

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R. 1841 (Mr. Forbes)

Proponent name, location: Ciba Specialty Chemicals
Suffolk, VA 23439 and St. Gabriel, LA 70776

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

1-(3*H*)-Isobenzofuranone, 3,3-bis(2-methyl-1-octyl-1*H*-indol-3-yl)- (CAS No. 50292-95-0) (provided for in subheading 3204.19.40)

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

The synthetic organic chemical, 3,3-bis(2-methyl-1-octyl-1*H*-indol-3-yl)-1(3*H*)-isobenzofuranone, is used in the manufacture of specialty coated paper products to allow for the desired printed or written character or image to be imparted or generated on the finished paper/paperboard product. Ciba Specialty Chemicals imports the subject chemical from its affiliated plant in the United Kingdom. This chemical is also available from China, although there is no known U.S. production of this chemical or a like competing product.

¹ Industry analyst preparing report: Eric Land (202-205-3349); Tariff Affairs contact: Dave Michels (202-205-3340).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: <u>3204.19.40</u>					
 	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
Customs revenue loss	\$117,000	\$117,000	\$117,000	\$117,000	\$117,000

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
Abbott Laboratories Elaine Leavenworth 202-783-6631	7/05/2005	No	No	No
BASF Corp. Don Hysell 202-662-2675	7/05/2005	No	No	No
Biddle Sawyer Corporation William Thonack 212-239-1089	7/05/2005	No	No	No
Bayer Corp. Julie Van Egmund 202-737-8909	7/05/2005	No	No	No
Chemical Manufacturers Assoc'n Jim O'Connor 703-741-6922	7/05/2005	No	No	No
Ciba Specialty Chemicals Corp. Michelle Forte 914-785-4831	6/30/2005	No	No	No
Clariant Corp. Andrew Zamoyски 401-823-2575	7/05/2005	No	No	No

E.I. DuPont Nancy Johnson 202-728-3649	7/05/2005	No	No	No
E.I. DuPont Elaine Olson 302-892-7343	7/05/2005	No	No	No
Eastman Chemical Co.. Greg Riddle 703-524-7707	7/05/2005	No	No	No
Honeywell International Art Simonett 202-662-2675	7/05/2005	No	No	No
Solutia Inc. Dan Jenkins 314-674-1585	7/05/2005	No	No	No
Solutia Inc. Sue Cannon 314-674-1585	7/05/2005	No	No	No
Uniroyal Chemical Co. Jon Amdursky 203-573-2489	7/05/2005	No	No	No

Technical comments:³

The Commission suggests that the article description as presented on page 1 of this report be used in the proposed new heading in order to provide correct italicization of uppercase “H”s used in the chemical name.

³ 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.

109TH CONGRESS
1ST SESSION

H. R. 1841

To suspend temporarily the duty on 1(3H)-Isobenzofuranone, 3,3-bis(2-methyl-1-octyl-1H-indol-3-yl)-.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2005

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

A BILL

To suspend temporarily the duty on 1(3H)-Isobenzofuranone, 3,3-bis(2-methyl-1-octyl-1H-indol-3-yl)-.

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. SUSPENSION OF DUTY ON 1(3H)-**
4 **ISOBENZOFURANONE, 3,3-BIS(2-METHYL-1-**
5 **OCTYL-1H-INDOL-3-YL)-.**

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:

9902.33.67	1(3H)-Isobenzofuranone, 3,3-bis(2-methyl-1-octyl-1H- indol-3-yl)- (CAS No. 50292-95-0) (provided for in subheading 3204.19.40) ..	Free	No Change	No Change	On or Before 12/31/2008	..
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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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