

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 4, 2005]²

Bill No. and sponsor: H.R. 2377 (Mr. John Kline of Minnesota, et.al.).

Proponent name, location: 3M Corporation, Automotive Division, St. Paul, MN.

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

Nature of bill: Temporary duty reduction through December 31, 2009.³

Retroactive effect: None.

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

Catalytic converter mats of ceramic fibers containing over 65 percent by weight of aluminum oxide, the foregoing 4.7625 mm or more in thickness, in bulk, sheets or rolls and designed for motor vehicles of heading 8703 (provided for in subheading 6806.10.00)

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 sources of imports:

Automotive catalytic converter mat mounts⁴ are used in automotive catalytic converters and are fitted inside the metal canister part of the catalytic converter assembly, wrapping around the catalytic converter's ceramic honeycomb substrate. As the converter heats up, the mats provide support and cushion between the substrate and the metal canister. The products also function as an internal heat insulator.

These mats are imported by 3M Company from Japan and delivered to a 3M contract manufacturer who laminates as needed, die cuts, packages and stores the finished sizes for later shipment to 3M customers in the United States. The product is not exported and is used to supply 3M customers in the United States. The United Kingdom also supplies mats of this type. The subject Interam™ mats are produced with patented technology.

Estimated effect on customs revenue:

¹ Industry analyst preparing report: Vincent DeSapio (202-205-3435); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The current general duty rate of 3.9 percent ad valorem would be reduced to 1.5 percent.

⁴ Marketed by 3M corporation in several varieties under the trade name Interam™.

HTS subheading: 6806.10.00					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	3.9 %	3.9 %	3.9%	3.9 %	3.9 %
Estimated value <i>dutiable</i> imports	\$11,564,614	\$14,727,937	\$17,891,260	\$19,370,216	\$20,400,000
Customs revenue loss <u>1/</u>	\$277,551	\$353,470	\$429,390	\$464,885	\$489,600

1/The revenue losses reflected above are the difference between the general rate of duty and the proposed reduced rate of 1.5%.

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)	
3M Corporation - Automotive Division (Proponent) Pat Mudd, pjmudd1@mmm.com	9/06/2005	Yes	Yes	No
Unifrax Corporation Paul Boymel, 716-278-3895	9/12/2005	No	No	No

Technical comments:⁵

Officials of U.S. Customs and Border Protection indicate that the proposed article description may present administrative and interpretive problems, in that it uses language that is not well defined and limits the bill's scope by the manufacturing process used. Such upstream operations are difficult for Customs to verify and may not easily be discernible from testing and inspection. The proponent has provided information describing the product in terms of constituent material, and suggested language for the article description that would reflect this information is presented on page one. The criterion that would require the good to be found "designed for use in motor vehicles of heading 8703" could be deleted if Customs deems it unnecessary or unhelpful in differentiating the subject product. We note that, to the extent any of the proponent's goods might be deemed to be fabricated articles, they would likely fall in subheading 6806.90.00, which has a general duty rate of free.

⁵ 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. 2377

To reduce temporarily the duty on certain automotive catalytic converter mats.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2005

Mr. KLINE (for himself, Mr. BOUSTANY, and Mr. SOUDER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reduce temporarily the duty on certain automotive catalytic converter mats.

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. CERTAIN AUTOMOTIVE CATALYTIC CON-**
4 **VERTER MATS.**

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:

“	9902.68.01	Automotive catalytic converter insulation and mounting mats made from high alumina ceramic fibers produced by a sol-gel manufacturing process (provided for in subheading 6806.10.00) ..	1.5%	No change	No change	On or before 12/31/2009	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
2 subsection (a) applies with respect to goods entered, or
3 withdrawn from warehouse for consumption, on or after
4 the 15th day after the date of the enactment of this Act.

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