

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: November 8, 2005]²

Bill No. and sponsor: H.R. 2532 (Mr. Eric Cantor of Virginia).

Proponent name, location: Albemarle Corporation, Richmond, VA.

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

Nature of bill: Temporary duty suspension through 12/31/2008.

Retroactive effect: None.

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

Urea, polymer with formaldehyde (Pergopak) (CAS No. 9011-05-6) (provided for in subheading 3909.10.00).

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 source(s) of imports:

The product is an organic urea-formaldehyde condensation polymer used as flattening/matting agents in paints, varnishes, and many other coating applications. The product is imported from Germany.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); 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: 3909.10.00					
	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	\$3,500,000	\$3,700,000	\$4,000,000	\$4,250,000	\$4,500,000
Customs revenue loss	\$227,500	\$240,500	\$260,000	\$276,250	\$292,500

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)	
Albemarle Corporation (Proponent) Mr. Louis Bollag, 201-444-9052 Ms. Barbara Little, 804-788-6000	09/26/2005	No	No	No
BASF Corporation Mr. Greg Thies, 202-904-2332	09/26/2005	No	No	No
Bayer Corporation Ms. Karen L. Niedermeyer, 412-777-2058	09/26/2005	No	No	No
Celanese Corporation Mr. Bob Carpenter, 202-637-3469	09/26/2005	No	No	No
Cytec Industries Ms. Emily Young, 203-294-5552	09/26/2005	No	No	No
Dow Chemical Company Ms. Lisa Schroeter, 202-429-3400	09/26/2005	No	No	No
DuPont Ms. Elaine M. Olsen, 302-992-2263	09/26/2005	No	No	No
Dynea (formerly Neste Resins Corp.) Mr. Ralph Yobp, 919-542-2526	09/27/2005	No	No	No
Georgia-Pacific Resin, Inc. Mr. Butch Dodd, 404-652-8385	09/27/2005	No	No	No

Hexion (formerly Borden Chemical, Inc.) Mr. Allen Weaver, 614-404-4843 Mr. Tom O'Shaunasy, 502-560-5202	09/27/2005	No	No	No
LANXESS Corporation Ms. Jamie Schaffer, 412-809-3666 Mr. Seth Tomei, 412-809-3664	09/26/2005	No	No	No
Perstorp Polyols, Inc. Ms. Evelyn M. Suarez, 202-293-8116 Mr. Jeffrey P.: Jones, 419-729-5448	09/28/2005	No	No	No
Solutia, Inc. Mr. Bob Hurley, 202-289-9800	09/16/2005	No	No	No

Technical comments:³

The Commission notes that the CAS number refers to a generic urea-formaldehyde resin. Pergopak is the trade name given to this particular chemical product.

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.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of enactment of this Act.

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