

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: April 8, 2010]²

Bill No. and sponsor: S. 1951 (Mr. Johnny Isakson of Georgia).

Proponent name,³ location: Ashland, Inc., Brunswick, GA.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary suspension of duty through December 31, 2011.

Retroactive effect: None.

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

Gum Rosin (CAS No. 8050-09-7) (provided for in subheading 3806.10.00).

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 subject product is a solid resinous material that is isolated from the oleoresin exudate of living pine trees. Most of the imports of gum rosin are of Chinese origin (being derived from Spp. *Pinus Massoniana*, *P. Yunnanensis*, and *P. Elliottii*). Besides China, other rosin import suppliers include Brazil,⁴ Mexico,⁵ Honduras,⁶ Japan, and France.

Gum rosin is hydrogenated and/or esterified to produce tackifiers for the manufacture of chewing gum base and adhesives used in industrial, automotive, construction, and specialty applications. Some examples of downstream consuming industries include chewing gum producers (Wm. Wrigley, Jr. Company), adhesives producers (3M and Avery Dennison), and manufacturers involved in investment castings (Arguesco, wholly-owned subsidiary of Precision Cast Parts, which supplies aerospace parts to aircraft manufacturers).

On March 30, 2010, the ITC received a letter from Arizona Chemical objecting to this bill and stating that it produces the subject product.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David G. Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent identified four additional beneficiaries of this bill. USITC staff sent inquiries to the additional beneficiaries and received written representations from all four that they would benefit from this bill.

⁴ Imports of the subject product from Brazil may be eligible for duty-free treatment under the Generalized System of Preferences.

⁵ Imports of the subject product from Mexico may be eligible for duty-free treatment under the North American Free Trade Agreement.

⁶ Imports of the subject product from Honduras may be eligible for duty-free treatment under the Dominican Republic-Central America-United States Free Trade Agreement.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3806.10.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	5%	5%	5%	5%	5%
Estimated value <i>dutiable</i> imports ^a	\$7,000,000	\$7,700,000	\$8,500,000	\$9,350,000	\$10,000,000
Customs revenue loss ^b	\$350,000	\$385,000	\$425,000	\$467,500	\$500,000

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Ashland Inc. (Proponent) Patrick L. Grozier, 912-265-3550, x3281	11/27/2009	No	No	No
Arizona Chemical Company Glenda Haynes , 904-928-8700	11/27/2009	No	No	No
BASF Corporation Greg Thies, Fax: 202-558-5101	11/27/2009	No	No	No
Bayer Corporation Karen L. Niedermeyer, Fax: 412-777-4740	11/27/2009	No	No	No
Biddle Sawyer William Thonack, Fax: 212-239-1089	11/27/2009	No	No	No
Chemtura Corporation Matt Mattingley, Fax: 703-670-9313	11/27/2009	No	No	No
Ciba Specialty Chemicals Robert Hurley, Fax:202-289-3588	11/27/2009	No	No	No
Clariant Corp. Andrew Zamoyski, Fax: 202-248-9043	11/27/2009	No	No	No
Dow Chemical Lisa Schroeter, Fax: 202-429-3467	11/27/2009	No	No	No
Dupont Elaine M. Olsen Elaine.M.Olsen@USA.dupont.com	11/27/2009	No	No	No
Eastman Chemical Company Gregg Riddle, Fax: 212-835-1621	11/27/2009	No	No	No
Emerald Performance Chemicals Tom Dirmyer, Fax: 330-315-6480	11/27/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Galaxie Chemical Corp. Michael Santoro, Jr., Fax: 973-790-7104	11/27/2009	No	No	No
Hexion Specialty Chemicals Paul W. Langmeier, Fax: 281-205-2810	11/27/2009	No	No	No
Honeywell Int'l Art Simonetti, Fax: 202-662-2675	11/27/2009	No	No	No
Huntsman Corp. John Deming, Fax: 302-479-5499	11/27/2009	No	No	No
LANXESS Corporation Steve Ziehm, sziehm@ibgc.com	11/27/2009	No	No	No
Mason Color Works, Inc. Ann Mason Herdman, Fax: 330-385-4488	11/27/2009	No	No	No
Monsanto Corp. Grant Erdel, Fax: 202-789-1867	11/27/2009	No	No	No
PDM Incorporated Jean Murray, 302-478-0768	11/27/2009	No	No	No
PMC Inc. Gordon McCullough, Fax: 513-482-7884	11/27/2009	No	No	No
Resinall Corporation Henry Boswell, 252-585-1445	11/27/2009	No	No	No
Rhodia Corp. Dominick Cangiano, Fax: 609-860-2256	11/27/2009	No	No	No
Solutia Inc. Kassie D. Wooten, Fax: 314-674-1585	11/27/2009	No	No	No
Sun Chemical Corp. Steve Schmidt, Fax: 513-681-4960	11/27/2009	No	No	No

Technical comments:⁷ None.

⁷ 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.

111TH CONGRESS
1ST SESSION

S. 1951

To suspend temporarily the duty on Gum Rosin.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

Mr. ISAKSON introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on Gum Rosin.

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. GUM ROSIN.**

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:

“	9902.01.00	Gum Rosin (CAS No. 8050-09-7) (provided for in sub-heading 3806.10.00)	Free	No change	No change	On or before 12/31/2011	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) applies to goods entered, or withdrawn from

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- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

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