

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 26, 2006]²

Bill No. and sponsor: S. 3203 (Mr. Frank R. Lautenberg of New Jersey).

Proponent name, location: Solvay Solexis, Inc., Thorofare, NJ.

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)):

1-Propene, 1,1,2,3,3,3-hexafluoro-,oxidized, polymerized, reduced hydrolyzed (CAS No. 161075-14-5)
(provided for in subheading 3907.20.00).

Check one: ___ Same as that in bill as introduced.
 X Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject products are functional perfluoropolyethers that are synthesized from a proprietary process which is based on the photo oxidation of hexafluoropropylene monomer. The products are clear, yellowish, medium-viscosity fluids or low-viscosity emulsions that are sold under various trade names. They serve as lubricants and corrosion inhibitors in fluorinated greases and are also used for various release and surface treatment applications. They are reported to offer exceptional chemical resistance, better sub-zero temperature properties, greater thermal and oxidative stability and lower evaporation loss. The subject products are imported from Italy.

Estimated effect on customs revenue:

HTS subheading: 3907.20.00					
	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	\$129,000	\$142,000	\$156,000	\$172,000	\$200,000
Customs revenue loss	\$8,385	\$9,230	\$10,140	\$11,180	\$13,000

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)	
Solvay Solexis, Inc. (Proponent) Max Turnipseed, 225-338-0310 Andrew Jones, 856-251-3410	08/01/2006	No	No	No
AGC Chemicals Americas, Inc. (Asahi) Winn Darden, 805-583-5917 Jeff Neeley, 202-530-8503	08/02/2006	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	08/02/2006	No	No	No
Ciba Specialty Chemicals John Demming, 302-479-5499	08/03/2006	No	No	No
Daikin America, Inc. Tison Keel, 845-365-9566 Liesl Lim, 845-365-9505	08/02/2006	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	08/02/2006	No	No	No
DuPont Elaine M. Olsen, 302-992-2263 John D. Colven, 302-999-2091	08/02/2006	No	No	No
Dyneon (3M) John Scanlon, 651-733-1519	08/02/2006	No	No	No
LANXESS Corporation Jamie Schaeffer, 412-809-3666	08/02/2006	No	No	No

Technical comments:³

The Commission suggests that article description on page 1 of this report be used because it contains the correct spelling of the subject chemical and the proper capitalization. Specifically, the initial word “Propene” should be capitalized, and the letter ‘r’ at the end of “hexafluoror-,” should be deleted so that it reads “hexafluoro-”.

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. 3203

To suspend temporarily the duty on 1-propene, 1,1,2,3,3,3-hexafluoror-, oxidized, polymerized, reduced hydrolyzed.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2006

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

A BILL

To suspend temporarily the duty on 1-propene, 1,1,2,3,3,3-hexafluoror-, oxidized, polymerized, reduced hydrolyzed.

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. 1-PROPENE, 1,1,2,3,3,3-HEXAFLUOROR-,**
4 **OXIDIZED, POLYMERIZED, REDUCED**
5 **HYDROLYZED.**

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

“	9902.39.22	1-propene, 1,1,2,3,3,3-hexafluoro-, oxidized, polymerized, reduced hydrolyzed (CAS No. 161075-14-5) (provided for in subheading 3907.20.00)	Free	No change	No change	On or before 12/31/2009	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of enactment of this Act.

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