# MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109<sup>th</sup> Congress <sup>1</sup>

[Date approved: November 8, 2005]<sup>2</sup>

Bill No. and sponsor: H.R. 2451 (Mr. Tim Murphy of Pennsylvania).

Proponent name, location: LANXESS Corp., Pittsburgh, PA.

Other bills on product (109<sup>th</sup> Congress only): None.

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

Retroactive effect: None.

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

An alkyl modified polydimethylsiloxane (CAS No. 102782–93–4) (provided for in heading 3910.00.00).

**Check one:**  $\underline{X}$  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:**

The product is an alkyl modified polydimethylsiloxane colorless silicon oil. It is a critical additive in the manufacture of certain captively produced spandex fibers that exhibit chlorine resistant properties. It is imported from Germany.

<sup>&</sup>lt;sup>1</sup> Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

<sup>&</sup>lt;sup>2</sup> Access to an electronic copy of this memorandum is available at <u>http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</u>.

#### **Estimated effect on customs revenue:**

HTS heading: <u>3910.00.00</u>										
$\searrow$	2005	2006	2007	2008	2009					
Col. 1-General rate of duty	3.0%	3.0%	3.0%	3.0%	3.0%					
Estimated value <i>dutiable</i> imports	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000					
Customs revenue loss <u>1</u> /	\$1,080	\$1,080	\$1,080	\$1,080	\$1,080					

 $\underline{1}$ / Estimate revenue loss for 2005 and 2006 results from a current suspension of duty per heading 9902.04.03, which expires December 31, 2006.

Source of estimated dutiable import data: Commission and 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)	s/No)	
LANXESS Corporation (Proponent) Mr. Seth Tomei, 412-809-3664 Ms. Jamie Schaeffer, 412-809-3666	09/13/2005	No	No	No	
BASF Corporation Mr. Greg Thies, 202-558-5100	09/16/2005	No	No	No	
Bayer Corporation Ms. Karen L. Niedermeyer, 412-777-2058	09/13/2005	No	No	No	
Celanese Corporation Mr. Bob Carpenter, 202-637-3469	09/16/2005	No	No	No	
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	09/16/2005	No	No	No	
DuPont Ms. Elaine M. Olsen, 302-992-2263	09/16/2005	No	No	No	
Efficient Global Trade, Inc. Mr. Henry P. Stoebenau, 215-628-4919	09/18/2005	No	No	No	

GE Silicones Mr. Ron Haynes, 518-237-3330	09/19/2005	No	No	No
Solutia, Inc. Mr. Bob Hurley, 202-289-9800	09/16/2005	No	No	No

## **Technical comments:**<sup>3</sup>

The Commission suggests that the article description of HTS heading 9902.04.03 be modified by deleting the word "subheading" and inserting the word "heading".

<sup>&</sup>lt;sup>3</sup> 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. 2451

To extend the temporary suspension of duty on Baysilone Fluid.

## IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2005

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

# A BILL

To extend the temporary suspension of duty on Baysilone Fluid.

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. BAYSILONE FLUID.** 

4 (a) IN GENERAL.—Heading 9902.04.03 of the Har5 monized Tariff Schedule of the United States (relating to
6 Baysilone Fluid) is amended by striking "12/31/2006"
7 and inserting "12/31/2009".

8 (b) EFFECTIVE DATE.—The amendment made by9 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.