

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

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

[Date approved: September 23, 2005]²

Bill No. and sponsor: H.R. 2225 (Ms. Melissa A. Hart of Pennsylvania)

Proponent name, location: LANXESS Corp.
Pittsburgh, PA

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

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

Retroactive effect: None.

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

Aqueous polyurethane dispersions containing 38% to 42% solids content of propanoic acid, 3-hydroxy-2-(hydroxymethyl)-2-methyl-, polymer with 2-[(2-aminoethyl)amino]ethanesulfonic acid, monosodium salt, 1,6-diisocyanatohexane, diphenyl carbonate, 1,2-ethanediamine, 1,6-hexanediol, hydrazine, methyloxirane, oxirane and 1,2-propanediol, 2-(2-butoxyethoxy)ethanol-blocked (CAS No. 137898-95-4) (provided for in subheading 3909.50.50).

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 sold as BAYDERM® BOTTOM DLV, an aqueous dispersion of a medium-hard aliphatic urethane polymer used for high-performance leather finishes. It may also be cross-linked with other BAYDERM products. The product has a medium-hard film, along with excellent flexibility. It is recommended as a component for waterborne transfer coating and finishing of all types of leathers. BAYDERM® BOTTOM DLV is highly suitable for leather that requires excellent physical properties (especially furniture, automotive and transfer-coated leather). 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: 3909.50.50 | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
|  | 2005 | 2006 | 2007 | 2008 | 2009 |
| Col. 1-General rate of duty | 6.3% | 6.3% | 6.3% | 6.3% | 6.3% |
| Estimated value <i>dutiable</i> imports | \$2,000,000 | \$2,000,000 | \$2,100,000 | \$2,200,000 | \$2,300,000 |
| Customs revenue loss | \$126,000 | \$126,000 | \$132,300 | \$138,600 | \$144,900 |

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) | | |
| LANXESS Corp. (Proponent) Ms. Jamie Schaeffer 412-809-3666 | 08/04/2005 | No | No | No |
| LANXESS Corp. (Proponent) Mr. Steve Ziehm 202-872-8181 | 08/04/2005 | No | No | No |
| Bayer Corp. Ms. Karen L. Niedermeyer 412-777-2058 | 08/10/2005 | No | No | No |
| BASF Corp. Mr. Bruce D. Alkire 704-398-4204 | 08/08/2005 | No | No | No |
| Clariant Corp. Mr. Richie Payment 201-796-1042/1043 | 08/08/2005 | No | No | No |
| GST AutoLeather, Inc. Mr. Richard Kops 240-313-4074 | 08/10/2005 | No | No | No |
| Stahl USA, Inc Mr. Milt Barker 978-968-1441 | 08/08/2005 | No | No | No |

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide a more exact description of the 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.

109TH CONGRESS
1ST SESSION

H. R. 2225

To suspend temporarily the duty on Bayderm Bottom DLV.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2005

Ms. HART introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To suspend temporarily the duty on Bayderm Bottom DLV.

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. BAYDERM BOTTOM DLV.**

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:

| | | | | | | | |
|---|------------|--|------|-----------|-----------|-------------------------|----|
| “ | 9902.07.53 | Aqueous polyurethane dispersions containing 39% or greater content of Propanoic acid, 3-hydroxy-2-(hydroxymethyl)-2-methyl-, polymer with 2-[(2-aminoethyl)amino]ethanesulfonic acid monosodium salt, 1,6-diisocyanatohexane, diphenyl carbonate, 1,2-ethanediamine, 1,6-hexanediol, hydrazine, methyloxirane, oxirane and 1,2-propanediol, 2-(2-butoxyethoxy)ethanol-blocked (CAS No. 137898-95-4) (provided for in sub-heading 3909.50.50) | Free | No change | No change | On or before 12/31/2009 | ”. |
|---|------------|--|------|-----------|-----------|-------------------------|----|

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 the enactment of this Act.

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