

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. 2804 (Mr. Jim DeMint of South Carolina).

Proponent name, location: Rhodia Inc., Cranbury, NJ.

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

Nature of bill: Extension of existing temporary duty suspension through December 31, 2009.³

Retroactive effect: None.

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

Polydimethylsiloxane (CAS No. 63148-62-9) (provided for in subheading 3910.00.00).

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 a silicon polymer. It may be produced as clear liquids of varying viscosities, or as aqueous emulsions, mixtures with mineral oils and other compounded formulations. The subject product is generally clear, tasteless, odorless and provides a non-greasy feel. Low viscosity silicone grades are used in a wide variety of applications as a vehicle or ingredient in a number of personal care products due to their high dispersion, low surface tension and subtle skin lubricity. Examples are antiperspirants, skin creams and lotions, suntan lotions, bath oils, and hair care products. The subject product is also an excellent lubricant for plastics, textile fibers, foams and rubbers. It is also used as a basic building block for the downstream production of a variety of silicone materials including gels, elastomers and resins. Other uses are in auto and furniture polishes, and greases. The proponent imports the product from France in several grades under the trade name RHODORSIL, and also from Spain. Polydimethylsiloxane products are also known to be imported from Germany, Japan, and other countries.

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 Original duty suspension legislation was introduced in the 107th Congress (S. 2342); the proponent of this bill was Bayer Corp. (now LANXESS Corp.); LANXESS reportedly has not imported this product for several years, and has no objection to Rhodia's application for an extension. Staff correspondence with Ms. Jamie Schaeffer, LANXESS Corp., June 21, 2006.

Estimated effect on customs revenue:

HTS subheading: 3910.00.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	3.0%	3.0%	3.0%	3.0%	3.0%
Estimated value <i>dutiable</i> imports	\$130,000,000	\$135,000,000	\$140,000,000	\$145,000,000	\$150,000,000
Customs revenue loss 1/	\$3,900,000	\$4,050,000	\$4,200,000	\$4,350,000	\$4,500,000

1/ The estimated Customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.04.02 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)		
Rhodia Inc. (Proponent) Mr. Rick Valentine, 202-661-3802	06/12/2006	No	No	No
Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058	06/19/2006	No	No	No
Clearco Products Mr. Christopher Cleary, 215-639-2640	07/08/2006	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	07/07/2006	No	No	No
Dow Corning Corporation Ms. Faye A. Gaul, 703-440-4071	06/21/2006	Yes	Yes	Yes
DuPont Ms. Elaine Olsen, 302-992-2263	07/07/2006	No	No	No
GE Advanced Materials, Silicones Mr. Ray Hiley, 518-233-3317 Ms. Veronica Nosko, 202-637-4100	07/03/2006	No	No	No
LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666	06/21/2006	No	No	No
Wacker Chemical Corporation Ms. Sharon Campbell, 517-264-8500	07/08/2006	No	No	No

Technical comments:⁴ None.

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.

109TH CONGRESS
2^D SESSION

S. 2804

To extend the duty suspension on polysiloxane.

IN THE SENATE OF THE UNITED STATES

MAY 16, 2006

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

A BILL

To extend the duty suspension on polysiloxane.

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. POLYSILOXANE.**

4 (a) IN GENERAL.—Heading 9902.04.02 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 polysiloxane) is amended by striking “12/31/2006” and in-
7 serting “12/31/2009”.

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