UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 110th Congress ¹

[Date approved: March 17, 2008]²

Bill No. and sponsor: H.R. 3280 (Mr. Marion Berry of Arkansas).

Proponent name, location: Ciba Specialty Chemicals, Tarrytown, NY.

Other bills on product (110th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

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

2-Nitroaniline (CAS No. 88-74-4) (provided for in subheading 2921.42.90).

Check one: ___ Same as that in bill as introduced ___ X Different from that in bill as introduced (see Technical comments section)

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

The subject chemical is used as an intermediate in the manufacture of azo class dyes such as Vat orange 7 and Vat red 14. The proponent uses the product in the manufacture of light stabilizers for polymers. The chemical is also used in the production of agricultural chemicals, rubber processing chemicals, and water treatment products. It is imported from France, India, the United Kingdom, Germany, Japan, and possibly from China.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

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

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

| HTS subheading: <u>2921.42.90</u> | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| \searrow | 2009 | 2010 | 2011 | 2012 | 2013 |
| Col. 1-General rate of duty | 6.5% | 6.5% | 6.5% | 6.5% | 6.5% |
| Estimated value <i>dutiable</i> imports | \$5,600,000 | \$5,600,000 | \$5,600,000 | \$5,600,000 | \$5,600,000 |
| Customs revenue loss 1/ | \$0 | \$364,000 | \$364,000 | \$364,000 | \$364,000 |

^{1/} The estimated customs revenue loss for 2009 reflects the existing duty suspension under HTS heading 9902.24.76 that expires on December 31, 2009.

Source of estimated dutiable import data: Industry estimates.

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

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|---|-------------------|--|----------------------|-------------------|
| | | | (Yes/No) | |
| Ciba Specialty Chemicals (Proponent) Vince Livoti Tel: 914-785-4494 vincent.livoti@ciba.com | 12/11/2007 | No | No | No |
| Abbott Laboratories Elaine Leavenworth Fax: 202-783-6631 | 12/19/2007 | No | No | No |
| Allegheny Color Corp. Mary Gallisdorfer Fax: 814-772-1559 | 12/19/2007 | No | No | No |
| American Chemistry Council Jim O'Connor Fax: 703-741-6922 | 12/19/2007 | No | No | No |
| Apollo Color, Inc. Dave Klebine Fax: 815-744-2599 | 12/19/2007 | No | No | No |
| BASF Corp. Phil Webb Fax: 704-587-8252 | 12/19/2007 | No | No | No |
| BASF Engelhard Steve Carmenisch Fax: 502-775-7205 | 12/19/2007 | No | No | No |
| Bayer Corp. Karen Niedermeyer Fax: 412-777-4740 | 12/19/2007 | No | No | No |
| Biddle Sawyer William Thonack Fax: 212-239-1089 | 12/19/2007 | No | No | No |
| Blackman Uhler Jeter Starnes Fax: 864-596-1501 | 12/19/2007 | No | No | No |

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|----------------|---|----------------------|-------------------|
| | | | (Yes/No) | |
| CPMA Larry Robinson Fax: 703-684-1795 | 12/19/2007 | No | No | No |
| Chemtura Lloyd Moon Fax: 203-573-4430 | 12/19/2007 | No | No | No |
| Clariant Corp. Andrew Zamoyski Fax: 401-823-2700 | 12/19/2007 | No | No | No |
| Day-Glo Corp. Richard Thompson Fax: 216-391-1408 | 12/19/2007 | No | No | No |
| Diacolor-Pope, Inc. Norman Russo Fax: 973-279-1256 | 12/19/2007 | No | No | No |
| DuPont Helen McMahon Fax: 302-774-1398 | 12/19/2007 | No | No | No |
| Eastman Chemical Jorge San Pedro Fax: 703-524-7707 | 12/19/2007 | No | No | No |
| Fanwood Chemical Jim DeLisi Fax: 908-322-8494 | 12/19/2007 | No | No | No |
| Galaxie Chemical Corp. Michael Santoro, Jr. Fax: 973-790-7104 | 12/19/2007 | No | No | No |
| Honeywell International Art Simonetti Fax: 202-662-2675 | 12/19/2007 | No | No | No |
| LANXESS Corporation Jamie B. Schaeffer Fax: 412-809-3614 | 12/19/2007 | No | No | No |
| Magruder Color Co., Inc. Evan Weissglass Fax: 973-242-4087 | 12/19/2007 | No | No | No |
| Mason Color Works Ann Mason Herdman Fax: 330-385-4488 | 12/19/2007 | No | No | No |
| Monsanto Corporation Linda Strahan Fax: 202-789-1867 | 12/19/2007 | No | No | No |
| National Paint & Coatings Assn. Bob Branand Fax: 202-546-3959 | 12/19/2007 | No | No | No |
| Nation Ford Chemical Co. (NFC) John Dickson Fax: 803-548-2683 | 12/19/2007 | No | No | No |
| Noveon Tom Dirmyer Fax: 216-447-5720 | 12/19/2007 | No | No | No |
| PMC Specialties Group, Inc. Gordon McCullough Fax: 513-482-7884 | 12/19/2007 | No | No | No |

| Name of firm/organization | Date contacted | Claim US makes same or competing product(s)? | Submission attached? | Opposition noted? |
|--|-------------------|---|----------------------|-------------------|
| | | | (Yes/No) | |
| Rhodia Inc. Dominick Cangiana Fax: 609-860-1842 | 12/19/2007 | No | No | No |
| Roma Color, Inc. Stuart Booth Fax: 508-676-9011 | 12/19/2007 | No | No | No |
| Solutia Sue Cannon Fax: 314-674-1585 | 12/19/2007 | No | No | No |
| Sun Chemical Ed Faulkner Fax: 513-632-1531 | 12/19/2007 | No | No | No |

Technical comments:⁴

The Commission staff suggests that the existing heading, 9902.24.76, be used for the duty suspension for the subject product.

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.

110TH CONGRESS 1ST SESSION

H.R.3280

To suspend temporarily the duty on othro nitro aniline.

IN THE HOUSE OF REPRESENTATIVES

August 1, 2007

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

A BILL

To suspend temporarily the duty on othro nitro aniline.

| 1 Be it enacted by the Senate and House of Represen | 1 | Be it er | nacted by t | the Senate | and House | of Represente |
|---|---|----------|-------------|------------|-----------|---------------|
|---|---|----------|-------------|------------|-----------|---------------|

- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. OTHRO NITRO ANILINE.
- 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:

| " | 9902.03.93 | Othro nitro aniline (provided for in subheading | | | | | |
|---|------------|---|------|-----------|-----------|--------------|----|
| | | 2921.42.90) | Free | No change | No change | On or before | |
| | | | | | | 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 enactment of this Act.

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