

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. 2992 (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)):

Formaldehyde, polymer with toluene (CAS No. 25155-81-1) (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 product is a low molecular weight, aromatic hydrocarbon additive and extender for epoxy resin systems. Its composition is greater than 99 percent formaldehyde polymer with toluene, with less than 1 percent toluene as a solvent. This product has also been used successfully with certain polyester and urethane resins. It is soluble in, and compatible with, liquid epoxy resins as well as most curing agents. Systems utilizing the product exhibit improved adhesion to many substrates, as well as improved pigment/filler wetting and trowelability (reduced stickiness) of epoxy mortars and reduced viscosity. At higher concentrations it acts as a plasticizer. The product is imported from the United Kingdom.

Estimated effect on customs revenue:

HTS subheading: <u>3911.90.25</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	6.1%	6.1%	6.1%	6.1%	6.1%
Estimated value <i>dutiable</i> imports	\$548,000	\$575,000	\$604,000	\$634,000	\$666,000
Customs revenue loss	\$33,428	\$35,075	\$36,844	\$38,674	\$40,626

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

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.

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
Hexion Specialty Chemicals, Inc. Mr. Howard P. Franck, 832-366-2359 Mr. Paul W. Langemeier, 832-366-2385	07/06/2006	No	No	No
Huntsman Advanced Materials Mr. Petharnan Subramanian, 281-719-7563 Mr. Derek Kincaid, 281-719-7623	07/09/2006	No	No	No
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:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide a more concise chemical name.

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.

109TH CONGRESS
2D SESSION

S. 2992

To suspend temporarily the duty on mixtures of formaldehyde polymer and toluene.

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 mixtures of formaldehyde polymer and toluene.

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 MIXTURES OF FORM-**

4 **ALDEHYDE POLYMER AND TOLUENE.**

5 (a) IN GENERAL.—Subchapter II of chapter 99 of
6 the Harmonized Tariff Schedule of the United States is
7 amended by inserting in numerical sequence the following
8 new heading:

“	9902.39.12	Hydrocarbon resin mixture of formaldehyde polymer (CAS No. 25155–81–1) and toluene (CAS No. 108–88–3) (provided for in subheading 3911.90.25)	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 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.

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