

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. 2439 (Mr. Tim Murphy of Pennsylvania)

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

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

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

Retroactive effect: None.

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

Plasticizers containing diphenyl cresyl phosphate (CAS No. 26444-49-5), triphenyl phosphate (CAS No. 115-86-6), tricresyl phosphate (CAS No. 1330-78-5), and phenyl dicresyl phosphate (CAS No. 26446-73-1) (provided for in subheading 3812.20.10); and, Phosphoric acid, tris (2-ethylhexyl) ester (CAS No. 78-42-2) (provided for in subheading 2919.00.50)

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 subject chemical plasticizers are used as flame retardants in polyvinyl chloride (PVC), polyurethane foams, phenolic resins, and synthetic rubbers. They are imported from Germany.

Phosphoric acid, tris (2-ethylhexyl) ester is a low-temperature resistant product with flame retardant qualities for PVC, nitrile-butadiene rubber, and polyurethane applications. It is imported from Germany.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); 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:

Total Revenue Loss for this Bill					
	2005	2006	2007	2008	2009
 					
Customs revenue loss	\$40,300	\$40,300	\$40,300	\$43,550	\$43,550

Source of estimated dutiable import data: Industry estimates.

HTS subheading: <u>2919.00.50</u>					
	2005	2006	2007	2008	2009
 					
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
Customs revenue loss	\$24,050	\$24,050	\$24,050	\$24,050	\$24,050

Source of estimated dutiable import data: Industry estimates.

HTS subheading: <u>3812.20.10</u>					
	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	\$250,000	\$250,000	\$250,000	\$300,000	\$300,000
Customs revenue loss	\$16,250	\$16,250	\$16,250	\$19,500	\$19,500

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?
LANXESS Corporation (Proponent) Liese Wright, 202-872-8181	9/13/2005	No	No	No
BASF Corp. Tom Coleman, 202-289-3900	9/13/2005	No	No	No
Bayer Corp. Karen Niedermeyer, 412-777-2058	9/13/2005	No	No	No
Ciba Specialty Chemicals Corp. John Deming, 302-479-5499	9/13/2005	No	No	No
Clariant Corporation Andrew Zamoyski, 401-823-2230	9/13/2005	No	No	No
DuPont Elaine Olsen, 302-992-2263	9/13/2005	No	No	No
Lonza, Inc. Ray Esposito, 201-316-9200	9/13/2005	No	No	No

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used because it includes some additional flame retardant chemicals, and it includes the correct HTS subheading for those chemicals.

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. 2439

To suspend temporarily the duty on certain flame retardant plasticizers.

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 suspend temporarily the duty on certain flame retardant
plasticizers.

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 FLAME RETARDANT PLASTICIZERS.**

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:

“	9902.05.70	Diphenyl cresyl phosphate (CAS No. 26444-49-5) (provided for in subheading 2919.00.25)	Free	No change	No change	On or before 12/31/2009
	9902.05.71	Phosphoric Acid, tris (2- ethylhexyl) ester (CAS No. 78-42-2) (provided for in subheading 2919.00.50)	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 enactment of this Act.

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