



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)):

Microcrystalline anatase-type titanium dioxide, surface-treated with aluminum, silicon, phosphorous and manganese (CAS No. 13463-67-7) (provided for in subheading 3206.11.00)

(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 product is an inorganic white pigment of surface treated titanium dioxide of the anatase crystalline form. The anatase form of titanium dioxide has a lower refractive index and less hiding power than the rutile form. It is used in paper, plastics, and low-end coatings. It is imported mainly from China, Japan, Germany, Finland, and France. There are four domestic manufacturers of titanium dioxide that also make pigment preparations. Opposition to this bill is noted below in the Contacts table.

IV. Estimated effect on customs revenue

Subject product HTS subheading(s)	3206.11.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6	6	6	6	6
Estimated value of <i>dutiable</i> imports (\$)	8,000,000	8,000,000	8,000,000	9,000,000	9,000,000
Customs revenue loss (\$)	480,000	480,000	480,000	540,000	540,000

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 description was modified to correct the CAS number.

VI. Continuation

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	InVista (Interested entity) Roger Ramseyer	316-828-1525	No	No	No
2	ColorChem Steven Printz	770-993-5500, x18	No	No	No
3	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
4	Cristal Global Amy Drusano	410-229-8062	No	No	No
5	DuPont Elaine M. Olsen	302-992-2263	Yes	Yes	Yes
6	Huntsman Robert F. Hurley	202-289-9800	No	No	No
7	Lousiana Pigment Co. John Deming	302-379-1583	No	No	No
8	NL Industries Tim Hafner	972-233-1700	No	No	No
9	PPG Industries Bill Ries	412-434-1717	No	No	No
10	Solutia Kassie Wooton	314-674-3297	No	No	No
11	Special Materials Company David Olave	202-257-5590	No	No	No
12	Tronox Mark Van LANDINGHAM	405-775-5000	No	No	No
13	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No



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June 29, 2012

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Dave Camp
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Re: **Miscellaneous Trade and Tariff Legislation**

Dear Chairmen Baucus and Camp:

I am resubmitting our letter addressed to your respective offices of June 22, 2012, in which E. I. du Pont de Nemours and Company ("DuPont") voiced our objection to pending legislation before the 112th Congress which, if enacted, would provide for the temporary suspension of duties for certain titanium dioxide products. There was a typographical error that incorrectly cited the House bill number for mixtures comprising titanium dioxide, silica, and decyl(trimethoxy)silane. The correct bill number, as highlighted below, is H.R. 5338.

DuPont is opposed to specific bills, S.3070 and H.R. 5339 to suspend temporarily the duty on mixtures comprising titanium dioxide and decyl(trimethoxy)silane, S. 3075 and H.R. 5338 to suspend temporarily the duty on mixtures comprising titanium dioxide, silica, and decyl(trimethoxy)silane, S. 2457 and H.R. 5200 to suspend temporarily the duty on anatase titanium dioxide, S. 2662 and H.R. 5457 to suspend temporarily the duty on pigments based on titanium dioxide and H.R. 5196 to suspend temporarily the duty on Microcrystalline anatase-type titanium dioxide.

DuPont is a science company committed to creating sustainable solutions essential to a better, safer, healthier life for people everywhere. We offer a wide range of innovative products and services for markets including agriculture, nutrition and health, electronics, safety and protection and home and construction.

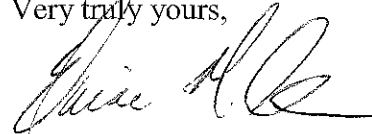
Among the world's largest producers of titanium dioxide ("TiO₂"), DuPont has been making titanium-based white pigments for paper, coatings, plastics and specialty applications since 1931 at United States' manufacturing sites in Starke, Florida; Edge Moor, Delaware; New Johnsonville, Tennessee; DeLisle, Mississippi and corporate offices in Wilmington, Delaware.

In addition to producing TiO₂ to meet the needs of today's consumer, DuPont remains committed to new product development and has dedicated employees engaged in research and development whom are actively pursuing increased product improvements and end use applications.

With the advent of significant investment in and production of TiO₂ in China, increased worldwide capacity will result in increasing price pressure on TiO₂. Accordingly, DuPont believes the duty suspension requests outlined above, if enacted, could lead to price erosion at the expense of domestic manufacturing operations. These lower prices would make it increasingly difficult for domestic producers, like DuPont, to continue to sustain and support future investment and growth opportunities in the United States. Ultimately, decreased domestic employment could result, jeopardizing not only DuPont and resident contract employees, but the economic viability of the communities in which we operate.

DuPont remains willing to provide any additional information you may need and is most appreciative for the opportunity to express our views.

Very truly yours,

A handwritten signature in black ink, appearing to read "Elaine M. Olsen", written in a cursive style.

Elaine M. Olsen

Cc: Elizabeth Nesbitt
US International Trade Commission

Rebecca Gudicello
US Department of Commerce

112TH CONGRESS
2D SESSION

H. R. 5196

To suspend temporarily the duty on Microcrystalline anatase-type titanium dioxide.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

A BILL

To suspend temporarily the duty on Microcrystalline anatase-type titanium dioxide.

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. MICROCRYSTALLINE ANATASE-TYPE TITANIUM**

4 **DIOXIDE.**

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

“	9902.01.00	Microcrystalline anatase-type titanium dioxide, surface treated with aluminum, silicon, phosphorous and manganese (CAS No. 13463-37-7) (provided for in sub-heading 3206.11.00)	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 goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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