

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. 4559 (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)):

1,1,2-2-Tetrafluoroethene, oxidized, polymerized (CAS No. 69991-61-3) (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 (PFPE) that are synthesized from a proprietary process which is based on the photo oxidation of tetrafluoroethylene monomer. The products are generally clear, colorless to light yellow fluids, having a range of viscosities and molecular weights. They exhibit excellent viscosity index, low evaporative loss properties and good thermal stability. These products are used for polymer modifications and polymerizations, and PFPE lubricants for electronic components, and various surface treatment applications. 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 9902.23.14 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. 4559

To extend the temporary suspension of duty on 1, 1, 2-2-Tetrafluoroethene,
oxidized, polymerized.

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, 1, 2-
2-Tetrafluoroethene, oxidized, polymerized.

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, 1, 2-2-TETRAFLUOROETHENE, OXIDIZED, PO-**
4 **LYMERIZED.**

5 (a) IN GENERAL.—Heading 9902.23.14 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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