

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 10, 2006]²

Bill No. and sponsor: S. 2626 (Mr. George V. Voinovich of Ohio and Mr. Mike DeWine of Ohio).

Proponent name, location: Noveon Inc., Cleveland, OH.

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

Nature of bill: Extension of existing temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Article description (including appropriate HTS classification):

50 percent amine neutralized phosphated polyester polymer, in solvesso 100 (CAS Nos. 64742-95-6, 95-63-6, 108-67-8, 98-82-8, and 1330-20-7) (provided for in subheading 3907.99.00).

Check one: Same as in the HTS heading in the bill as introduced.
 Different from the HTS heading in the bill (see Technical comments).

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

The subject product is a polymer that consists of an amine neutralized phosphated polyester polymer (50 percent by weight) in Solvesso 100 solvent (50 percent). The precise chemical nomenclature for the polymer is 2-oxepanone, polymer with tetrahydro-2H-pyran-one, dodecyl ester, hydrogen phosphate, compound with 2,2-iminobis (ethanol) (1:1).³ This particular product has been developed to disperse inorganic pigments into solvent based industrial paints. The subject product 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 http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The former proponent (Avecia) provided the chemical nomenclature of the subject polymer; however, the corresponding CAS No. was considered to be confidential. Staff report, H.R. 4520, 107th Congress.

Estimated effect on customs revenue:

HTS subheading: 3907.99.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$185,000	\$260,000	\$330,000	\$450,000	\$600,000
Customs revenue loss 1/	\$12,025	\$16,900	\$21,450	\$29,250	\$39,000

1/ The estimated Customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.03.25 that expires on December 31, 2006.

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)	
Noveon Inc. (Proponent) Mr. Mike Gill, 202-508-8843 Mr. Alex Schaefer, 202-624-2773	05/05/2006	No	No	No
BASF Corporation Mr. Greg Thies, 703-255-7141	05/31/2006	No	No	No
Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058	05/31/2006	No	No	No
Clariant Corporation Mr. Andrew Zamoyski, 202- 415-9159	05/31/2006	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	05/31/2006	No	No	No
DuPont Ms. Elaine Olsen, 302-992-2263	05/31/2006	No	No	No
Efficient Global Trade, Inc. Mr. Henry Stobenau, 215-628-4919	05/31/2006	No	No	No
LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666	06/02/2006	No	No	No

Technical comments:⁴

The Commission suggests that the article description of heading 9902.03.25 be amended by deleting “50 percent solvesso 100” and inserting “ in solvesso 100" in lieu thereof. In addition, the Commission suggests that the article description of heading 9902.03.25 be amended by deleting “P-99-1218,”.

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.

109TH CONGRESS
2D SESSION

S. 2626

To extend the temporary suspension of duty on 50 percent amine neutralized phosphated polyester polymer, 50 percent solvesso 100.

IN THE SENATE OF THE UNITED STATES

APRIL 24, 2006

Mr. VOINOVICH (for himself and Mr. DEWINE) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To extend the temporary suspension of duty on 50 percent amine neutralized phosphated polyester polymer, 50 percent solvesso 100.

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. 50 PERCENT AMINE NEUTRALIZED**
4 **PHOSPHATED POLYESTER POLYMER, 50 PER-**
5 **CENT SOLVESSO 100.**

6 (a) IN GENERAL.—Heading 9902.03.25 of the Har-
7 monized Tariff Schedule of the United States (relating to
8 50 percent amine neutralized phosphated polyester poly-
9 mer, 50 percent solvesso 100) is amended by striking “12/
10 31/2006” and inserting “12/31/2009”.

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 enactment of this Act.

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