

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. 2743 (Mr. Jack Reed of Rhode Island and Mr. Lincoln Chafee of Rhode Island).

Proponent name, location: Clariant Corporation, Coventry, RI.

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)):

7-Oxa-3,20-diazadispiro-[5.1.11.2]-heneicosan-21-one,2,2,4,4-tetramethyl-,hydrochloride, reaction products with epichlorohydrin, hydrolyzed, polymerized (CAS No. 202483-55-4) (provided for in subheading 3911.90.25).

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, Hostavin® N 30, is a sterically hindered amine light stabilizer (HALS)³ that is used in plastics to prevent degradation, especially in polyolefins and polyolefin copolymers. HALS light stabilizers do not function as ultra violet (UV) light absorbers, per se, but rather act as highly efficient retarders of photochemically initiated degradation reactions. The subject product is sold as a white powder or in other physical forms in 500 kilogram palletted lots, and has a unique Chemical Abstracts Registry (CAS) number. This particular Hostavin® product is specifically designed to be used in very thin plastic films and fibers, and also as an antioxidant. The product is a member of a series of HALS Hostavin® polymers designed as light stabilizers for various applications. The product is imported from Germany by Clariant's Pigments and Additives Division, Coventry, RI. HALS products are also believed to be produced by other manufacturers in foreign locations,⁴ and in the United States.⁵

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 HALS light stabilizers have a unique molecular structure in which the molecules have a spatial arrangement of their atoms such that a given reaction with another molecule is prevented or retarded.

⁴ BASF Uvinal®, and Ciba Chimassorb® and Tunuvin® HALS light stabilizers.

⁵ Staff interview with Mr. Lenny Davis, Director of Public Affairs, Cytec Industries, Inc., June 23, 2006.

Estimated effect on customs revenue:

HTS subheading: 3911.90.25					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.1%	6.1%	6.1%	6.1%	6.1%
Estimated value <i>dutiable</i> imports	\$650,000	\$735,000	\$820,000	\$900,000	\$985,000
Customs revenue loss 1/	\$39,650	\$44,835	\$50,020	\$54,900	\$60,085

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)		
Clariant Corporation (Proponent) Mr. Andrew Zamoyski, 202-415-9159	06/19/2006	No	No	No
BASF Corporation Mr. Greg Thies, 703-255-7141	06/21/2006	No	No	No
Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058	06/19/2006	No	No	No
Ciba Specialty Chemicals Mr. John Deming, 302-479-5499	06/20/2006	No	No	No
Cytec Industries, Inc. Mr. Lenny Davis, 203-321-2739	06/22/2006	Yes	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	06/20/2006	No	No	No
DuPont Ms. Elaine Olsen, 302-992-2263 Ms. Helen McMahan	06/19/2006	No	No	No
Efficient Global Trade, Inc. Mr. Henry Stoebenau, 215-628-4919	06/19/2006	No	No	No
LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666	06/19/2006	No	No	No

Technical comments:⁶

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to reflect the proper chemical nomenclature.

⁶ 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.

109TH CONGRESS
2^D SESSION

S. 2743

To suspend temporarily the duty on 1-oxa-3, 20-Diazadispiro [5.1.11.2] Heneicosan-21-one 2,2,4,4-Tetramethyl, reaction products with Epichlorohydrin, hydrolyzed and polymerized.

IN THE SENATE OF THE UNITED STATES

MAY 4, 2006

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

A BILL

To suspend temporarily the duty on 1-oxa-3, 20-Diazadispiro [5.1.11.2] Heneicosan-21-one 2,2,4,4-Tetramethyl, reaction products with Epichlorohydrin, hydrolyzed and polymerized.

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. 1-OXA-3, 20-DIAZADISPIRO [5.1.11.2]**
4 **HENEICOSAN-21-ONE 2,2,4,4-TETRAMETHYL,**
5 **REACTION PRODUCTS WITH EPICHLORO-**
6 **HYDRIN, HYDROLYZED AND POLYMERIZED.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

“	9902.09.01	1-oxa-3, 20-Diazadispiro [5.1.11.2] Heneicosan-21-one 2,2,4,4-Tetramethyl, reaction products with Epichloro- hydrin, hydrolyzed and po- lymerized (CAS No. 202483-55-4) (provided for in subheading 3911.90.25) ..	Free	No change	No change	On or before 12/31/2009	”.
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3 (b) EFFECTIVE DATE.—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of enactment of this Act.

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