

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 13, 2008]²

Bill No. and sponsor: H.R. 4682 (Mr. Richard E. Neal of Massachusetts).

Proponent name,³ location: Solutia, Inc., St. Louis, MO.

Other bills on product (110th Congress only): H.R. 5390 (Mr. Henry E. Brown of South Carolina).

Nature of bill: Temporary duty reduction through December 31, 2011.

Retroactive effect: None.

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

N-phenyl-p-phenylenediamine (CAS No. 101-54-2) (provided for in subheading 2921.51.50).

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 synthetic organic chemical is a precursor that is used to make N-1,3-dimethylbutyl-N'-phenyl-p-phenylene diamine, which is a widely-used rubber processing chemical that is used to make automobile tires. The subject product is imported from Belgium, China, and Korea.

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 identified four additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received responses from one. It submitted a written representation that it would benefit from this bill.

Estimated effect on customs revenue:

HTS subheading: 2921.51.50					
	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	\$60,000,000	\$60,000,000	\$60,000,000	\$60,000,000	\$60,000,000
Customs revenue loss ^{1/}	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000

^{1/} The estimated customs revenue loss is based on a temporary reduction of the general rate of duty from 6.5 percent ad valorem to 5 percent ad valorem, a reduction of 1.5 percentage points.

Source of estimated dutiable import data: U.S. industry estimates and 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)		
Solutia Inc. (Proponent) Robert Hurley, rhurley@theaccordgroup.com	4/15/2008	No	No	No
Afton Chemical Corp. Janis Gleeson, 804-788-5600	4/15/2008	No	No	No
Akrochem Donna Quinn, 330-535-2100	4/15/2008	No	No	No
American Chemistry Council Marty Durbin, Fax: 703-741-6097	4/25/2008	No	No	No
America's International Inc. Wayne Stair, 330-920-9330	4/15/2008	No	No	No
Apollo Color, Inc. Dave Klebine, Fax: 815-741-2599	4/25/2008	No	No	No
BASF Greg Thies, Fax: 202-558-5101	4/25/2008	No	No	No
Bayer Chemicals Karen L. Niedermeyer, Fax: 412-777-4740 Julie Van Egmund, Fax: 202-737-8909	4/25/2008	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	4/25/2008	No	No	No
Chemtura Corp. Matt Mattingley, Fax: 202-463-8497	4/25/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Ciba Specialty Chemicals Robert Hurley, Fax: 202-289-3588	4/25/2008	No	No	No
Clariant Corp. Andy Zamoyski, Fax: 202-248-9043	4/25/2008	No	No	No
CPH Solutions Corp. Nancy Naser, 312-554-7412	4/15/2008	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3467	4/25/2008	No	No	No
DuPont Helen C. McMahon, Fax: 302-355-2994	4/25/2008	No	No	No
Emerald Performance Chemicals Tom Dirmyer, Fax: 330-315-6480	4/25/2008	No	No	No
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104	4/25/2008	No	No	No
Honeywell Art Simonetti, Fax: 202-662-2675	4/25/2008	No	No	No
Huntsman Corp. John Deming, Fax: 302-479-5499	4/25/2008	No	No	No
LANXESS Corp. Todd Portzline, 800-526-9377	4/15/2008	No	No	No
Monsanto Corp. Grant Erdel, Fax: 202-789-1867	4/25/2008	No	No	No
PMC Inc. Gordon McCollough, Fax: 513-482-7884	4/25/2008	No	No	No
Prochemie International, Inc. Mary Ann Reston, 860-683-8500	4/15/2008	No	No	No
Rhein Chemie Todd Portzline, 800-526-9377	4/15/2008	No	No	No
R.T. Vanderbilt Company Gregg Florre, 800-243-6064	4/15/2008	No	No	No
Sovereign Chemical Co. Samuel DiPaola, 330-869-0550	4/15/2008	No	No	No
Sun Chemical Corp. Steve Schmidt, Fax: 513-681-4960	4/25/2008	No	No	No
Tannin Corp. Robert Thompson, 978-532-4010	4/15/2008	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Western Reserve Chemical Corp. John Rylander, 330-650-2244	4/15/2008	No	No	No

Technical comments:⁴

The Commission staff notes that H.R. 4682 and H.R. 5390 cover the same product. H.R. 4682 would temporarily reduce the general rate of duty to 5 percent ad valorem, while H.R. 5390 would temporarily reduce the general rate of duty to 3.6 percent ad valorem. Only one bill should be enacted.

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
1ST SESSION

H. R. 4682

To reduce temporarily the duty on
N-phenyl-p-phenylenediamine.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

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

A BILL

To reduce temporarily the duty on
N-phenyl-p-phenylenediamine.

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. N-PHENYL-P-PHENYLENEDIAMINE.**

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	N-phenyl-p-phenylenediamine (CAS No. 101-54-2) (provided for in subheading 2921.51.50)	5.0%	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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