

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: August 10, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 2996 (Mr. Jim DeMint of South Carolina).

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

**Other bills on product (109<sup>th</sup> 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)):**

2-(2H-Benzotriazol-2-yl)-4,6-bis(1,1-dimethylpropyl)phenol (CAS No. 25973-55-1) (provided for in subheading 2933.99.79).

**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 chemical is a synthetic organic chemical that is added to plastics to protect against degradation by ultraviolet light. The proponent imports the product from Italy.

**Estimated effect on customs revenue:**

| HTS subheading: <u>2933.99.79</u>       |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
|   | 2006      | 2007      | 2008      | 2009      | 2010      |
| <del>Col. 1-General rate of duty</del>  |           |           |           |           |           |
| Col. 1-General rate of duty             | 6.5%      | 6.5%      | 6.5%      | 6.5%      | 6.5%      |
| Estimated value <i>dutiable</i> imports | \$440,000 | \$440,000 | \$440,000 | \$440,000 | \$440,000 |
| Customs revenue loss                    | \$28,600  | \$28,600  | \$28,600  | \$28,600  | \$28,600  |

Source of estimated dutiable import data: Industry estimates.

<sup>1</sup> Industry analyst preparing report: Philip Stone (202-205-3424); Tariff Affairs contact: David Michels (202-205-3440).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](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)<br>Stacey Altman, 843-520-5149  | 06/27/2006     | No   | No                   | No                |
| Abbott<br>Elaine Leavenworth, Fax: 202-783-6631   | 06/29/2006     | No   | No                   | No                |
| American Chemistry Council<br>Jim O'Connor, Fax: 703-741-6922                                       | 06/29/2006     | No   | No                   | No                |
| Ashland Chemical<br>Mike Toohey, Fax: 202-293-2913  | 06/29/2006     | No   | No                   | No                |
| Bayer Corporation<br>Julie Van Egmund, Fax: 202-737-8909<br>Karen L. Niedermeyer, Fax: 412-777-4740 | 06/29/2006     | No   | No                   | No                |
| Biddle Sawyer<br>William Thonack, Fax: 212-239-1089   | 06/29/2006     | No   | No                   | No                |
| Ciba Specialty Chemicals<br>John Deming, Fax: 302-479-5152  | 06/29/2006     | Yes  | Yes                  | Yes               |
| DuPont<br>Helen McMahon, Fax: 302-355-2994  | 06/29/2006     | No   | No                   | No                |
| Eastman Chemical Company<br>Jorge San Pedro, Fax: 703-524-7707<br>Greg Riddle, Fax: 703-524-7707    | 06/29/2006     | No   | No                   | No                |
| GlaxoSmithKline<br>William Schuyler, Fax: 202-715-1001  | 06/29/2006     | No   | No                   | No                |
| Honeywell International<br>Art Simonetti, Fax: 202-662-2675   | 06/29/2006     | No   | No                   | No                |
| Lonza, Inc.<br>Ray Esposito, Fax: 201-696-3487  | 06/29/2006     | No   | No                   | No                |
| Monsanto Corporation<br>Michael Parrish, Fax: 202-789-1867<br>Linda Strachan, Fax: 202-789-1867     | 06/29/2006     | No   | No                   | No                |
| Noveon<br>Tom Dirmyer, Fax: 216-447-5720  | 06/29/2006     | No   | No                   | No                |
| Perstorp Polyols, Inc.<br>Jeff Jones, Fax: 419-729-3291   | 06/29/2006     | No   | No                   | No                |

| Name of firm/organization  | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|--|----------------------|-------------------|
| Rhodia<br>Dominick Cangiana, Fax: 609-860-2256                             | 06/29/2006     | No   | No                   | No                |
| Solutia<br>Dan Jenkins, Fax: 314-674-1585<br>Sue Cannon, Fax: 314-674-1585 | 06/29/2006     | No   | No                   | No                |
| Tennant Co.<br>Mary Heie, Fax: 763-513-1808                                | 06/29/2006     | No   | No                   | No                |
| Total Specialty Chemicals, Inc.<br>Tad Acker, Fax: 203-966-1505            | 06/29/2006     | No   | No                   | No                |
| Union Carbide<br>Jim Murray, Fax: 202-347-1684                             | 06/29/2006     | No   | No                   | No                |
| Uniroyal Chemical Company<br>Lloyd Moon, Fax: 203-573-4430                 | 06/29/2006     | No   | No                   | No                |

**Technical comments:**<sup>3</sup>

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the correct HTS number.

<sup>3</sup> 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. 2996

Dear Chairman Grassley:

Ciba Specialty Chemicals Corporation is writing to express our objection to S. 2996, which seeks to suspend the duty on imports of the chemical known as 2-(2H-benzotriazole-2-yl)-4,6-ditertpentylphenol [CAS No. 25973-55-1]. Ciba produces and distributes this chemical as TINUVIN 328, which is used in the coatings, plastics and inks markets as a light stabilizer.

Ciba is a global producer of specialty chemicals, with production and distribution facilities throughout the US. We manufacture Tinuvin 328 at our McIntosh Alabama facility, and have been doing so for more than 25 years. We believe the McIntosh site is the only remaining US production source of the product 2-(2H-benzotriazole-2-yl)-4,6-ditertpentylphenol [CAS No. 25973-55-1]. In 2006, we completed an investment of \$8,000,000 to expand our production capacity at the McIntosh site. Associated with this financial commitment is the employment of a considerable labor force at this facility

Stiff import competition from China, India and other Asian countries has impaired the profitability of our domestically manufactured Tinuvin 328. Notable price erosion has resulted from low priced foreign imports in recent years. Ciba's Tinuvin 328 and other light stabilizers business have suffered the commercial consequences. The duty suspension would cause even greater price deflation than we have experienced in the past few years, which will jeopardize the viability of this US business. As can be seen from the sizeable investment we made to our US production facility, Ciba seeks to continue manufacturing this product in the US and to preserve the US jobs attendant to that production. Therefore, in the interest of promoting this US business and the protection of US employment, 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  
2D SESSION

# S. 2996

To suspend temporarily the duty on 2-(2H-Benzotriazol-2-yl)-4,6-bis(1,1-dimethylpropyl)phenol.

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IN THE SENATE OF THE UNITED STATES

MAY 24, 2006

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

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## A BILL

To suspend temporarily the duty on 2-(2H-Benzotriazol-2-yl)-4,6-bis(1,1-dimethylpropyl)phenol.

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. 2-(2H-BENZOTRIAZOL-2-YL)-4,6-BIS(1,1-**  
4 **DIMETHYLPROPYL)PHENOL.**

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:

|              |   |      |           |           |                         |    |
|--------------|---|------|-----------|-----------|-------------------------|----|
| “ 9902.38.12 | 2-(2H-Benzotriazol-2-yl)-4,6-bis(1,1-dimethylpropyl)phenol (CAS No. 25973-55-1) (provided for in subheading 3812.30.60) ..... | 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.

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