

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. 3305 (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-Chloro-1,1-difluoroethane (HCFC-142b) (CAS No. 75-68-3) (provided for in subheading 2903.49.90).

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:

1-Chloro-1,1-difluoroethane is a synthetic organic chemical intermediate that is used in the synthesis of fluoropolymers. The subject product is also used as a blowing agent for plastic foams and as a refrigerant (freon). The subject product is imported from Germany.

Estimated effect on customs revenue:

HTS subheading: <u>2903.49.90</u>					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty					
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$11,200,000	\$12,000,000	\$12,500,000	\$13,000,000	\$13,700,000
Customs revenue loss	\$414,400	\$444,000	\$462,500	\$481,000	\$506,900

Source of estimated dutiable import data: Industry estimates.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); 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?
Solvay Solexis, Inc. (Proponent) Mark Looney, 713-525-6588 Max Turnipseed, 225-338-0310	07/26/2006	No	No	No
3M Mildred Haynes, 202-414-3008	08/23/2006 08/28/2006 08/30/2006	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	08/07/2006	No	No	No
American Chemistry Council Jim O'Connor, Fax: 703-741-6922	08/07/2006	No	No	No
Arkema Inc. Rusty Powell, 215-419-7000 Charles Kitchen, 703-527-2099 Jay Reyher, 215-419-7974	08/25/2006 08/28/2006 08/30/2006 08/31/2006	Yes	Yes	Yes
BASF Corp. Greg Thies, Fax: 202-558-5101	08/07/2006	No	No	No
Bayer Corp. Karen Niedermeyer, 412-777-2058 Julie Van Egmond, Fax: 202-737-8909	08/07/2006	No	No	No
Biddle Sawyer Corp. William Thonack, Fax: 212-239-1089	08/07/2006	No	No	No
Chemtura Carly Seymour, Fax: 202-463-8497	08/07/2006	No	No	No
Ciba Specialty Chemicals Corp. John Demming, Fax: 302-479-5152	08/07/2006	No	No	No
Clariant Corporation Andrew Zamoyski, 202-415-9159	08/07/2006	No	No	No
Dow Chemical Lisa Schroeter, 202-429-3407	08/23/2006	No	No	No
Dupont Helen McMahon, Fax: 302-355-2994	08/07/2006	No	No	No
Eastman Chemical Jorge San Pedro, Fax: 703-524-7707 Greg Riddle, Fax: 703-524-7707	08/07/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Honeywell International Art Simonetti, Fax: 202-662-2675	08/07/2006	No	No	No
Monsanto Linda Strachan, Fax: 202-789-1867 Michael Parrish, Fax: 202-789-1867	08/07/2006	No	No	No
Rhodia Dominick Cangiano, Fax: 609-860-2256	08/07/2006	No	No	No
Solutia Sue Cannon, Fax: 314-674-1585 Dan Jenkins, Fax: 314-674-1585	08/07/2006	No	No	No
Uniroyal Chemical Lloyd Moon, Fax: 203-573-4430	08/07/2006	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 capitalize the chemical name and to include the refrigerant number in the article description.

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.

Jay R. Reyher
Regional Group President, Technical Polymers
Global General Manager, Fluoropolymers

August 30, 2006

Mr. Jeffrey Clark
U.S. International Trade Commission
500 E St., SW – Room 513-G
Washington, DC 20436

RE: S. 3305 Temporary Tariff Suspension for 1-chloro-1,1-difluoroethane (HCFC 142b)

Dear Mr. Clark:

Thank you for your inquiry of August 25, 2006, regarding S. 3305, which would temporarily suspend the current duty on imported 1-chloro-1,1-difluoroethane (a.k.a. Freon 142). I am writing to express Arkema Inc.'s opposition to the inclusion of S. 3305 in the omnibus Tariff Suspension & Technical Corrections Act of 2006.

Arkema is a domestic producer of 1-chloro-1,1-difluoroethane manufactured at its facility in Calvert City, Kentucky. Enactment of this legislation would negatively affect our competitive position in the US domestic market.

Please do not hesitate to contact me at 215.419.7974 (or Arkema's Director of Government Relations – listed below) if you have any further questions or if there is any more information that Arkema can provide. Again, thank you for bringing this matter to our attention.

Regards,

cc. Charles A. Kitchen
Director, Government Relations
Arkema Inc.
1200 N. Nash Street – Suite 1150
Arlington, VA 22209
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109TH CONGRESS
2D SESSION

S. 3305

To suspend temporarily the duty on 1-chloro-1, 1-difluoroethane.

IN THE SENATE OF THE UNITED STATES

MAY 26, 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-chloro-1, 1-difluoroethane.

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-CHLORO, 1-DIFLUOROETHANE.**

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:

“	9902.29.11		1-chloro-1, 1-difluoroethane (CAS No. 75-68-3) (provided for in subheading 2903.49.90)		Free		No change		No change		On or before 12/31/2009	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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