

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress ¹**

[Date approved: August 3, 2010]²

Bill No. and sponsor: S. 2467 (Mr. John Cornyn of Texas).

Proponent name,³ location: Toppan Photomasks, Inc., Round Rock, TX.

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

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

Retroactive effect: None.

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

Photomask blanks with synthetic quartz substrates, with zero defects greater than 0.5 microns in the photoresist and in the chromium or phase shift layers (provided for in subheading 3701.99.60).

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 products are primarily used to create patterns for integrated circuits, otherwise known as memory chips or microprocessors. Integrated circuits are used in electronic products such as computers and cell phones. Photomask blanks are made of polished, high-purity quartz glass. The process by which photomask blanks make patterns for integrated circuits is similar to that in which “negatives” are used in photography to reproduce images. The subject products are mostly imported from Japan.

¹ Industry analyst preparing report: Mihir Torsekar (202-205-3350); 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 did not identify any additional beneficiaries of this bill. USITC staff identified six additional beneficiaries of this bill that were not identified by the sponsor/proponent, none of which submitted a written representation that it would benefit from this bill.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3701.99.60:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.7%	3.7%	3.7%	3.7%	3.7%
Estimated value <i>dutiable</i> imports ^a	\$25,000,000	\$23,750,000	\$22,562,500	\$21,434,375	\$20,362,500
Customs revenue loss ^b	\$925,000	\$878,750	\$834,813	\$793,072	\$753,413

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)		
Toppan Photomasks, Inc. (Proponent) Anthony Munguia, 512-310-6574	02/17/2010	No	No	No
Advanced Micro Devices, Inc. Gary Wolland, 512-602-1000	02/17/2010	No	No	No
Applied Materials Connie Duncan, Connie_Duncan@amat.com	02/17/2010	No	No	No
Intel Corp. Chuck Mulloy, cmulloy@intel.com	02/17/2010	No	No	No
KLA-Tencor Meggan Powers, meggan.powers@kla-tencor.com	02/17/2010	No	No	No
Lam Research Corp. Lisa Garber, Lisa.Garber@lamresearch.com	02/17/2010	No	No	No
Novellus Systems, Inc. Martin J. Collins, 408-943-9700	02/17/2010	No	No	No

Technical comments:⁴

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

⁴ 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. 2467

To suspend temporarily the duty on photomask blanks.

IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

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

A BILL

To suspend temporarily the duty on photomask blanks.

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. PHOTOMASK BLANKS.**

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	Photomask blanks, either binary or phase shift, with synthetic quartz substrates, with zero defects greater than 0.5 microns in the photoresist and chromium or phase shift layer (provided for in sub-heading 3701.99.60)	Free	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 articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

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