

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: January 7, 2007]²

Bill No. and sponsor: S. 3445 (Mr. Harry Reid of Nevada).

Proponent name, location: Unknown.

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)):

Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether (CAS No. 126901-56-2); and, formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (CAS No. 182697-62-7) (provided for in subheading 3907.30.00).

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:

The subject product is a reactive liquid resin system in acetate solvent that is used in the production of solder mask formulations of various types. The resins have both acrylate and carboxylic acid functionality. Solder masks shield bare copper traces in printed circuit boards (PCBs) with a protective overlay of thin thermoset adhesive; this film protects the traces from the elements, and from shorting out during the soldering process. Solder masks are generally readily identifiable by the distinctive green film traces on PCBs. The resin mixture is imported from Japan.

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: 3907.30.00					
	2006	2007	2008	2009	2010
Col. 1-General rate of duty	6.1%	6.1%	6.1%	6.1%	6.1%
Estimated value <i>dutiable</i> imports	\$7,000,000	\$7,300,000	\$7,600,000	\$7,900,000	\$8,100,000
Customs revenue loss /	\$427,000	\$445,300	\$463,600	\$481,900	\$494,100

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

Contacts with domestic firms/organizations:

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Added Value Technology (AVT) Dan Shinnick, 952-881-3365	09/05/2006	No	No	No
Air Products and Chemicals, Inc. Scott Garrett, 610-481-4764 Molly Troutman, 610-481-4003 Steve Ziehm, 202-872-8181	08/28/2006	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	08/28/2006	No	No	No
Coates Circuit Products (Sun Chemical) Lauri Novak, 972-672-5531	09/07/2006	No	No	No
Cookson Electronics (Enthone) Jim Kenny, 503-880-6069	09/05/2006	No	No	No
Dow Chemical Company Lisa Schroeter, 202-429-3400	08/25/2006	No	No	No
DuPont Helen McMahon, 302-992-2263	08/28/2006	No	No	No
Gabriel Performance Products Leonard J. Boehm, 440-992-3254	08/28/2006	No	No	No
Hexion Specialty Chemicals, Inc. Howard P. Franck, 832-366-2359 Paul W. Langemeier, 832-366-2385	08/28/2006	No	No	No
Huntsman Advanced Materials Petharnan Subramanian, 281-719-7563 Derek Kincaid, 281-719-7623	08/28/2006	Yes	Yes	Yes
LANXESS Corporation James Schaeffer, 412-809-3666	08/28/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Reichhold Chemicals, Inc. Daniel Giles, 800-431-1920	08/28/2006	No	No	No
Rogers Corporation Joe Davis, 480-917-5270	09/05/2006	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used because the relevant CAS numbers appear immediately after each enumerated resin mixture.

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. 3445

To suspend temporarily the duty on epoxide resins consisting of Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (9Cl).

IN THE SENATE OF THE UNITED STATES

JUNE 6, 2006

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

A BILL

To suspend temporarily the duty on epoxide resins consisting of Formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether and formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (9Cl).

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EPOXIDE RESINS CONSISTING OF FORMALDE-**
 2 **HYDE, POLYMER WITH METHYLPHENOL, 2-**
 3 **HYDROXY-3-[(1-OXO-2-PROPENYL)OXY]PROPYL**
 4 **ETHER AND FORMALDEHYDE, POLYMER**
 5 **WITH (CHLOROMETHYL)OXIRANE AND**
 6 **METHYLPHENOL, 4-CYCLOHEXENE-1,2-**
 7 **DICARBOXYLATE 2-PROPENOATE (9CI).**

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

“	9902.29.12	Epoxide resins consisting of formaldehyde, polymer with methylphenol, 2-hydroxy-3-[(1-oxo-2-propenyl)oxy]propyl ether and Formaldehyde, polymer with (chloromethyl)oxirane and methylphenol, 4-cyclohexene-1,2-dicarboxylate 2-propenoate (9CI) (CAS Nos. 126901–56–2 and 182697–62–7) (provided for in subheading 3907.30.00)	Free	No change	No change	On or before 12/31/2009	”.
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12 (b) EFFECTIVE DATE.—The amendment made by
 13 subsection (a) applies to goods entered, or withdrawn from
 14 warehouse for consumption, on or after the 15th day after
 15 the date of the enactment of this Act.

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