan and China. Germany supplied approximately \$9.7 million of total dutiable imports; however, that figure includes many products in addition to the subject fittings. The proponent provided no specific information on likely imports, and no other product-specific data sources have been identified.

¹ Industry analyst preparing report: Norman N VanToai (202-205-3120); 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: 7307.29.00					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports	\$9,800,000	\$10,750,000	\$11,825,000	\$13,000,000	\$14,300,000
Customs revenue loss 1	\$490,000	\$537,500	\$591,250	\$650,000	\$715,000

Source of estimated dutiable import data: Commission staff estimates based on official U.S. Government for recent dutiable imports from Germany under this subheading. To the extent the subject product may be available from other sources, these estimates would understate customs revenue losses from the bill; however, the data reflect all dutiable products of Germany imported under this subheading and may therefore overstate customs revenue loss.

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, Inc. (Proponent) Joe Pasetti (202-638-4434)	04/03/2008	No	No	No
Kelley Drye & Warren LLP Jeffrey Beckington (202-342-8400), on behalf of four U.S. producers: 1. Core Pipe Products, Inc.; 2. Flowline Div. of Markovitz Enterprises, Inc.; 3. Shaw Alloy Piping Products, Inc.; and 4. Taylor Forge Stainless, Inc.	04/15/2008	Yes	Yes	Yes

Technical comments:⁴

The article description should be amended to cover only the product of interest to the proponents, as shown on page 1 (based on available information); the language suggested may still be too broad to limit the scope to the exact product imported by the proponent, but we have been unable to confirm what is imported. We note that Customs officials would face added administrative and interpretive burdens in dealing with this product category, because of the use of a foreign standard that may change over time.

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.

The inclusion of an importer certification requirement should be helpful in that regard, but it may be necessary to add an “actual use” standard to reflect the application of the imported product of interest.

110TH CONGRESS
2D SESSION

H. R. 5208

To suspend temporarily the duty on 1.25 inch Stainless Steel Tee Pipe Fitting.

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 1.25 inch Stainless Steel Tee Pipe Fitting.

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. 1.25 INCH STAINLESS STEEL TEE PIPE FITTING.**

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:

“	9902.01.00	1.25 inch Stainless Steel Tee Pipe Fitting (provided for in subheading 7307.29.00)	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.

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