

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: August 26, 2005]²

Bill No. and sponsor: H.R. 1839 (Mr. Forbes)

Proponent name, location: Ciba Specialty Chemicals
4200 Geigy Access Road
St. Gabriel, LA 70776-0749

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

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

Glycine, N,N-Bis[2-hydroxy-3-(2-propenyloxy)propyl]-, monosodium salt, reaction products with ammonium hydroxide and pentafluoroiodoethane-tetrafluoroethylene telomer (CAS number 220459-70-1) (provided for in subheading 3809.92.50).

Check one: Same as that in bill as introduced
 Different from that in bill as introduced (explain differences in Technical comments section)

Product information, including uses/applications and source(s) of imports:

The subject chemical is used in the manufacture of specialty paper products to impart certain oil- and grease-resistant properties to the finished paper/paperboard product. Ciba Specialty Chemicals, the only known U.S. importer, imports the subject chemical from its affiliated plant in Germany.

There is no known U.S. production of this chemical.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at www.usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue (shown for both duty suspension and duty reduction):

The figures for “Customs revenue loss for duty reduction” assume a duty reduction from 6 percent to 1 percent for 2005 and 2006 and from 6 percent to 1.5 percent for 2007 through 2009.

HTS subheading: 3809.92.50					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty (AVE) <u>1/</u>	6%	6%	6%	6%	6%
Estimated value <i>dutiable</i> imports	9,783,333	9,979,000	10,230,600	10,230,600	10,230,600
Customs revenue loss for duty suspension	\$587,000	\$598,740	\$613,836	\$613,836	\$613,836
Customs revenue loss for duty reduction	\$489,167	\$498,950	\$460,377	\$460,377	\$460,377

1/ The AVE is the ad valorem equivalent of a specific or compound duty rate expressed as a percent, using the most recent import data available.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Ciba Specialty Chemicals (proponent) John Deming, 302-479-5499	6/23/2005	No	No	No
Clariant Corporation Andrew Zamoyski, 401-823-2230	6/23/2005	No	No	No
Du Pont Chemical Elaine Olsen, 302-992-2263	6/23/2005	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to remove the second “y” in the word “tetraflouroethylyene” and to provide the CAS number for the chemical.

The Commission also notes that the bill requests temporary suspension of the duty. However, the proponent stated that a temporary reduction in duties, from 6 percent to 1 percent for 2005 and 2006 and from 6 percent to 1.5 percent for 2007 and thereafter, would be acceptable.

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
1ST SESSION

H. R. 1839

To suspend temporarily the duty on Glycine, N,N-Bis[2-hydroxy-3-(2-propenyloxy)propyl]-, monosodium salt, reaction products with ammonium hydroxide and pentafluoroiodoethane-tetrafluoroethylene telomer.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2005

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

A BILL

To suspend temporarily the duty on Glycine, N,N-Bis[2-hydroxy-3-(2-propenyloxy)propyl]-, monosodium salt, reaction products with ammonium hydroxide and pentafluoroiodoethane-tetrafluoroethylene telomer.

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. SUSPENSION OF DUTY ON GLYCINE, N,N-BIS[2-**
 2 **HYDROXY-3-(2-PROPENYLOXY)PROPYL]-,**
 3 **MONOSODIUM SALT, REACTION PRODUCTS**
 4 **WITH AMMONIUM HYDROXIDE AND**
 5 **PENTAFLUOROiodoETHANE-**
 6 **TETRAFLUOROETHYLENE TELOMER.**

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

“	9902.38.41	Glycine, N,N-Bis[2-hydroxy-3-(2-propenyloxy)propyl]-, monosodium salt, reaction products with ammonium hydroxide and pentafluoroiodoethane-tetrafluoroethylene telomer (provided for in subheading 3809.92.50)	Free	No Change	No Change	On or Before 12/31/2008	”.
---	------------	--	------	-----------	-----------	-------------------------	----

11 (b) EFFECTIVE DATE.—The amendment made by
 12 subsection (a) applies to articles entered, or withdrawn
 13 from warehouse for consumption, on or after the 15th day
 14 after the date of the enactment of this Act.

○