

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. 3349 (Mr. Richard C. Shelby of Alabama).

Proponent name, location: Dyneon 3M, Decatur, AL.

Other bills on product (109th Congress only): None.

Nature of bill: Extension of existing temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

Fluoropolymers containing 95 percent or more by weight of the monomer units tetrafluoroethylene, hexafluoropropylene, and vinylidene fluoride (provided for in subheading 3904.69.50).

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 product is an extrusion grade, melt-processable fluoropolymer powder that is produced by polymerizing various combinations of tetrafluoroethylene, hexafluoropropylene, and vinylidene fluoride monomers (THV). The various polymer combinations, known as THV, are subsequently pelletized at the proponent's plant for downstream sales. These polymers are extremely flexible, more so than conventional melt-processable fluoroplastics, representing a distinct advantage in many multilayer constructions and in a number of tubing applications. THV also displays excellent optical clarity and processing versatility, all without sacrificing typical fluoroplastic properties like excellent weathering, chemical, hydrolysis, and soiling resistance, as well as low flammability, water absorption, and permeability. End uses include under-the-hood automotive tubing applications, wire and cable, and chemically resistant/protective coatings. THV is also suitable for co-processing with conventional hydrocarbon plastics or elastomers, and may be processed by co-extrusion, blow molding, coating, and injection molding techniques. The subject product is imported from Germany.

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.

Estimated effect on customs revenue:

HTS subheading: <u>3904.69.50</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	\$3,000,000	\$3,100,000	\$3,200,000	\$3,300,000	\$3,400,000
Customs revenue loss ^{1/}	\$195,000	\$201,500	\$208,000	\$214,500	\$221,000

1/ The estimated customs revenue loss for 2006 reflects the existing duty suspension under HTS heading 9902.01.62 that expires on December 31, 2006.

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

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)		
Dyneon 3M (Proponent) Doug Whitman, 651-736-7536 Mildred W. Haynes, 202-414-3008 Steve Ziehm, 202-872-8181, ext. 243	08/25/2006	No	No	No
AGC Chemicals Americas, Inc. (Asahi) Winn Darden, 805-583-5917 Jeff Neeley, 202-530-8503	08/30/2006	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	08/27/2006	No	No	No
Daikin America, Inc. Tison Keel, 845-365-9566 Liesl Lim, 845-365-9505	08/30/2006	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	08/27/2006	No	No	No
DuPont Elaine M. Olsen, 302-992-2263	08/27/2006	No	No	No
LANXESS Corporation James Schaeffer, 412-809-3666	08/27/2006	No	No	No

Technical comments:³

The chapter 99 heading listed in this bill, 9902.39.04, is incorrect and should be amended to reflect the correct heading, 9902.01.62.

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. 3349

To extend temporarily the suspension of duty on certain fluoropolymers.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2006

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

A BILL

To extend temporarily the suspension of duty on certain
fluoropolymers.

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. EXTENSION OF CERTAIN DUTY SUSPENSIONS**
4 **ON CERTAIN FLUOROPOLYMERS.**

5 (a) IN GENERAL.—Heading 9902.39.04 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 fluoropolymers containing 95 percent or more by weight
8 of the 3 monomer units tetrafluoroethylene,
9 hexafluoropropylene, and vinylidene fluoride) is amended
10 by striking the date in the effective period column and
11 inserting “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 enactment of this Act.

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