

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. 3348 (Mr. Arlen Specter of Pennsylvania).

Proponent name, location: Eastman Chemical Company, Kingsport, TN.

Other bills on product (109th Congress only): S. 3346.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Resin acids and rosin acids, polymerized, esters with glycerol (CAS No. 68475-37-6) (provided for in subheading 3806.30.00).

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:

Ester gums are usually semi-synthetic products of rosin and a polyhydric alcohol that are used in paints, varnishes, and cellulosic lacquers. Most imports of ester gums are from Mexico and China.

Estimated effect on customs revenue:

HTS subheading: <u>3806.30.00</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	\$9,635,000	\$10,510,000	\$11,384,000	\$12,258,000	\$13,132,000
Customs revenue loss	\$626,275	\$683,150	\$739,960	\$796,770	\$853,580

Source of estimated dutiable import data: Commission estimates based on official U.S. Government statistics.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); 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/organization1/	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Eastman Chemical Company (Proponent) Jorge San Pedro, 703-524-7653	08/22/2006	No	No	No
Akzo Nobel Resins Product Manager, Fax: 912-367-5754	08/28/2006	No	No	No
Arizona Chemical Co., Inc. Product Manager, Fax: 904-928-8779	08/28/2006	No	No	No
J.H. Calo Company, Inc. Product Manager, Fax: 516-832-7758	08/28/2006	No	No	No
Crowley Chemical Co. Product Manager, Fax: 212-953-3487	08/28/2006	No	No	No
Del Amo Chemical Co. Product Manager, Fax: 310-719-1342	08/28/2006	No	No	No
Ecolink, Inc. Product Manager, Fax: 770-621-8245	08/28/2006	No	No	No
Georgia-Pacific Resins Product Manager, Fax: 404-749-2682	08/28/2006	No	No	No
Hercules, Inc. Product Manager, Fax: 302-594-6664	08/28/2006	No	No	No
International Paper Co. Product Manager, Fax: 203-541-8200	08/28/2006	No	No	No
Lonza, Inc. Product Manager, Fax: 201-795-9989	08/28/2006	No	No	No
Loos & Dilworth, Inc. Product Manager, Fax: 215-785-3597	08/28/2006	No	No	No
Mil-Spec Industries Corp. Product Manager, Fax: 516-625-0988	08/28/2006	No	No	No
Natrochem, Inc. Product Manager, Fax: 912-236-1919	08/28/2006	No	No	No
Naval Stores Co. of New York Product Manager, Fax: 914-664-9383	08/28/2006	No	No	No
Roger A. Reed, Inc. Product Manager, Fax: 781-942-1831	08/28/2006	No	No	No
Resinall Corp. Henry Boswell, Fax: 203-329-0167	08/28/2006	Yes	Yes	Yes

Name of firm/organization ^{1/}	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Rit-Chem Co., Inc. Product Manager, Fax: 914-769-1408	08/28/2006	No	No	No
Frank B. Ross Co. Product Manager, Fax: 732-669-0814	08/28/2006	No	No	No
Sovereign Chemical Co. Product Manager, Fax: 330-869-0518	08/28/2006	No	No	No
Sovereign Products Inc. Product Manager, Fax: 718-852-5616	08/28/2006	No	No	No
Westvaco Corp., Oleochemicals Dept. Product Manager, Fax: 843-740-2148	08/28/2006	No	No	No
Westvaco Corp., Polychemicals Dept. Product Manager, Fax: 843-740-2147	08/28/2006	No	No	No

^{1/} Domestic firms and organizations were identified using company directories and internet research. Individual contacts at each firm or organization were not identified

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 defined 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
2^D SESSION

S. 3348

To suspend temporarily the duty on ester gums.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

A BILL

To suspend temporarily the duty on ester gums.

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. ESTER GUMS.**

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:

“	9902.38.08	Ester gums (CAS No. 68475–37–6) (provided for in subheading 3806.30.00)	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

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

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