

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. 2991 (Mr. Rick Santorum of Pennsylvania).

Proponent name, location: Air Products and Chemicals, Inc., Allentown, 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 emulsion of a modified aliphatic amine mixture of: decanedioic acid, compounds with 1,3-benzenedimethanamine-bisphenol A-bisphenol A diglycidyl ether-diethylenetriamine glycidyl phenyl ether reaction product-epichlorohydrin-formaldehyde-propylene oxide-triethylenetetramine polymer (CAS No. 260549-92-6) and water (CAS No. 7732-18-5) (provided for in subheading 3909.30.00).

Modified aliphatic amine mixture of benzyl alcohol (CAS No. 100-51-6), reaction product of tris-(2,4,6-dimethylaminomethyl)phenol and meta-xylenediamine (CAS No. 57214-10-5), benzene-1,3-dimethanamine (MXDA) (CAS No. 1477-55-0), phenol 4,4'-(methyl 1-ethylidene)bis-, polymer with (chloromethyl)oxirane, reaction products with ethylenediamine (CAS No. 72480-18-3), and ethylenediamine (CAS No. 107-15-3) (provided for in subheading 3911.90.45).

Polyamide mixture of C18-unsaturated fatty acid dimers, polymer with tall oil fatty acid, bisphenol A diglycidyl ether, diethylenetetramine, formaldehyde, phenyl glycidyl ether and polyethylenepolyamines (CAS No. 128824-26-0), tall oil fatty acid, reaction products with tetraethylenepentamine (CAS No. 68953-36-6), benzyl alcohol (CAS No. 100-51-6), aminopropylmorpholine, 4- (CAS No. 123-00-2), poly (oxy (methyl-1,2-ethanediy)), alpha-(2-aminomethylethyl)-omega-(2-aminomethylethoxy) (CAS No. 9046-10-0), xylene (CAS No. 1330-20-7), tetraethylenepentamine (CAS No. 112-57-2), triethylenetetramine (CAS No. 112-24-3) and diethylenetriamine (DETA) (CAS No. 111-40-0) (provided for in subheading 3909.30.00).

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 three products of this bill are amine/amide curing agents used in epoxy systems. They are composed of the complex reaction mixtures enumerated; there are reportedly no single CAS Nos. for the three finished reaction products because they are mixtures, not pure chemicals.³

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 Staff interview with Ms. Mary (Molly) Troutman, Import Compliance Specialist, Air Products and Chemicals, Inc., (610-481-4003), July 11, 2006.

Product I. Epilink® 701/Anquamine® 701 is a water-based polyamide epoxy curing agent sold to coatings, flooring (concrete, etc.), and grout manufacturers. It allows customers to create unique microporous systems that are breathable and water vapor permeable, preventing delamination and blistering. This product is imported from the United Kingdom.

Product II. Ancamine® 2432 is a light yellow modified aliphatic amine liquid used to make chemically resistant coatings, mortar, floor coatings, and anchor bolt adhesive used in building bridges. This product is imported from the United Kingdom.

Product III. Ancamide® 2733 is an amine/amide curing agent for epoxy resins. This product is used in various coatings. It is imported from Singapore and the United Kingdom.

Estimated effect on customs revenue:

| Total Estimated Revenue loss for this Bill | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Customs revenue loss | \$142,468 | \$149,603 | \$157,056 | \$164,950 | \$173,155 |

| HTS subheading: <u>3909.30.00</u> | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 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 | \$1,660,000 | \$1,743,000 | \$1,830,000 | \$1,922,000 | \$2,017,000 |
| Customs revenue loss | \$107,900 | \$113,295 | \$118,950 | \$124,930 | \$131,105 |

Source of estimated dutiable import data: Commission and industry estimates.

| HTS subheading: <u>3911.90.45</u> | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Col. 1-General rate of duty | 5.8% | 5.8% | 5.8% | 5.8% | 5.8% |
| Estimated value <i>dutiable</i> imports | \$596,000 | \$626,000 | \$657,000 | \$690,000 | \$725,000 |
| Customs revenue loss 1/ | \$34,568 | \$36,308 | \$38,106 | \$40,020 | \$42,050 |

