



MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 112th Congress

Date approved

I. Background

Bill number:

Sponsor name:

Sponsor state:

Interested entity:

Name

City

State

Other bills on product (112th Congress only):

Nature of bill:

Expiration date:

Current or previous chapter 99 heading:

Retroactive date:

CAS number (if applicable):

Industry analyst:

Telephone:

Tariff Affairs contact:

Telephone:

Note:

1. Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.
2. In regard to the country(ies) of origin listed in section III, this report focuses on dutiable imports and does not take into account any tariff preference programs or special rates of duty.

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

Photomask blanks with synthetic quartz substrates, with zero defects greater than 0.5 microns in the photoresist and chromium or phase shift layer (provided for in subheading 3701.99.60)

(If enacted, the tariff relief provided for in this bill would be available to any entity that imports the product that is covered by the bill.)

Description above compared with bill as introduced:

- Same
 Different (see Technical Comments section)

III. Other product information, including uses/applications and source(s) of imports

The subject photomask blanks are primarily used to create patterns for integrated circuits which, in turn, are used in electronic products such as computers and cell phones. These circuits are also known as memory chips or microprocessors. Photomask blanks are made of polished, high-purity quartz glass. The process by which photomask blanks make patterns for integrated circuits is similar to the use of "negatives" in photography. These products are mostly imported from Japan.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3701.99.60				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty (%) or percentage point reduction	3.7	3.7	3.7	3.7	3.7
Estimated value of <i>dutiable</i> imports (\$)	20,500,000	19,500,000	18,500,000	17,600,000	16,700,000
Customs revenue loss (\$)	758,500	721,500	684,500	651,200	617,900

Note: Customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ. Regarding the HTS subheading listed in the article description of the bill, the Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only U.S. Customs and Border Protection is authorized to issue a binding ruling on this matter. The Commission believes that Customs should be consulted prior to enactment of the bill.

Dutiable imports were based on (more than one may apply):

- Official statistics of the U.S. Department of Commerce
 Provided by industry sources
 Industry information
 Commission estimates

Duty reduction notes:

- This bill is not a duty reduction
 This bill is a temporary duty reduction. Rates are shown below.

Col.1-general duty rate (%) Temporary rate (%) Percentage point reduction (%)

V. Technical comments

The phrase "either binary or phase shift" was eliminated from the article description because it was unnecessary. There are only two types of photomasks, binary and phase shift, and the description set forth above would cover both types.

VI. Continuation

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VII. Contacts with domestic firms/organizations

	# Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
1	Toppan Photomasks (Interested entity) Anthony Munguia	512-310-6574	No	No	No
2	Advanced Micro Devices, Inc. Gary Wolland	512-602-1000	No	No	No
3	Applied Materials Connie Duncan	408-563-6209	No	No	No
4	Intel Corp. Chuck Mulloy	408-765-3484	No	No	No
5	KLA-Tencor Meggan Powers	408-875-8733	No	No	No
6	Lam Research Corp. Lisa Garber	510-572-5241	No	No	No
7	Novellus Systems, Inc. Martin J. Collins	408-943-9700	No	No	No

112TH CONGRESS
2D SESSION

H. R. 4902

To suspend temporarily the duty on photomask blanks.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mr. CARTER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on photomask blanks.

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. PHOTOMASK BLANKS.**

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:

“	9902.01.00	Photomask blanks, either binary or phase shift, with synthetic quartz substrates, with zero defects greater than 0.5 microns in the photoresist and chromium or phase shift layer (provided for in sub-heading 3701.99.60)	Free	No change	No change	On or before 12/31/2015	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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