

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: June 9, 2006]²

Bill No. and sponsor: S. 1674 (Mr. Rick Santorum of Pennsylvania).

Proponent name, location: LANXESS Corporation, Pittsburgh, PA.

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

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Aqueous polyurethane dispersions containing 38% to 42% solids content of propanoic acid, 3-hydroxy-2-(hydroxymethyl)-2-methyl-, polymer with 2-[(2-aminoethyl)amino]ethanesulfonic acid monosodium salt, 1,6-diisocyanatohexane, dimethyl carbonate, 1,2-ethanediamine, 1,6-hexanediol, hydrazine, and α -hydro- ω -hydroxypoly[oxy(methyl-1,2-ethanediyl)], polyethylene-polypropylene glycol monobutyl ether blocked (CAS No. 841251-36-3) (provided for in subheading 3909.50.50).

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 product is an aqueous dispersion of a medium-hard aliphatic urethane polymer that is used for high-performance leather finishes. The product has a medium-hard film, along with excellent flexibility. It is used as a component for waterborne transfer coating and finishing of all types of leathers (e.g., furniture, automotive applications, and transfer-coated leather). The subject product is imported from Germany.

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 http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm

Estimated effect on customs revenue:

HTS subheading: 3909.50.50					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.3%	6.3%	6.3%	6.3%	6.3%
Estimated value <i>dutiable</i> imports	\$4,000,000	\$4,000,000	\$4,500,000	\$5,000,000	\$5,000,000
Customs revenue loss	\$252,000	\$252,000	\$283,500	\$315,000	\$315,000

Source of estimated dutiable import data: Commission and 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)		
LANXESS Corporation (Proponent) Jamie Schaeffer, 412-809-3666 Steve Ziehm, 202-872-8181	04/07/2006	No	No	No
Bayer Corp. Karen L. Niedermeyer, 412-777-2058	04/13/2006	No	No	No
BASF Corp. Bruce D. Alkire, 704-398-4204	04/13/2006	No	No	No
Clariant Corp. Andrew Zamoyski, 202-415-9159 Richie Payment, 201-796-1042/1043	04/13/2006	No	No	No
GST AutoLeather, Inc. Richard Kops, 240-313-4074	04/13/2006	No	No	No
Stahl USA, Inc Milt Barker, 978-968-1441	04/13/2006	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 the correct 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

S. 1674

To suspend temporarily the duty on Bayderm Bottom DLV-N.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2005

Mr. SANTORUM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on Bayderm Bottom DLV-N.

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 ON DUTY ON BAYDERM BOTTOM**
4 **DLV-N.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.39.14	Aqueous polyurethane dispersions containing 39% or greater content of Propanoic acid, 3-hydroxy-2- (hydroxymethyl)-2-methyl-, polymer with 2-[(2-aminoethyl)amino]ethanesulfonic acid monosodium salt, 1,6-diisocyanato-hexane, dimethyl carbonate, 1,2-ethanediamine, 1,6-hexanediol, hydrazine and a-hydro-w-hydroxypoly[oxy(methyl-1,2-ethanediyl)], polyethylene-polypropylene glycol mono-Bu ether-blocked(CAS No. 841251-36-3) (provided for in subheading 3909.50.50) ..	Free	No change	No change	On or before 12/31/2009	”.
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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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