



## 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/](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)):**

Glycerol ester of dimerized gum (100 percent) rosin, catalyzed with sulfuric acid, softening point not less than 104 degrees C, acid number 3 to 8 (CAS No. 68475-37-6) (provided for in subheading 3806.30.00)

(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 a raw material in the manufacture of polymers. It is imported from China.

Although this bill seeks a temporary duty suspension, it should be noted that an existing Chapter 99 provision--9902.40.61-- covers this product.

Also, according to the appropriate National Import Specialist at U.S. Customs and Border Protection, this provision would be difficult to administer without specific and detailed data on the invoice from the importer to insure product applicability.

Opposition to this bill is noted below in the Contacts table.

**IV. Estimated effect on customs revenue**

Subject product HTS subheading(s)	3806.30.00				
Item	2013	2014	2015	2016	2017
Col.1-general rate of duty or percentage point reduction (%)	6.5	6.5	6.5	6.5	6.5
Estimated value of <i>dutiable</i> imports (\$)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Customs revenue loss (\$)	130,000	130,000	130,000	130,000	130,000

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**

Commission staff recommend that the existing Chapter 99 provision be renewed.

**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	Eastman (Interested entity) Brent Perry	202-347-9547	No	No	No
2	3M Greg Walters	202-414-3008	No	No	No
3	Air Products and Chemicals Richard F. Goodstein	202-639-0840	No	No	No
4	Albaugh Stuart Feldstein	515-964-9444	No	No	No
5	Arizona Chemical Mike Husain	912-238-7455	Yes	Yes	Yes
6	Arkema David Kunz	202-263-3491	No	No	No
7	Ashland Frank Fusiak	973-628-4123	No	No	No
8	BASF Richard J. Salamone	973-895-8316	No	No	No
9	Bayer Steve Johnsen	412-777-5616	No	No	No
10	Celanese Samuel Ramirez	972-443-4689	No	No	No
11	Chemtura Elizabeth J. Thomasino	203-573-2644	No	No	No
12	Clariant Andrew Zamoyski	202-415-9159	No	No	No
13	ColorChem Steven Printz	770-993-5500, x18	No	No	No
14	Crowell & Moring, LLP Mike Gill	202-508-8843	No	No	No
15	DSM Sheetal Bhadekar	973-257-8323	No	No	No
16	Dixie Chemical Mal Johnson	281-291-2659	No	No	No
17	Dow Lisa Schroeter	202-429-3407	No	No	No
18	Drexel Chemical Stanley Bernard	901-774-4370	No	No	No

#	Firm/organization and contact name	Telephone number	Claims same or competing product made in the United States	Submission attached	Opposition noted
19	DuPont Elaine M. Olsen	302-992-2263	No	No	No
20	DyStar L.P. Megan Malone	202-344-4621	No	No	No
21	Emerald Performance Materials Thomas Dirmyer	330-916-6706	No	No	No
22	Evonik Russell Mait	804-452-5711	No	No	No
23	FMC Jerry Prout	202-956-5209	No	No	No
24	Fanwood Chemical V. M. (Jim) DeLisi	908-322-8440	No	No	No
25	Honeywell Art Simonetti	202-662-2671	No	No	No
26	Huntsman Robert F. Hurley	202-289-9800	No	No	No
27	Kemira Rajesh Sharma	678-819-4577	No	No	No
28	LANXESS Jamie B. Schaeffer	412-809-3666	No	No	No
29	Lonza Joe Robinson	201-316-9364	No	No	No
30	Milliken Kathi Dutilh	202-775-0084	No	No	No
31	Monsanto James K. Travis	202-383-2864	No	No	No
32	Nation Ford Chemical Jay Dickson	803-548-3210, x15	No	No	No
33	Nufarm Americas Joel Junker	206-621-7878	No	No	No
34	PPG Industries Bill Ries	412-434-1717	No	No	No
35	Procter & Gamble Matt Mattingley	202-841-5601	No	No	No
36	Purolite Gary Thundercliffe	484-384-2708	No	No	No
37	Rhodia Jackie Guscott	609-860-3379	No	No	No

38	Royce Associates, ALP Terry Scheirer	201-438-5200	No	No	No
39	SOCMA Robert E. Branand	202-345-2717	No	No	No
40	Sensient Technologies Ken Goldacker	314-658-7363	No	No	No
41	Sigma-Aldrich Jared Fenton	314-286-8326	No	No	No
42	Solutia Kassie Wooton	314-674-3297	No	No	No
43	Solvay Andrew K. Jones	856-251-3412	No	No	No
44	Symrise Elizabeth Scharlat	908-429-6821	No	No	No
45	Syngenta Mike Blythe	336-632-2824	No	No	No
46	Tessenderlo Kerley Brian Thomassen	602-889-8397	No	No	No
47	United Color Manufacturing Tom Nowakowski	215-860-2165	No	No	No
48	Valent Robin Demouth	925-256-2758	No	No	No

1201 West Lathrop Avenue  
Gate A, Tech 2  
Savannah, GA 31415



July 10, 2012

Elizabeth Nesbitt  
United States International Trade Commission  
500 E Street SW  
Washington, DC 20436

RE: Ester Gum Temporary Duty Suspension

Dear Ms. Nesbitt:

Attached is the AZC rebuttal of the Eastman Chemical Company proposal, HR 5290, sponsored by Representative David Roe of Tennessee.

- Arizona Chemical is a domestic producer of glycerol modified rosin (confidential CAS number, 3806.30.0000 Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums: ester gum) which competes with imported Glycerol ester of dimerized gum (100%) rosin (CAS No. 68475-37-6). Accordingly, we object to a duty suspension for Ester gum 10D 25KG BG China . The duty suspension will likely serve to increase the trade imbalance with China, as the AZC products primarily compete with Chinese products on small margin differences.
- We also object to the duty-free importation of Chinese gum rosin products that compete with the domestic crude tall oil (CTO) or naval stores industry. The US naval stores industry is a healthy, existing biorefining industry, similar to others in their infancy that the Department of Energy and Department of Agriculture are striving to develop. Damaging the US naval stores industry by removing tariffs on competitive imports would seem contrary to current public policies. Arizona Chemical produces over 15,000 metric tons of glycerol rosin domestically, primarily utilizing US biomass materials while not accepting bio-energy subsidies,.
- There is no known benefit to Arizona Chemical if the duty suspension is granted. To the contrary, we believe that it would damage Arizona Chemical, who manufactures competitive products in Ohio, Georgia and Florida.
- Arizona Chemical has no formal affiliation with Eastman Chemical Company, though we are both members of the Pine Chemical Association and operate chemical businesses in the US. It is our understanding that Eastman permanently idled their domestic CTO fractionation facility in 2008.

If you have any questions please call me at (912) 238-7455.

Sincerely,

Mike Husain  
Operation Initiative Director  
ARIZONA CHEMICAL COMPANY

112TH CONGRESS  
2D SESSION

# H. R. 5290

To suspend temporarily the duty on Ester gum 10D 25KG BG China.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

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## A BILL

To suspend temporarily the duty on Ester gum 10D 25KG BG China.

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. ESTER GUM 10D 25KG BG CHINA.**

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	Glycerol ester of dimerized gum (100%) rosin, catalyzed with sulfuric acid, softening point not less than 104 degrees centigrade, acid number 3 to 8 (CAS No. 68475-37-6) (provided for in sub-heading 3806.30.00) .....	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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