

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: March 20, 2008]²

Bill No. and sponsor: H.R. 4322 (Mr. J. Randy Forbes of Virginia).

Proponent name,³ location: Ciba Specialty Chemicals, St. Gabriel, LA.

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

Nature of bill: Extension of temporary duty suspension through December 31, 2012.

Retroactive effect: None.

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

Mixtures of 5,5-Bis[(γ , ω -perfluoro(C₄₋₂₀)alkylthio)methyl]-2-hydroxy-2-oxo-1,3,2-dioxaphosphorinane, ammonium salt (CAS No. 148240-85-1) and 2,2-bis[(γ , ω -perfluoro(C₄₋₂₀)alkylthio)methyl]-3-hydroxypropyl phosphate, diammonium salt (CAS No. 148240-87-3) and di-[2,2-bis[(γ , ω -perfluoro(C₄₋₂₀)alkylthio)methyl]-3-hydroxypropyl phosphate, ammonium salt (CAS No. 148240-89-5) and 2,2-bis[(γ , ω -perfluoro(C₄₋₂₀)alkylthio)methyl]-1,3-di-(dihydrogenphosphate)propane, tetraammonium salt⁴ (provided for in subheading 3809.92.50).

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 chemical is used in the manufacture of specialty paper products to impart certain oil- and grease-resistant properties to finished paper/paperboard products. Ciba Specialty Chemicals imports the subject chemical from its affiliated plant in Germany.

However, at present, all imports of the subject mixture have ceased, owing to an agreement between the proponent and the Food and Drug Administration (FDA) to stop commercial sales until certain health studies have been performed. The proponent is seeking the extension of the current duty suspension in case the use of the subject product is approved by the FDA following the completion of the health studies. In addition, the proponent may find an alternative use for the subject product that is not restricted by the FDA.


¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: David G. 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.

⁴ According to the proponent, 2,2-bis[(γ , ω -perfluoro(C₄₋₂₀)alkylthio)methyl]-1,3-di-(dihydrogenphosphate)propane, tetraammonium salt is a polymer, and the three other chemicals in the mixture "incorporate the polymer distribution of this material."

Estimated effect on customs revenue:

HTS subheading: 3809.92.50					
	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	6%	6%	6%	6%	6%
Estimated value <i>dutiable</i> imports ^{1/}	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Customs revenue loss ^{2/}	\$0	\$300,000	\$300,000	\$300,000	\$300,000

^{1/} As noted above, there are no imports of the subject mixture at present because the FDA has stopped commercial sales. These estimates reflect future imports that would occur if the FDA approves the use of the subject mixture.

^{2/} There is an existing duty suspension under HTS heading 9902.24.08 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: 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)		
Ciba Specialty Chemicals (Proponent) Robert Hurley Email: rhurley@theaccordgroup.com	01/08/2008	No	No	No
BASF Gregory Thies Email: gregory.thies@basf.com	01/17/2008	No	No	No
Clariant Corporation Andrew Zamoyski, Email: az@azamoyski.com	01/17/2008	No	No	No
DuPont Helen McMahan Email: Helen.C.McMahon@USA.dupont.com	01/17/2008	No	No	No

Technical comments:⁵

None.

⁵ 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. 4322

To extend the suspension of duty on the mixture of 5,5-Bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-2-hydroxy-2-oxo-1,3,2-dioxaphosphorinane, ammonium salt (CAS No. 148240-85-1) and 2,2-bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-3-hydroxypropyl phosphate, diammonium salt (CAS No. 148240-87-3) and di-[2,2-bis[(g,v-perfluoro-(C4-20)alkylthio)methyl]]-3-hydroxypropyl phosphate, ammonium salt (CAS No. 148240-89-5) and 2,2-bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-1,3-di-(dihydrogenphosphate)propane, tetraammonium salt.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2007

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

A BILL

To extend the suspension of duty on the mixture of 5,5-Bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-2-hydroxy-2-oxo-1,3,2-dioxaphosphorinane, ammonium salt (CAS No. 148240-85-1) and 2,2-bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-3-hydroxypropyl phosphate, diammonium salt (CAS No. 148240-87-3) and di-[2,2-bis[(g,v-perfluoro-(C4-20)alkylthio)methyl]]-3-hydroxypropyl phosphate, ammonium salt (CAS No. 148240-89-5) and 2,2-bis[(g,v-perfluoro(C4-20)alkylthio)methyl]-1,3-di-(dihydrogenphosphate)propane, tetraammonium salt.

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. THE MIXTURE OF 5,5-BIS[(G,V-PERFLUORO(C4-**
 4 **20)ALKYLTHIO)METHYL]-2-HYDROXY-2-OXO-**
 5 **1,3,2-DIOXAPHOSPHORINANE, AMMONIUM**
 6 **SALT (CAS NO. 148240–85–1) AND 2,2-BIS[(G,V-**
 7 **PERFLUORO(C4-20)-ALKYLTHIO)METHYL]-3-**
 8 **HYDROXYPROPYL PHOSPHATE, DIAMMONIUM**
 9 **SALT (CAS NO. 148240–87–3) AND DI-[2,2-**
 10 **BIS[(G,V-PERFLUORO-(C4-**
 11 **20)ALKYLTHIO)METHYL]]-3-HYDROXYPROPYL**
 12 **PHOSPHATE, AMMONIUM SALT (CAS NO.**
 13 **148240–89–5) AND 2,2-BIS[(G,V-PERFLUORO(C4-**
 14 **20)ALKYLTHIO)METHYL]-1,3-DI-**
 15 **(DIHYDROGENPHOSPHATE)PROPANE,**
 16 **TETRAAMMONIUM SALT.**

17 (a) IN GENERAL.—Heading 9902.24.08 of the Har-
 18 monized Tariff Schedule of the United States is amended
 19 by striking “12/31/2009” and inserting “12/31/2012”.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 subsection (a) applies to goods entered, or withdrawn from
 22 warehouse for consumption, on or after the 15th day after
 23 the date of the enactment of this Act.

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