

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress <sup>1</sup>**

[Date approved: June 4, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2366 (Mr. George Voinovich of Ohio et al.).

**Proponent name,<sup>3</sup> location:** Lubrizol Advanced Materials, Inc., Cleveland, OH.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of temporary duty suspension through December 31, 2011.<sup>4</sup>

**Retroactive effect:** None.

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

50 percent amine neutralized phosphated polyester polymer, in solvesso 100 (CAS Nos. 64742-95-6, 95-63-6, 108-67-8, 98-82-8, and 1330-20-7) (provided for in subheading 3907.99.01).

**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 polymer that consists of an amine neutralized phosphated polyester polymer (50 percent by weight) in solvesso 100 solvent (50 percent). The product has been developed to disperse inorganic pigments into solvent-based industrial paints. The product is imported from the United Kingdom.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3907.99.01:**

	2010	2011	2012	2013	2014
<del>Col. 1-General rate of duty</del>					
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000	\$3,000,000
Customs revenue loss <sup>b</sup>	\$65,000	\$97,500	\$130,000	\$162,500	\$195,000

a/ Dutiable import estimates were based on Commission and industry estimates.

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

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

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

<sup>4</sup> Heading 9902.03.25 provided a temporary duty suspension for the subject product that expired on December 31, 2009.

**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)		
Lubrizol Advanced Materials, Inc. (Proponent) Joe Eskra, 216-447-5955, <a href="mailto:Joe.Eskra@lubrizol.com">Joe.Eskra@lubrizol.com</a> Mike Gill, 202-508-8843, <a href="mailto:mgill@crowell.com">mgill@crowell.com</a>	03/01/2010	No	No	No
Air Products and Chemicals, Inc. Steven Belaus, <a href="mailto:BELAUSSB@airproducts.com">BELAUSSB@airproducts.com</a>	03/01/2010	No	No	No
Arch Chemicals Chris Cice, <a href="mailto:cjcice@archchemicals.com">cjcice@archchemicals.com</a>	03/01/2010	No	No	No
Bayer Corporation Karen Niedermeyer, <a href="mailto:karen.niedermeyer.b@bayer.com">karen.niedermeyer.b@bayer.com</a>	03/01/2010	No	No	No
Dow Advanced Materials Geoffrey B. Hurwitz, <a href="mailto:ghurwitz@rohmmaas.com">ghurwitz@rohmmaas.com</a>	03/01/2010	No	No	No
Dupont Elaine M. Olsen, <a href="mailto:Elaine.M.Olsen@usa.dupont.com">Elaine.M.Olsen@usa.dupont.com</a> Brian Curtis, <a href="mailto:Brian.Curtis@usa.dupont.com">Brian.Curtis@usa.dupont.com</a>	03/01/2010	No	No	No
Evonik Industries Ron Birnbaum, <a href="mailto:ron.birnbaum@evonik.com">ron.birnbaum@evonik.com</a>	03/01/2010	No	No	No
Hexion Specialty Chemicals, Inc. Paul W. Langemeier, <a href="mailto:paul.langemeier@hexion.com">paul.langemeier@hexion.com</a>	03/01/2010	No	No	No
Huntsman Corporation Peter De Vries, <a href="mailto:peter_de_vries@huntsman.com">peter_de_vries@huntsman.com</a>	03/01/2010	No	No	No
Lanxess Corporation Jamie Schaeffer, <a href="mailto:jamie.schaeffer@lanxess.com">jamie.schaeffer@lanxess.com</a>	03/01/2010	No	No	No
Lucite International, Inc. Kathy Fewell, <a href="mailto:kathy.fewell@lucite.com">kathy.fewell@lucite.com</a> Troy Harpole, <a href="mailto:troy.harpole@lucite.com">troy.harpole@lucite.com</a>	03/01/2010	No	No	No
MCT International Max Turnipseed, <a href="mailto:mctint@att.net">mctint@att.net</a>	03/01/2010	No	No	No
Reichhold, Inc. Edward R. Levdon, <a href="mailto:ed.leydon@reichhold.com">ed.leydon@reichhold.com</a>	03/01/2010	No	No	No
Shell Chemical Company Steve Chin, <a href="mailto:steve.chin@shell.com">steve.chin@shell.com</a>	03/01/2010	No	No	No

**Technical comments:**<sup>5</sup>

The Commission staff notes that the subject product was eligible for a temporary duty suspension under HTS heading 9902.03.25, which expired on December 31, 2009. The Commission staff suggests that, rather than enacting a new duty suspension, heading 9902.03.25 be used to extend the duty suspension by modifying the date in the effective period column of heading 9902.03.25. The Commission staff also notes that, in the rate of duty column in the proposed heading, “0%” should be deleted and the word “Free” should be inserted in lieu thereof.

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<sup>5</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.

111TH CONGRESS  
1ST SESSION

# S. 2366

To suspend temporarily the duty on 50 Percent Amine Neutralized  
Phosphated Polyester Polymer, 50 Percent Solvesso 100.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. VOINOVICH (for himself and Mr. BROWN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on 50 Percent Amine Neu-  
tralized Phosphated Polyester Polymer, 50 Percent  
Solvesso 100.

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. 50 PERCENT AMINE NEUTRALIZED**  
4 **PHOSPHATED POLYESTER POLYMER, 50 PER-**  
5 **CENT SOLVESSO 100.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of  
7 the Harmonized Tariff Schedule of the United States is  
8 amended by inserting in numerical sequence the following  
9 new heading:

“	9902.01.00	50 Percent Amine Neutralized Phosphated Polyester Polymer, 50 Percent Solvesso 100 (provided for in sub-heading 3907.99.00) .....	0%	No change	No change	On or before 12/31/2011	”.
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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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