

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. 2809 (Mr. Jim DeMint of South Carolina).

Proponent name, location: 3V Inc., Georgetown, SC.

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)):

4,4'-Diaminostilbene-2,2'-disulfonic acid (CAS No. 81-11-8) (provided for in subheading 2921.59.20).

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:

4,4'-Diaminostilbene-2,2'-disulfonic acid is a synthetic organic chemical that is used as an intermediate in the production of whitening agents for paper products and some stilbene dyes. The subject product is imported from China.

Estimated effect on customs revenue:

HTS subheading: <u>2921.59.20</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Customs revenue loss	\$975,000	\$975,000	\$975,000	\$975,000	\$975,000

Source of estimated dutiable import data: Commission estimates.

¹ Industry analyst preparing report: Philip Stone (202-205-3424); 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.

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)		
3V Inc. (Proponent) Stacey Altman, 843-520-5149	06/13/2006	No	No	No
Abbott Elaine Leavenworth, Fax: 202-783-6631	06/22/2006	No	No	No
American Chemistry Council Jim O'Connor, Fax: 703-741-6922	06/22/2006	No	No	No
BASF, Functional Polymers Group Joseph Breunig, Fax: 973-245-6721	06/22/2006	No	No	No
Bayer Corporation Julie Van Egmund, Fax: 202-737-8909 Karen L. Niedermeyer, Fax: 412-777-4740	06/22/2006	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	06/22/2006	No	No	No
Ciba Specialty Chemicals John Deming, Fax: 302-479-5152	06/22/2006	Yes	Yes	Yes
CMPA Larry Robinson, Fax: 703-684-1795	06/22/2006	No	No	No
ColorChem Steve Printz, Fax: 770-993-4780	06/22/2006	No	No	No
Color Resources International Inc. Wayne Jones, Fax: 864-862-6824	06/22/2006	No	No	No
Day-Glo Richard Thornton, Fax: 216-391-1408	06/22/2006	No	No	No
DuPont Helen McMahon, Fax: 302-355-2994	06/22/2006	No	No	No
DyStar L.P. Van Hawkins, Fax: 704-561-3005	06/22/2006	No	No	No
Eastman Chemical Company Jorge San Pedro, Fax: 703-524-7707 Greg Riddle, Fax: 703-524-7707	06/22/2006	No	No	No
ETAD Tucker Helms, Fax: 202-296-8120	06/22/2006	No	No	No
Everlight USA, Inc. Scott Chen, Fax: 704-588-0051	06/22/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Fanwood Chemical Jim DeLisi, Fax: 908-322-8494	06/22/2006	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	06/22/2006	No	No	No
LANXESS Corporation Jamie B. Schaeffer, Fax: 412-809-3614	06/22/2006	No	No	No
Milliken Ray Sanders, Fax: 864-503-1618	06/22/2006	No	No	No
Monsanto Corporation Michael Parrish, Fax: 202-789-1867 Linda Strachan, Fax: 202-789-1867	06/22/2006	No	No	No
NFC John Dickson, Fax: 803-548-2683	06/22/2006	No	No	No
Noveon Tom Dirmyer, Fax: 216-447-5720	06/22/2006	No	No	No
Passaic Color John Wojciechowski, Fax: 973-279-3175	06/22/2006	No	No	No
Rhodia Dominick Cangiana, Fax: 609-860-2256	06/22/2006	No	No	No
Rohm & Haas Steven Volger, Fax: 215-592-2550	06/22/2006	No	No	No
Solutia Dan Jenkins, Fax: 314-674-1585 Sue Cannon, Fax: 314-674-1585	06/22/2006	No	No	No
Syngenta Mike Blythe, Fax: 336-632-6084 Dawn Stomp, Fax: 202-347-7772	06/26/2006	No	No	No
Uniroyal Chemical Company Lloyd Moon, Fax: 203-573-4430	06/22/2006	No	No	No
United Color Manufacturing, Inc. Tom Nowakowski, Fax: 215-860-8560	06/22/2006	No	No	No

Technical comments:³ None.

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.

The Honorable Chuck Grassley, Chair
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Re: S. 2809

Dear Chairman Grassley:

Ciba Specialty Chemicals Corporation is writing to express our objection to S. 2809, which seeks to suspend the duty on imports of the chemical commonly known as DAS [4,4'-diaminostilbene-2,2'-disulfonic acid], CAS No. 81-11-8. The virtual sole use of DAS is as the key material to make stilbenic fluorescent whitening agents ("stilbenic whiteners"), for use in detergents, textiles and paper. DAS based stilbenic whiteners make these products brighter or whiter.

Ciba is a global producer of specialty chemicals, with production and distribution facilities throughout the US. We manufacture DAS at our McIntosh Alabama facility, and have been doing so for more than 30 years. We have made significant investments over the years in this processing area of the McIntosh plant and have continued to employ a strong workforce. Indeed, Ciba remains the lone US producer of DAS, and the only producer in the US of stilbenic whiteners using US made DAS. Any other facility in the US to process stilbenic whiteners does so using imported DAS.

Our domestically manufactured DAS and the stilbenic whiteners produced from it, face increasingly debilitating competition from China, India, and Europe. In recent years there has been significant price erosion from what we believe are unfairly low priced foreign imports. The consequential financial impact to Ciba's DAS and stilbenic whiteners business has been great. The conditions became so severe that it forced Ciba to try to seek relief by petitioning for antidumping and countervailing duties. Should the duty be suspended on DAS, this would further deteriorate the competitiveness of the sole remaining domestic DAS production at our McIntosh, Alabama site. The duty suspension would cause even greater price deflation than we have seen in the past few years, which will result in serious financial harm to this US business. Ciba strives to maintain the existence of this business in the US including the many US chemical operators who comprise the workforce at our facility here. Therefore, in the interest of promoting this US business and the protection of US jobs, we urge the Congress to withdraw this bill.

Respectfully submitted,

John Deming
Head - Federal Government Relations
and Trade Association Relations

cc: International Trade Commission

109TH CONGRESS
2^D SESSION

S. 2809

To suspend temporarily the duty on 4,4'-Diaminostilbene-2,2'-disulfonic acid.

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 suspend temporarily the duty on 4,4'-Diaminostilbene-2,2'-disulfonic acid.

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. 4,4'-DIAMINOSTILBENE-2,2'-DISULFONIC ACID.**

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:

“	9902.29.90	4,4'-Diaminostilbene-2,2'-disulfonic acid (CAS No. 81-11-8) (provided for in subheading 2921.59.20)	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 with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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