

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 20, 2005]²

Bill No. and sponsor: H.R. 2171 (Mr. Henry E. Brown Jr. of South Carolina)

Proponent name, location: Lanxess Corporation
Goose Creek, SC

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

Nature of bill: Extension of temporary duty suspension through 12/31/2009.

Retroactive effect: None.

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

The subject chemical (see below) is classified in HTS subheading 3824.90.28 and is eligible for a temporary duty suspension under HTS heading 9902.38.31.

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:

Vulkalent E/C is a synthetic organic chemical used as a retardant for rubber products. The product is highly specialized and accounts for 1% percent of the domestic rubber market sales. The chemical is utilized as a part of the base rubber compound and serves as a vulcanization retardant. The product has applications ranging from hoses and seals for cars to shoe applications. There is no known domestic production of the chemical. The product is imported from Germany. According to the proponent, there are no known comparable products manufactured and available in the United States due to Vulkalent's E/C's balance of properties and high performance characteristics.

¹ Industry analyst preparing report: Richard Qualters (202-205-2334); 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: <u>3824.90.28</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$1,355,000	\$1,400,000	\$1,450,000	\$1,500,000	\$1,550,000
Customs revenue loss ^{1/}	\$88,075	\$91,000	\$94,250	\$97,500	\$100,750

^{1/} Revenue loss for 2005 and 2006 results from a current duty suspension per heading 9902.38.31.
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)		
LANXESS (Proponent) Michael Assaf, 412-809-3687 Jamie Shaeffer, 412-809-3666 Seth Tomei, 412-809-3664	7/19/2005	No	No	No
IBC Steve Ziehm, 202-872-8181	7/19/2005	No	No	No
International Institute of Synthetic Rubber Producers, Inc Fax: 713-783-7523	8/12/2005	No	No	No
Rubber Manufacturer's Association Fax: 202-682-4854	8/12/2005	No	No	No

Technical comments:³ None.

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. 2171

To extend the temporary suspension of duty on Vulkalent E/C.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2005

Mr. BROWN of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary suspension of duty on Vulkalent E/C.

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. VULKALENT E/C.**

4 (a) **IN GENERAL.**—Heading 9902.38.31 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 Vulkalent E/C) is amended by striking “12/31/2006” and
7 inserting “12/31/2009”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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