

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. 1848 (Mr. Holden)

Proponent name, location: POSTSAVER USA
Lebanon, PA 17046

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

Nature of bill: Temporary duty suspension through 12/31/2008.

Retroactive effect: None.

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

Bitumen-coated shrink-wrap polyethylene boots for the protection of in-ground wood posts (provided for in subheading 3926.90.98).

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 product (POSTSAVER®) is a heat-shrink polyethylene sleeve or boot, coated on the inside surface with a bituminous tar-like substance, whether closed or open at the bottom, designed to sheath/protect wooden posts or poles of most any type from in-ground degradation by microorganisms, insects, and other deleterious subterranean elements. The product is also suitable for sheathing and protecting plastic wood-based posts or poles, and other items. POSTSAVER® is a relatively heavy gauge polyethylene ranging from around 14 to 20 mils. The subject polyethylene shrink sheathing is applied as the wood component rotates under high intensity lamps; the bitumen melts and is absorbed into the wood, followed by a final pressure seal. The sleeve only shrinks in one direction. The bituminous material provides added protection against invasion by deleterious sources, while the polyethylene also provides protection, together with the environmentally-friendly aspect of preventing migration of any undesirable substances from leaching into the surrounding subsurface. The product can be applied to untreated wood in indoor applications, and to more mildly treated wood in outdoor applications compared to conventional posts or poles. Proponent has an exclusive license to market this patented product in the United States and Canada, together with the application equipment. POSTSAVER® is imported from the United Kingdom.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

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: 3926.90.98					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	5.3%	5.3%	5.3%	5.3%	5.3%
Estimated value <i>dutiable</i> imports <u>2/</u>	\$600,000	\$2,000,000	\$3,000,000	\$5,000,000	\$7,000,000
Customs revenue loss	\$31,800	\$106,000	\$159,000	\$265,000	\$371,000

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.

2/ Product is currently in the experimental stage of marketing subject to EPA approval, and standards of the International Code Council, Inc. (ICC); American Wood-Preservers' Association (AWPA); and American Fence Association (AFA).

Source of estimated dutiable import data: Proponent.

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?
POSTSAVER USA (Proponent) Mr. Bill Keller, Sr. 717-306-4490	06/27/2005	No	Yes	No
American Architectural Manufacturers Assn. Mr. Richard G. Walker 847-303-5664	06/24/2005	No	No	No
American Fence Association Receptionist 800-822-4342	07/07/2005	No	No	No
American Plastics Council Ms. Jean Vallianos 703-741-5610	07/06/2005	No	No	No
American Wood-Preservers' Association Mr. Colin McCowan 334-874-9800	07/07/2005	No	No	No
Basell Polyolefins Mr. Tom Boal 410-996-1322	07/06/2005	No	No	No
Bayer Corporation Ms. Karen Niedermeyer 412-777-2058	06/30/2005	No	Yes	No

ExxonMobil Chemical Mr. Peter Noble 519-339-4109	07/06/2005	No	No	No
LANXESS Corporation Jamie Schaeffer 412 809-3666	06/29/2005	No	No	No
Treated Wood Council Mr. Jeff Miller 202 463-2045	07/11/2005	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide a more concise product description.

The Commission also notes that the current HTS subheading referenced in the proposed new heading has not been validated by US Customs. The proponent has applied for a binding ruling with U.S. Customs & Border Protection.⁴ Any changes in classification should be reflected in the article description of the proposed new heading.

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.

⁴ Staff contact with Ms. Joan Mazzola, National Import Specialist, U.S. Customs & Border Protection, New York, NY, (646) 733-3023; July 8, 2005.

109TH CONGRESS
1ST SESSION

H. R. 1848

To suspend temporarily the duty on certain bitumen-coated polyethylene sleeves specifically designed to protect in-ground wood posts.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2005

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

A BILL

To suspend temporarily the duty on certain bitumen-coated polyethylene sleeves specifically designed to protect in-ground wood posts.

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. TEMPORARY SUSPENSION OF DUTY.**

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:

“	9902.04.40	Bitumen-coated polyethylene sleeves specifically designed to protect in-ground wood posts (provided for in sub-heading 3926.90.98)	Free	No change	No change	On or before 12/31/2008	”.
---	------------	--	------	-----------	-----------	-------------------------	----

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

○