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) | |
| Air Products and Chemicals, Inc. (Proponent) Mr. Scott Garrett, 610-481-4764 Ms. Molly Troutman, 610-481-4003 Ms. Elizabeth Wright, 202-872-8181 Mr. Steve Ziehm, 202-872-8181 | 07/08/2006 | No | No | No |
| Bayer Corporation Ms. Karen Niedermeyer, 412-777-2058 | 07/06/2006 | No | No | No |
| Ciba Specialty Chemicals Mr. John Deming, 302-479-5499 | 07/14/2006 | No | No | No |
| Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400 | 07/07/2006 | No | No | No |
| DuPont Ms. Helen McMahon, 302-992-2263 | 07/07/2006 | No | No | No |
| Gabriel Performance Products Mr. Leonard J. Boehm, 440-992-3200 | 07/07/2006 | Yes | Yes | Yes |
| Hexion Specialty Chemicals, Inc. Mr. Howard P. Franck, 832-366-2359 Mr. Paul W. Langemeier, 832-366-2385 | 07/06/2006 | Yes | Yes | Yes |
| Huntsman Advanced Materials Mr. Petharnan Subramanian, 281-719-7563 Mr. Derek Kincaid, 281-719-7623 | 07/09/2006 | Yes | Yes | Yes |
| LANXESS Corporation Ms. Jamie Schaeffer, 412-809-3666 | 07/06/2006 | No | No | No |
| Reichhold Chemicals, Inc. Mr. Daniel Giles, 800-431-1920 | 07/11/2006 | No | No | No |

Technical comments:⁴

The Commission suggests the article descriptions on page 1 of this report because they contain the correct classification and spelling of the subject epoxy curing agents. The Commission also notes that the proponent does not have binding Customs rulings for the products of this bill. Instead, it uses Customs Ruling 955405 as the basis for classification, plus the Explanatory Notes definition of “other amino resin.”⁵

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.

⁵ Staff interview with Ms. Mary (Molly) Troutman, Import Compliance Specialist, Air Products and Chemicals, Inc., (610-481-4003), July 11, 2006.

109TH CONGRESS
2D SESSION

S. 2991

To suspend temporarily the duty on epoxy curing agents.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2006

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 epoxy curing agents.

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 OF DUTY ON EPODIL L DILUENT.**

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 headings:

| | | | | | | |
|--------------|---|------|-----------|-----------|-------------------------|------|
| “ 9902.39.09 | Aqueous emulsion of a modified aliphatic amine mixture of: Decanedioic acid, compounds with 1,3-benzenedimethanamine-bisphenol A-bisphenol A diglycidyl ether-diethylenetriamine glycidyl phenyl ether reaction product-epichlorohydrin-formaldehyde-propylene oxide-triethylenetetramine polymer (CAS No. 260549-92-6) and water (CAS No. 7732-18-5) | Free | No change | No change | On or before 12/31/2009 | |
|--------------|---|------|-----------|-----------|-------------------------|------|

| | | | | | | | |
|---|------------|---|------|-----------|-----------|-------------------------|------|
| “ | 9902.39.10 | Modified aliphatic amine mixture of Benzyl alcohol (CAS No. 100-51-6), Reaction product of tris-(2,4,6-dimethylaminomethyl)phenol and metaxylenediamine (CAS No. 57214-10-5), Benzene-1,3-dimethaneamine (MXDA) (CAS No. 1477-55-0), Pheno 4,4'-(methyl 1-ethylidene)bis-, polymer with (chloromethyl)oxirane, reaction products with ethylenediamine (CAS No. 72480-18-3), and Ethylenediamine (CAS No. 107-15-3) (provided for in subheading 3909.30.00) | Free | No change | No change | On or before 12/31/2009 | |
| “ | 9902.39.11 | Polyimide Mixture of C18-unsaturated fatty acid dimers, polymer with tall-oil fatty acid, Bisphenol a diglycidyl ether, diethylenetetramine, formaldehyde, phenyl glycidyl ether and polyethylenepolyamines (CAS No. 128824-26-0), Tall oil fatty acid, reaction products with Tetraethylenepentamine (CAS No. 68953-36-6), Benzyl alcohol (CAS No. 100-51-6), Aminopropylmorpholine, 4- (CAS No. 123-00-2), Poly (oxy (methyl-1,2-ethanedyl), alpha-(2-aminomethylethyl)-omega-(2-aminomethylethoxy) (CAS No. 9046-10-0), Xylene (CAS No. 1330-20-7), Tetraethylenepentamine (CAS No. 112-57-2), Triethylenetetramine (CAS No. 112-24-3) and Diethylenetriamine (DETA) CAS No. 111-40-0) (provided for in subheading 3909.30.00) | Free | No change | No change | On or before 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 the enactment of this Act.

