

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: January 11, 2007]²

Bill No. and sponsor: S. 3447 (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 (chloromethyl)oxirane, formaldehyde and phenol, hydrogen 4-cyclohexene-1,2-dicarboxylate 2-propenoate (CAS No. 170714-28-0) (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 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 | \$1,700,000 | \$2,000,000 | \$2,500,000 | \$3,000,000 | \$3,500,000 |
| Customs revenue loss 1/ | \$103,700 | \$122,000 | \$152,500 | \$183,000 | \$213,500 |

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 article description on page 1 of this report be used because it contains the correct chemical name and it presents the CAS number in front of the HTS subheading number.

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. 3447

To suspend temporarily the duty on 2-Propenoic acid, polymer with (chloromethyl)oxirane, formaldehyde and phenol, hydrogen 4-cyclohexene-1,2-dicarboxylate.

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 2-Propenoic acid, polymer with (chloromethyl)oxirane, formaldehyde and phenol, hydrogen 4-cyclohexene-1,2-dicarboxylate.

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. 2-PROPENOIC ACID, POLYMER WITH**
4 **(CHLOROMETHYL)OXIRANE, FORMALDEHYDE**
5 **AND PHENOL, HYDROGEN 4-CYCLOHEXENE-**
6 **1,2-DICARBOXYLATE.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following
 2 new heading:

| | | | | | | |
|--------------|--|------|-----------|-----------|-------------------------|----|
| “ 9902.29.12 | 2-Propenoic acid, polymer with (chloromethyl)oxirane, formaldehyde and phenol, hydrogen 4-cyclohexene-1,2-dicarboxylate (provided for in subheading 3907.30.00) (CAS No. 170714–28–0) | Free | No change | No change | On or before 12/31/2009 | ”. |
|--------------|--|------|-----------|-----------|-------------------------|----|

3 (b) **EFFECTIVE DATE.**—The amendment made by
 4 subsection (a) applies to goods entered, or withdrawn from
 5 warehouse for consumption, on or after the 15th day after
 6 the date of the enactment of this Act.

○